

**FORM OF
MASTER TRUST AGREEMENT***

BY AND BETWEEN

AUSTIN TRANSIT PARTNERSHIP LOCAL GOVERNMENT CORPORATION

AND

AS TRUSTEE

SECURING
CONTRACT REVENUE OBLIGATIONS

Dated as of _____, ____

*The Master Trust Agreement will be completed and finalized in accordance with the final pricing, sale and delivery of the Initial Obligations.

TABLE OF CONTENTS

	<u>Page</u>
RECITALS	1

ARTICLE I DEFINITIONS

Section 101.	Meaning of Words and Terms	4
Section 102.	Miscellaneous Definitions	4
Section 103.	Signing of Certificates and Opinions	5
Section 104.	References	5

ARTICLE II AUTHORIZATION AND ISSUANCE OF OBLIGATIONS

Section 201.	Establishment of the Project Connect Revenue Financing Program and Issuance of Obligations.....	5
Section 202.	Terms of Obligations	5
Section 203.	Details of Obligations	5
Section 204.	Interest on Obligations.....	5
Section 205.	Form of Obligations.....	6
Section 206.	Registration, Transfer, Payment, Substitution and Description of Obligations; Book-Entry Only Obligations	6
Section 207.	Issuance of Senior Lien Obligations	7
Section 208.	Issuance of Subordinate Lien Obligations	10
Section 209.	Effect of Bankruptcy Related Event	12
Section 210.	Increase in Financing Program	13
Section 211.	Issuance of Inferior Lien Obligations	13
Section 212.	Additional Obligation Security	13

ARTICLE III REDEMPTION AND PURCHASE OF OBLIGATIONS

Section 301.	Redemption and Tender of Obligations.....	13
Section 302.	Purchase of Obligations	13

ARTICLE IV CUSTODY AND APPLICATION OF PROCEEDS OF OBLIGATIONS

Section 401.	Project Fund.....	14
Section 402.	Payments from Project Fund.....	14
Section 403.	Trustee Disbursements from Project Fund	14
Section 404.	Trustee to Retain Requisitions	15
Section 405.	Alternate Provisions for Project Fund.....	15

**ARTICLE V
REVENUES AND FUNDS**

Section 501.	Covenants as to Pledged Revenues.....	15
Section 502.	Revenue Fund	16
Section 503.	Creation of Rebate Fund; Debt Service Fund and Corporation General Fund	16
Section 504.	Flow of Funds	16
Section 505.	Application and Pledge of Moneys in Debt Service Funds	19
Section 506.	Withdrawals from Interest Accounts	20
Section 507.	Application of Moneys in Principal/Redemption Accounts; Payment of Obligations and Payment Obligations; Redemption of Obligations.....	20
Section 508.	Application of Moneys in Reserve Accounts	21
Section 509.	Corporation General Fund	21
Section 510.	Moneys Set Aside for Principal and Interest Held in Trust; Unclaimed Moneys ..	22
Section 511.	Cancellation of Obligations Upon Payment	22

**ARTICLE VI
DEPOSITS, SECURITY FOR DEPOSITS
AND INVESTMENT OF FUNDS**

Section 601.	Deposits Constitute Trust Funds; Security for Deposits.....	22
Section 602.	Investment of Moneys; Time Deposits or other Arrangements in Lieu of Investments	23
Section 603.	Investments and Deposits Deemed to be Part of Funds and Accounts for which Purchased; Valuation of Funds or Accounts; Rebates to United States of America.....	23
Section 604.	Guaranteed Investment Contracts.....	24

**ARTICLE VII
PARTICULAR COVENANTS**

Section 701.	Payment of Principal, Interest and Premium	24
Section 702.	Rights of Trustee or Owners Not to be Impaired.....	25
Section 703.	Further Instruments and Action	25
Section 704.	Annual Audits	25
Section 705.	Tax Covenants	25
Section 706.	Funding Agreement	26

**ARTICLE VIII
EVENTS OF DEFAULT AND REMEDIES**

Section 801.	Remedies Applicable	26
Section 802.	Events of Default	26
Section 803.	Enforcement of Remedies; No Acceleration	27
Section 804.	Pro Rata Application of Funds.....	28
Section 805.	Effect of Discontinuance of Proceedings.....	29
Section 806.	Majority of Owners May Control Proceedings.....	29
Section 807.	Restrictions Upon Action by Individual Owner	30

Section 808.	Actions by Trustee	30
Section 809.	No Remedy Exclusive.....	30
Section 810.	No Delay or Omission Construed to be a Waiver; Repeated Exercise of Powers and Remedies; Waiver of Default.....	30
Section 811.	Notice of Default.....	31
Section 812.	Bond Insurer's Rights.....	31

ARTICLE IX CONCERNING THE TRUSTEE

Section 901.	Acceptance of Trusts.....	31
Section 902.	Trustee Entitled to Indemnity; Trustee May Act Without Indemnity; Reimbursement of Trustee.....	32
Section 903.	Limitation on Liabilities and Responsibilities of Trustee.....	33
Section 904.	Trustee Not Liable for Failure of Corporation to Act or for Deposits in Other Banks.....	33
Section 905.	Compensation and Indemnification of Trustee.....	33
Section 906.	Trustee May Rely on Certificates	33
Section 907.	Notice of Default.....	34
Section 908.	Trustee May Deal in Obligations and Take Action as Owners	34
Section 909.	Trustee Not Responsible for Recitals	34
Section 910.	Trustee Protected in Relying on Certain Documents.....	34
Section 911.	Other Rights of the Trustee.....	34
Section 912.	Resignation of Trustee	35
Section 913.	Removal of Trustee.....	35
Section 914.	Appointment of Successor Trustee	35
Section 915.	Vesting of Trusts in Successor Trustee.....	36
Section 916.	Verifications of Statutory Representations and Covenants	37

ARTICLE X EXECUTION OF INSTRUMENTS BY OWNERS AND PROOF OF OWNERSHIP OF OBLIGATIONS

Section 1001.	Execution of Instruments by Owners; Proof of Execution; Proof of Holding of Obligations; Other Proof; Owners' Actions Bind Future Owners	38
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ARTICLE XI SUPPLEMENTAL AGREEMENTS

Section 1101.	Supplemental Agreements by Corporation and Trustee	38
Section 1102.	Modification of Trust Agreement and Supplemental Agreements with Consent of a Majority of Owners of Obligations; Restrictions on Modifications; Notice of Supplemental Agreements.....	41
Section 1103.	Trustee Joining in Supplemental Agreements; Supplemental Agreements Part of Trust Agreement.....	42
Section 1104.	Reliance by Trustee on Opinion of Counsel	43
Section 1105.	Rights of Bond Insurers	43

**ARTICLE XII
DEFEASANCE**

Section 1201. Release of Master Trust Agreement	43
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**ARTICLE XIII
MISCELLANEOUS PROVISIONS**

Section 1301. Manner of Giving Notice, Etc.....	43
Section 1302. Rights Under Master Trust Agreement.....	44
Section 1303. No Pledge of Credit of City, Capital Metro or any Political Subdivision	44
Section 1304. Effect of Partial Invalidity	44
Section 1305. Effect of Covenants, Etc.	44
Section 1306. Multiple Counterparts	45
Section 1307. Headings, Etc. Not Part of Trust Agreement	45
Section 1308. Obligations Held by Corporation.....	45
Section 1309. Further Assurances.....	45
Section 1310. Limitation of Liability of Officials	45
Section 1311. Governing Law; Jurisdiction.....	46
Section 1312. Execution	46

EXHIBIT A – Definitions

EXHIBIT B – Form of Project Fund Requisition Certificate

MASTER TRUST AGREEMENT

This Master Trust Agreement, dated as of _____, 202_ (this "Master Trust Agreement"), by and between the Austin Transit Partnership Local Government Corporation, created under the laws of the State of Texas, including particularly Chapter 431, Texas Transportation Code, Chapter 394, Texas Local Government Code, and Chapter 22, Texas Business Organizations Code (the "Corporation") and _____, a national banking association duly organized and existing under the laws of the United States, which is authorized under such laws to exercise corporate trust powers, and is subject to examination by federal authority, as trustee (the "Trustee").

W I T N E S S E T H:

WHEREAS, beginning in 2016, in an effort to address the concerns of its residents, the City of Austin (the "City") began planning a comprehensive, ambitious, and transformative multi-modal transit system and related public improvements that would eventually become known as "Project Connect," a comprehensive regional transportation plan that seeks to enhance mobility and deliver transit solutions throughout the City; and

WHEREAS, in 2019 the City and Capital Metro publicly unveiled Project Connect, and on June 10, 2020, the City Council adopted Resolution No. 20200610-002, which amended the City's strategic mobility plan (the "ASMP") to include the "Project Connect System Plan," which outlined a comprehensive vision for multi-modal high-capacity transit for Austinites, consisting of light rail, commuter rail, rapid transit bus service, express-bus service, on-demand transit service, park-and-ride facilities, transit centers, and related right-of-way improvements; and

WHEREAS, on August 12, 2020, the City Council adopted an election ordinance, ordering a special election to be held in the City on November 3, 2020, for the purpose of funding and authorizing an increase to the City's maintenance and operations tax rate to provide funds for Project Connect through the following proposition ("Proposition A"):

City of Austin Proposition A

Approving the ad valorem tax rate of \$0.5335 per \$100 valuation in the City of Austin for the current year, a rate that is \$0.0875 higher per \$100 valuation than the voter-approval tax rate of the City of Austin, for the purpose of providing funds for a citywide traffic-easing rapid transit system known as Project Connect, to address traffic congestion, expand service for essential workers, reduce climate change emissions, decrease traffic fatalities, create jobs, and provide access to schools, health care, jobs and the airport; to include neighborhood supportive affordable housing investments along transit corridors and a fixed rail and bus rapid transit system, including associated road, sidewalk, bike, and street lighting improvements, park and ride hubs, on-demand neighborhood circulator shuttles, and improved access for seniors and persons with disabilities; to be operated by the Capital Metropolitan Transportation Authority, expending its funds to build, operate and maintain the fixed rail and bus rapid transit system; the additional revenue raised by the tax rate is to be dedicated by the City to an independent board to oversee and finance the acquisition, construction, equipping, and operations and maintenance of the rapid transit system by providing funds for loans and grants to

develop or expand transportation within the City, and to finance the transit-supportive anti-displacement strategies related to Project Connect. Last year, the ad valorem tax rate in the City of Austin was \$0.4431 per \$100 valuation.

WHEREAS, City voters approved Proposition A by 58% with a turnout of approximately 71% of registered voters, the largest voter turnout in the history of the City; and

WHEREAS, following the passage of Proposition A, the Corporation was created to implement Project Connect in a manner independent of the City and Capital Metro; and

WHEREAS, the Corporation is primarily responsible for the implementation of the light-rail improvements and associated infrastructure described in the Project Connect System Plan as modified in June of 2023 by the City and Capital Metro's adoption of the Austin Light Rail Implementation Plan, respectively (as such plan may from time to time be amended or supplemented, the "Austin Light Rail Implementation Plan"), which modifies and supplements the vision for light rail presented as part of the original Project Connect System Plan, creating a financially viable first phase for light rail; and

WHEREAS, to further the objectives of the development and implementation of Project Connect, the City and the Corporation have entered into that certain "Amended and Restated Interlocal Cooperation Agreement between Austin Transit Partnership Local Government Corporation and the City of Austin for the Implementation of Project Connect" effective as of February 16, 2024 (as amended or supplemented from time to time, the "Funding Agreement"), whereby the City has agreed, subject to Appropriation, to pay the Corporation the revenues generated from Proposition A (the "Contract Revenues"), and the Corporation has agreed to use the Contract Revenues solely for purposes reasonably necessary to accomplish the governmental purposes for which the Corporation was formed, namely the implementation of Project Connect; and

WHEREAS, the Corporation desires to enter into this Master Trust Agreement to establish a financing program to pay for the Costs of planning, designing, acquiring and constructing the Light Rail Components as further provided herein; and

WHEREAS, the Obligations are special obligations of the Corporation, do not constitute a debt of the City or Capital Metro or a pledge of the faith and credit of the City or Capital Metro and the City and Capital Metro are not obligated to pay the Obligations or the interest thereon, as herein authorized, and such Obligations are payable by the Corporation solely from the Trust Estate, including the Pledged Revenues, as provided in this Master Trust Agreement and any Supplemental Agreements, and the faith and credit and the taxing power of the City and Capital Metro are not pledged to the payment of the Principal of or interest on the Obligations and Payment Obligations herein authorized; and

WHEREAS, the execution and delivery of this Master Trust Agreement have been duly authorized by resolution of the Board of Directors of the Corporation adopted on February 16, 2024, and this Master Trust Agreement and any Supplemental Agreements are intended to govern all matters relating to the Obligations; and

WHEREAS, all acts, conditions and things required by the State Constitution and laws of the State to happen, exist and be performed precedent to and in the execution and delivery of this Master Trust Agreement, have happened, exist and have been performed as so required, in order to make this Master Trust Agreement a valid, binding and legal agreement for the security and payment of the Obligations in accordance with their terms; and

WHEREAS, the Trustee has accepted the trusts created by this Master Trust Agreement and in evidence thereof has joined in the execution hereof;

NOW, THEREFORE, THIS MASTER TRUST AGREEMENT WITNESSETH, that to obtain the acceptance by the Trustee of the trusts hereby created, and for the purpose of fixing and declaring the terms and conditions upon which the Obligations are to be issued, executed, delivered, secured and accepted by all Persons who shall from time to time be or become Owners thereof, and in order to secure the payment of all the Obligations, and the interest thereon according to their tenor, purpose and effect, and in order to secure the performance and observance of all of the covenants, agreements and conditions therein and herein contained, the Corporation does hereby pledge and assign to the Trustee, to the extent and under the terms and conditions provided herein, (a) the Pledged Revenues and all rights to receive the same, whether pursuant to the Funding Agreement or otherwise and the proceeds of such rights whether now owned or held or hereafter coming into existence, (b) all money, including investment earnings, held by the Trustee in the various funds and accounts created hereunder (but excluding moneys on deposit in (1) any purchase or defeasance fund or redemption account created for the benefit of only certain Obligations to be purchased, defeased or redeemed, (2) the Rebate Fund, and (3) the Corporation General Fund), (c) to the extent set forth in a Supplemental Agreement, any Additional Obligation Security for one or more Series (but only to the extent of the terms and provisions of such Additional Obligation Security) and (d) all payments received by the Corporation pursuant to a Credit Agreement, but only to the extent provided by the terms and provisions of any such Credit Agreement (collectively, the "Trust Estate"), as security,

FIRST: for the payment of the Senior Lien Obligations and the interest thereon and as security for the satisfaction of any other obligation assumed by the Corporation pursuant to this Master Trust Agreement in connection with the Senior Lien Obligations, and for the equal and proportionate benefit and security of all and singular, the present and future Owners of the Senior Lien Obligations entitled to the benefit of this Master Trust Agreement, in accordance with the priorities and distinctions as to lien as set forth in this Master Trust Agreement; provided that, the Trustee shall apply the security pledged hereunder to the payment of the Principal of, and interest on, and other payments with respect to the Senior Lien Obligations and for the purposes and uses and in the order of priority set forth herein prior to the payment of the Principal of, and interest on, and other payments with respect to the Subordinate Lien Obligations;

SECOND: subject to the security interest pledged for the security and payment of the Senior Lien Obligations and for the payment of the Subordinate Lien Obligations and the interest thereon and as security for the satisfaction of any other obligation assumed by the Corporation pursuant to this Master Trust Agreement in connection with the Subordinate Lien Obligations, and for the benefit and security of all and singular, the future Owners of

the Subordinate Lien Obligations entitled to the benefit of this Master Trust Agreement, in accordance with the priorities and distinctions as to lien as set forth in this Master Trust Agreement; provided that, the Trustee shall apply the security pledged hereunder to the payment of the Principal of, and interest on, and other payments with respect to the Subordinate Lien Obligations and for the purposes and uses and in the order of priority set forth herein which application shall be subordinate to the payment of the Principal of, and interest on, and other payments with respect to the Senior Lien Obligations; and

THIRD: subject to the security interest pledged for the security and payment of Senior Lien Obligations and Subordinate Lien Obligations and for the payment of any Inferior Lien Obligations and the interest thereon and as security for the satisfaction of any other obligation assumed by the Corporation pursuant to this Master Trust Agreement in connection with such Inferior Lien Obligations, and for the benefit and security of all and singular, the future Owners of any Inferior Lien Obligations entitled to the benefit of this Master Trust Agreement and any applicable Supplemental Agreement, in accordance with the priorities and distinctions as to lien as set forth in this Master Trust Agreement and any applicable Supplemental Agreement; provided that, the Trustee shall apply the security pledged hereunder to the payment of the Principal of, and interest on, and other payments with respect to the Inferior Lien Obligations and for the purposes and uses and in the order of priority set forth herein and in any applicable Supplemental Agreement which application shall be subordinate to the payment of the Principal of, and interest on, and other payments with respect to the Senior Lien Obligations and Subordinate Lien Obligations;

provided, however, that to the extent that any funds and accounts are pledged to the benefit of any specific Obligations, such amounts held in such funds and accounts shall be dedicated to the payment of such corresponding Obligations.

ARTICLE I DEFINITIONS

Section 101. Meaning of Words and Terms. In addition to words and terms elsewhere defined in this Master Trust Agreement, the capitalized words and terms as used in this Master Trust Agreement shall have the meanings set forth in Exhibit "A."

Section 102. Miscellaneous Definitions. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neutral genders (and vice versa). Words of the singular number shall be construed to include correlative words of the plural number and vice versa. References to any named person means that party and its successor and assigns. Unless the context shall otherwise require, the words "hereto," "herein," "hereof," "hereunder" and other words of similar import refer to this Master Trust Agreement as a whole. Unless the context shall otherwise require, all references to any resolution, contract, agreement or other document shall be deemed to include any appendices, exhibits, annexes or schedules thereto and any amendments to, or modifications or restatements of, such documents that are approved in accordance with the terms thereof and hereof.

Section 103. Signing of Certificates and Opinions. Certificates and opinions to be signed by any consultant of the Corporation, Bond Counsel, Counsel to the Corporation, general counsel to the Corporation or other partnerships, firms or corporations, may be signed by any partner or officer of, or any representative designated by, the organization making the certificate or opinion.

Section 104. References. All references in this Master Trust Agreement to designated "Articles," "Sections," and other subdivisions are to the designated Articles, Sections and other subdivisions of this Master Trust Agreement. All references in this Master Trust Agreement to "Exhibits" are to the designated Exhibits to this Master Trust Agreement.

ARTICLE II AUTHORIZATION AND ISSUANCE OF OBLIGATIONS

Section 201. Establishment of the Contract Revenue Financing Program and Issuance of Obligations. As authorized by the Acts and other applicable provisions of State law, the Contract Revenue Financing Program (the "Financing Program") is hereby established for the purpose of providing a financing structure for the issuance of Obligations by the Corporation secured by and payable from a pledge of and lien on the Trust Estate. This Master Trust Agreement is intended to establish a master financing program under which Obligations of the Financing Program may be incurred. The Financing Program is initially established in the aggregate principal amount of Obligations Outstanding (excluding any amounts under Credit Agreements providing liquidity or credit support for Outstanding Obligations, any Reserve Surety Agreement for any reserve account or any interest rate or basis swap Credit Agreements) of not to exceed \$5,000,000,000, subject to the provisions of the Acts and other applicable provisions of State law, this Master Trust Agreement, and each Supplemental Agreement (the "Controlling Provisions"). Each Series of Obligations shall be issued pursuant to a Supplemental Agreement and no Obligations shall be issued unless the Corporation has complied with the Controlling Provisions.

Each Supplemental Agreement shall provide for the authorization, issuance, sale, delivery, form, characteristics, provisions of payment and redemption, and security of each Series of Obligations and any other matters related to the Obligations not inconsistent with the Controlling Provisions.

Section 202. Terms of Obligations. Each Obligation shall be designated as provided in the respective Supplemental Agreement authorizing such Obligation and shall be of the lien status specified therein.

Section 203. Details of Obligations. The respective Supplemental Agreements authorizing Obligations, including Credit Agreements, shall provide the terms of the Obligations issued or incurred thereunder.

Section 204. Interest on Obligations. The unpaid Principal balance of the Obligations shall bear interest, and the interest shall be payable, all in the manner provided and at the rates and

on the dates stated in the respective Supplemental Agreement authorizing the Obligations or the proceedings approved by the Corporation in connection therewith.

Section 205. Form of Obligations. The form of the Obligations shall be established in the respective Supplemental Agreement authorizing their issuance.

Section 206. Registration, Transfer, Payment, Substitution and Description of Obligations; Book-Entry Only Obligations. (a) The Supplemental Agreements pursuant to which Obligations are issued shall set forth requirements with respect to the registration and transfer, ownership, payments of Principal and interest, conversion, exchange, replacement, authentication and all other terms applicable to each Series of Obligations issued in the form of a public security.

(b) Unless otherwise provided in a Supplemental Agreement, Obligations, other than Credit Agreements, shall be Book-Entry Obligations. All Book-Entry Obligations shall be registered in the name of Cede & Co., as nominee of DTC or any successor Securities Depository. The Corporation and the Trustee acknowledge that the Corporation has executed and delivered a Letter of Representations to DTC or any successor Securities Depository. All payments of Principal of, redemption premium, if any, and interest on the Book-Entry Obligations and all notices with respect thereto, including notices of full or partial redemption, shall be made and given at the times and in the manner set out in the Letter of Representations. The terms and provisions of the Letter of Representations shall govern in the event of any inconsistency between the provisions of this Master Trust Agreement and the Letter of Representations. The Letter of Representations may be amended or replaced without any Owner consent.

Except to the extent provided in a Supplemental Agreement, the Book-Entry-Only System for all of the Book-Entry Obligations may be terminated and certificates delivered to and registered in the name of the Beneficial Owners, under either of the following circumstances:

- (i) the then current Securities Depository notifies the Corporation and the Trustee that it is no longer willing or able to act as Securities Depository for the Book-Entry Obligations and a successor Securities Depository for the Book-Entry Obligations is not appointed by the Corporation prior to the effective date of such discontinuation; or
- (ii) the Corporation determines that continuation of the Book-Entry-Only System through the then current Securities Depository (or a successor Securities Depository) is not in the best interest of the Corporation.

In the event a successor Securities Depository is appointed by the Corporation, the Book-Entry Obligations will be registered in the name of such successor Securities Depository or its nominee. In the event certificates are required to be issued to Beneficial Owners, the Trustee and the Corporation shall be fully protected in relying upon a certificate of the Securities Depository or any participant thereof as to the identity of and the Principal amount of Book-Entry Obligations held by such Beneficial Owners.

The Beneficial Owners of Obligations will not receive physical delivery of certificates except as provided herein. For so long as there is a Securities Depository for Obligations, all of such Obligations shall be registered in the name of the Securities Depository or a nominee of the Securities Depository, all transfers of beneficial ownership interests in such Obligations will be made in accordance with the rules of the Securities Depository, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of such Obligations is to receive, hold or deliver any certificate. The Corporation and the Trustee shall have no responsibility or liability for transfers of beneficial ownership interests in such Obligations.

Subject to Section 1001, the Corporation and the Trustee will recognize the Securities Depository or its nominee as the Owner of Book-Entry Obligations for all purposes, including receipt of payments, notices and voting; provided the Trustee may recognize votes by or on behalf of Beneficial Owners as if such votes were made by Owners of a related portion of the Obligations when such votes are received in compliance with an omnibus proxy of the Securities Depository or otherwise pursuant to the rules of the Securities Depository or the provisions of the Letter of Representations or other comparable evidence delivered to the Trustee by the Owners.

Subject to Section 1001, with respect to Book-Entry Obligations, the Corporation and the Trustee shall be entitled to treat the Person in whose name such Obligation is registered as the absolute owner of such Obligation for all purposes of this Master Trust Agreement, and neither the Corporation nor the Trustee shall have any responsibility or obligation to any Beneficial Owner of such Book-Entry Obligation. Without limiting the immediately preceding sentence, neither the Corporation nor the Trustee shall have any responsibility or obligation with respect to (A) the accuracy of the records of any Securities Depository or any other Person with respect to any ownership interest in Book-Entry Obligations, (B) the delivery to any Person, other than an Owner, of any notice with respect to Book-Entry Obligations, including any notice of redemption or refunding, (C) the selection of the particular Obligations or portions thereof to be redeemed or refunded in the event of a partial redemption or refunding of part of the Obligations Outstanding or (D) the payment to any Person, other than an Owner, of any amount with respect to the Principal of, redemption premium, if any, or interest on Book-Entry Obligations.

Section 207. Issuance of Senior Lien Obligations. (a) This Section 207 shall not be applicable to the issuance of any Senior Lien Obligations which constitute the Initial Obligations.

(b) To the extent and in the manner provided in this Section, the Corporation reserves and shall have the right and power to issue or incur, at one time or from time to time, Senior Lien Obligations, including Senior Lien Credit Agreements, which Senior Lien Obligations, when issued or incurred, shall be secured by and payable from a lien on and pledge of the Trust Estate. Each Series of Senior Lien Obligations shall be created and delivered pursuant to a Supplemental Agreement. Senior Lien Obligations shall be in all respects of equal dignity and on parity with any then Outstanding Senior Lien Obligations.

(c) Senior Lien Obligations may be issued for any purpose authorized by this Master Trust Agreement, including the refunding of Obligations or other debt related to the purposes of this Master Trust Agreement and/or the redemption premium or the interest thereon, at any time authorized. Such Senior Lien Obligations shall be designated, dated, bear interest (either fixed,

variable, or a combination thereof), mature, and may be subject to mandatory or optional tender for purchase or redemption prior to maturity with moneys from the Senior Lien Debt Service Fund, shall be payable from such source or sources, further secured by any reserve fund or other funds, if any, and shall be executed, sold, and delivered, all as is provided in the resolution, as described in (d) below, and the Supplemental Agreement authorizing the issuance of such Senior Lien Obligations, provided that the provisions of such Senior Lien Obligations shall not be in conflict with the provisions of this Master Trust Agreement. Such Senior Lien Obligations shall be issued, executed, and delivered in the form and manner as prescribed in the resolution, the applicable Supplemental Agreement authorizing the same, and such Senior Lien Obligations shall be secured and payable as set forth in this Master Trust Agreement and such resolution, and shall be on parity with any then Outstanding Senior Lien Obligations with respect to the Trust Estate.

(d) Senior Lien Obligations shall be issued and delivered only after adoption by the Corporation of a resolution and Supplemental Agreement which, in part, shall (i) authorize the Obligations and direct their delivery, (ii) describe in brief and general terms the purpose or purposes for which such Obligations are to be issued, (iii) specify and determine the title and other provisions of such Obligations in accordance with paragraph (c) of this Section, (iv) set forth or provide for the approval of the form of the Obligation, (v) authorize any reserve fund or other funds for such Obligations pursuant to Section 207(g) and (vi) provide for the retirement of such Obligations from the Senior Lien Principal/Redemption Account or otherwise, provided that the provisions with respect to such Obligations shall not be in conflict with the provisions of this Master Trust Agreement.

(e) Upon their authorization by resolution of the Corporation as described above, the Senior Lien Obligations of a Series issued under this Section 207 shall be issued in the manner hereinabove set forth or referred to, and shall be delivered to the purchasers or counterparties thereof, but before, or concurrently with, the delivery of such Obligations to such purchasers or counterparties, there shall have been filed with the Trustee the following:

- (i) a copy, certified by an official of the Corporation, of the resolution of the Corporation authorizing the Senior Lien Obligations and directing their delivery to the purchasers;
- (ii) an executed counterpart of the related Supplemental Agreement;
- (iii) a certificate signed by a Corporation Representative (A) to the effect that no Event of Default has occurred and is continuing under this Master Trust Agreement or any Supplemental Agreement or, after the issuance of the proposed Senior Lien Obligations to cure an existing Event of Default under this Master Trust Agreement or any Supplemental Agreement, no Event of Default will be continuing under this Master Trust Agreement or any Supplemental Agreement and (B) updating any certificate delivered pursuant to Section 504(a) for the then current Fiscal Year to account for the issuance of then proposed Senior Lien Obligations; and
- (iv) except in the case of refundings as provided in Section 207(f), a Corporation Representative or Financial Consultant signs and delivers to the Corporation and

the Trustee a written certification to the effect that, during either the immediately preceding Fiscal Year, or any consecutive twelve (12) month period out of the fifteen (15) month period immediately preceding the date of issuance of the then proposed Senior Lien Obligations, the Pledged Revenues were equal at least to 1.50 times the maximum annual Debt Service Requirement (computed on a Fiscal Year basis) of the Senior Lien Obligations to be outstanding after the issuance of the then proposed Senior Lien Obligations.

(f) The certification provided in Section 207(e)(iv) is not required in the case of Senior Lien Obligations being issued to refund other Senior Lien Obligations if a Corporation Representative or Financial Consultant signs and delivers to the Corporation a certificate stating that the issuance of such Senior Lien Obligations decreases the then existing average annual Debt Service Requirements of the Senior Lien Obligations being refunded and the final maturity of the Senior Lien Obligations being issued is not greater than the final maturity of the Senior Lien Obligations being refunded.

(g) The Corporation may establish a reserve account, a Capitalized Interest Account and/or any other fund or funds pursuant to the provisions of the applicable Supplemental Agreement for any purpose authorized by law including the purpose of paying or securing a particular Series of Senior Lien Obligations, any specific group of Series of Senior Lien Obligations or, for a Capitalized Interest Account, any specific group of Obligations (without regard to the particular Lien) authorized by the same particular Supplemental Agreement. Any reserve account shall be segregated into a separate subaccount and separately identified within the Senior Lien Reserve Account. Any reserve account or other fund so established shall be held solely for the benefit of the Owners of the particular Series or group of Series of Senior Lien Obligations for which such subaccount or fund was established. Each such reserve account shall be designated in such manner as is necessary to identify the Senior Lien Obligations it secures and to distinguish such subaccount from any other accounts or subaccounts within the Senior Lien Reserve Account created for the benefit of any other Senior Lien Obligations. Any Capitalized Interest Account shall be segregated into a separate subaccount and separately identified within the Senior Lien Interest Account, as directed by the Corporation Representative. Any such Capitalized Interest Account so established shall be held for the benefit of the Owners of the particular Series, group of Series of Senior Lien Obligations or group of Obligations authorized by the same particular Supplemental Agreement, for which such account was established, as the case may be. Each such Capitalized Interest Account shall be designated in such manner as is necessary to identify the Obligations it secures and to distinguish such subaccount from any other subaccounts within the Senior Lien Interest Account created for the benefit of any other Senior Lien Obligations. Any other fund created hereby shall be designated in such manner as is necessary to identify the Senior Lien Obligations it secures and to distinguish such subaccount from any other funds, account or subaccounts created for the benefit of any other Senior Lien Obligations. Prior to establishing any reserve account, Capitalized Interest Account or other fund hereby, a Corporation Representative shall deliver a certificate to the Trustee to the effect that the establishment and operation of such account or fund will not have a material adverse effect on the ability of the Corporation to comply with its covenants in this Master Trust Agreement or in the Supplemental Agreements authorizing the issuance of the Outstanding Senior Lien Obligations.

(h) Notwithstanding anything to the contrary contained in this Section 207, the Corporation may enter into Senior Lien Credit Agreements constituting Qualified Credit Agreements in connection with Senior Lien Obligations and the Senior Lien Payment Obligations as specified thereunder may be secured by and made payable from a lien on and pledge of the Trust Estate on a parity with the Outstanding Senior Lien Obligations. In addition, the Trustee shall withdraw from the Revenue Fund for deposit into the Senior Lien Debt Service Fund such amounts as are necessary for the Corporation to pay such Senior Lien Payment Obligations thereunder in accordance with Section 504.

Section 208. Issuance of Subordinate Lien Obligations. (a) To the extent and in the manner provided in this Section, the Corporation reserves and shall have the right and power to issue or incur, at one time or from time to time, Subordinate Lien Obligations, including Subordinate Lien Credit Agreements, which Subordinate Lien Obligations, when issued or incurred, shall be secured by and payable from a lien on and pledge of the Trust Estate subordinate to any Senior Lien Obligations. Each Series of Subordinate Lien Obligations shall be created and delivered pursuant to a Supplemental Agreement. Subordinate Lien Obligations shall be in all respects of equal dignity and on parity with any then Outstanding Subordinate Lien Obligations.

(b) Subordinate Lien Obligations may be issued for any purpose authorized by this Master Trust Agreement, including the refunding of Obligations or other debt related to the purposes of this Master Trust Agreement and/or the interest thereon, at any time authorized. Such Subordinate Lien Obligations shall be designated, dated, bear interest (either fixed, variable, or a combination thereof), mature, and may be subject to mandatory or optional tender for purchase or redemption prior to maturity with moneys from the Subordinate Lien Debt Service Fund, shall be payable from such source or sources, further secured by any reserve fund or other funds, if any, and shall be executed, sold, and delivered, all as is provided in the resolution, as described in (c) below, the Supplemental Agreement and any applicable pricing or award certificate authorizing the issuance of such Subordinate Lien Obligations, provided that the provisions of such Obligations shall not be in conflict with the provisions of this Master Trust Agreement. Such Subordinate Lien Obligations shall be issued, executed, and delivered in the form and manner as prescribed in the resolution and the applicable Supplemental Agreement authorizing the same, and such Subordinate Lien Obligations shall be secured and payable as set forth in this Master Trust Agreement and such resolution and shall be on parity with any then Outstanding Subordinate Lien Obligations with respect to the Trust Estate.

(c) Subordinate Lien Obligations shall be issued and delivered only after adoption by the Corporation of a resolution and Supplemental Agreement which, in part, shall (i) authorize the Subordinate Lien Obligations and direct their delivery, (ii) describe in brief and general terms the purpose or purposes for which such Subordinate Lien Obligations are to be issued, (iii) specify and determine the title and other provisions of such Subordinate Lien Obligations in accordance with paragraph (b) of this Section, (iv) set forth or provide for the approval of the form of the Subordinate Lien Obligation, (v) authorize any reserve fund or other funds for such Subordinate Lien Obligations pursuant to Section 208(f) and (vi) provide for the retirement of such Subordinate Lien Obligations from the Subordinate Lien Principal/Redemption Account or otherwise, provided that the provisions with respect to such Subordinate Lien Obligations shall not be in conflict with the provisions of this Master Trust Agreement.

(d) Upon their authorization by resolution of the Corporation as described above, the Subordinate Lien Obligations of a Series issued under this Section 208 shall be issued in the manner hereinabove set forth or referred to, and shall be delivered to the purchasers or counterparties thereof, but before, or concurrently with, the delivery of such Obligations to such purchasers or counterparties, there shall have been filed with the Trustee the following:

(i) a copy, certified by an official of the Corporation, of the resolution of the Corporation authorizing the Subordinate Lien Obligations and directing their delivery to the purchasers;

(ii) an executed counterpart of the related Supplemental Agreement;

(iii) a certificate signed by a Corporation Representative (A) to the effect that no Event of Default has occurred and is continuing under this Master Trust Agreement or any Supplemental Agreement or after the issuance of the proposed Subordinate Lien Obligations to cure an existing Event of Default under this Master Trust Agreement or any Supplemental Agreement, no Event of Default will be continuing under this Master Trust Agreement or any Supplemental Agreement and (B) updating any certificate delivered pursuant to Section 504(a) for the then current Fiscal Year to account for the issuance of then proposed Subordinate Lien Obligations; and

(iv) except in the case of refundings as provided in Section 208(e), a Corporation Representative or Financial Consultant signs and delivers to the Corporation and the Trustee a Subordinate Lien Obligations Coverage Certificate.

(e) The certification provided in Section 208(d)(iv) is not required in the case of Subordinate Lien Obligations being issued to refund other Subordinate Lien Obligations if a Corporation Representative or Financial Consultant signs and delivers to the Corporation a certificate stating that the issuance of such Subordinate Lien Obligations decreases the then existing average annual Debt Service Requirements of the Subordinate Lien Obligations being refunded and the final maturity of the Subordinate Lien Obligations being issued is not greater than the final maturity of the Subordinate Lien Obligations being refunded.

(f) The Corporation may establish a reserve account, a Capitalized Interest Account and/or any other fund or funds pursuant to the provisions of the applicable Supplemental Agreement for any purpose authorized by law including for the purpose of paying or securing a particular Series of Subordinate Lien Obligations, any specific group of Series of Subordinate Lien Obligations or, for a Capitalized Interest Account, any specific group of Obligations (without regard to the particular Lien) authorized by the same particular Supplemental Agreement. Any reserve account shall be segregated into a separate subaccount and separately identified within the Subordinate Lien Reserve Account. Any reserve account or other fund so established shall be held solely for the benefit of the Owners of the particular Series or group of Series of Subordinate Lien Obligations for which such subaccount or fund was established. Each such reserve account shall be designated in such manner as is necessary to identify the Subordinate Lien Obligations it secures and to distinguish such subaccount from any other accounts or subaccounts within the Subordinate

Lien Reserve Account created for the benefit of any other Subordinate Lien Obligations. Any Capitalized Interest Account shall be segregated into a separate subaccount and separately identified within the Subordinate Lien Interest Account, as directed by the Corporation Representative. Any such Capitalized Interest Account so established shall be held for the benefit of the Owners of the particular Series, or group of Series of Subordinate Lien Obligations or group of Obligations authorized by the same particular Supplemental Agreement, for which such account was established, as the case may be. Each such Capitalized Interest Account shall be designated in such manner as is necessary to identify the Subordinate Lien Obligations it secures and to distinguish such subaccount from any other subaccounts within the Subordinate Lien Interest Account created for the benefit of any other Subordinate Lien Obligations. Any other fund created hereby shall be designated in such manner as is necessary to identify the Subordinate Lien Obligations it secures and to distinguish such subaccount from any other funds, account or subaccounts created for the benefit of any other Subordinate Lien Obligations. Prior to establishing any reserve account, Capitalized Interest Account or other fund hereby, a Corporation Representative shall deliver a certificate to the Trustee to the effect that the establishment and operation of such account or fund will not have a material adverse effect on the ability of the Corporation to comply with its covenants in this Master Trust Agreement or in the Supplemental Agreements authorizing the issuance of the Outstanding Subordinate Lien Obligations.

(g) Notwithstanding anything to the contrary contained in this Section 208, the Corporation may enter into Subordinate Lien Credit Agreements constituting Qualified Credit Agreements in connection with Subordinate Lien Obligations and the Subordinate Lien Payment Obligations as specified thereunder may be secured by and made payable from a lien on and pledge of the Trust Estate, subject to Section 208(a), on parity with the Outstanding Subordinate Lien Obligations. In addition, the Trustee shall withdraw from the Revenue Fund for deposit into the Subordinate Lien Debt Service Fund such amounts as are necessary for the Corporation to pay such Subordinate Lien Payment Obligations thereunder in accordance with Section 504 thereunder.

Section 209. Effect of Bankruptcy Related Event. Notwithstanding any other provision to the contrary herein or in any of the Financing Documents, upon and following the occurrence of an "Event of Default" from a Bankruptcy Related Event occurring with respect to the Corporation under any TIFIA Loan Agreement, if applicable, any Outstanding TIFIA Obligations may, as provided in the applicable Supplemental Agreement, if the Owner of such particular TIFIA Obligations is USDOT or another Governmental Lender at such time, automatically and without action on the part of such Owner or any other Person immediately become and be of equal rank and on parity with the Senior Lien Obligations and shall be entitled to all rights of an Owner of Senior Lien Obligations (including, without limitation, the right of payment pro rata with other Senior Lien Obligations pursuant to Section 804) and any subaccount of a Reserve Account created for the benefit of such TIFIA Obligations may also, automatically and without action on the part of such Owner or any other Person, immediately become a subaccount, for the benefit solely of such TIFIA Obligations, of the Senior Lien Reserve Account and of equal rank and on parity with any other subaccount within the Senior Lien Reserve Account with respect to any replenishment requirements set forth in any Supplemental Agreement; provided the benefit of any other subaccount created within the Senior Lien Reserve Account shall be determined solely pursuant to the terms of the Supplemental Agreement establishing such

subaccount. If so provided in the applicable Supplemental Agreement, upon and following the occurrence of an "Event of Default" from a Bankruptcy Related Event occurring with respect to the Corporation under any TIFIA Loan Agreement, if applicable, the money and investments held in (i) any Debt Service Fund allocable to the payment of any TIFIA Obligation shall be transferred by the Trustee to the Senior Lien Debt Service Fund and (ii) any subaccount of a Reserve Account created for the benefit of such TIFIA Obligations shall be transferred by the Trustee to a subaccount of the Senior Lien Debt Reserve Account for the benefit of such TIFIA Obligations.

Section 210. Increase in Financing Program. The principal amount of the Financing Program set forth in Section 201, may be increased by the Corporation pursuant to Section 1101(m) and a Supplemental Agreement, upon a finding by the Corporation to the effect that Pledged Revenues and any other revenues (including any Additional Obligation Security) are expected to be sufficient to pay the Debt Service Requirements of all Outstanding Obligations and any then proposed Additional Obligations. The increase in the principal amount of the Financing Program does not relieve the Corporation from any of the Controlling Provisions, including specifically the other provisions of this Article II relating to the issuance or incurrence of Obligations by the Corporation.

Section 211. Issuance of Inferior Lien Obligations. Nothing set forth herein shall prevent the Corporation from entering into a Supplemental Agreement that authorizes the issuance of Inferior Lien Obligations for any purpose authorized by law, which Inferior Lien Obligations, when issued or incurred, shall be secured by and payable from a lien on and pledge of the Trust Estate junior and subordinate to any Senior Lien Obligations and any Subordinate Lien Obligations in all respects; provided that such Inferior Lien Obligations may not be subject to acceleration under any circumstances. Nothing in this Master Trust Agreement shall limit the Corporation from otherwise naming or designating the Inferior Lien Obligations in a Supplemental Agreement.

Section 212. Additional Obligation Security. The Corporation may in its discretion, provide Additional Obligation Security for a particular Series of Obligations or any specific group of Series of Obligations, but shall have no obligation to provide such additional security or credit enhancement to any other Obligations, except that no Additional Obligation Security shall be provided unless there shall have been first delivered to the Trustee an opinion of Bond Counsel that the exclusion from gross income of interest on any Tax-Exempt Obligations for federal income tax purposes will not be adversely affected thereby.

ARTICLE III

REDEMPTION, TENDER AND PURCHASE OF OBLIGATIONS

Section 301. Redemption and Tender of Obligations. The Obligations issued under the provisions of this Master Trust Agreement at any time Outstanding may be made subject to redemption and/or tender and purchase prior to their respective stated maturities, as a whole or in part upon such terms and conditions as provided in the applicable Supplemental Agreement or in other proceedings approved by the Corporation.

Section 302. Purchase of Obligations. The Trustee, upon the written request of a Corporation Representative, shall purchase Obligations as specified by the Corporation

Representative in the open market at a price not exceeding the price specified by such Corporation Representative. Such purchase of Obligations shall be made with funds available under this Master Trust Agreement or any other lawfully available funds of the Corporation. Upon purchase by the Trustee, such Obligations shall be treated as delivered for cancellation pursuant to applicable provisions of the Supplemental Agreement related to such Obligations. Nothing in this Master Trust Agreement shall prevent the Corporation from purchasing, or causing the purchase of, Obligations in the open market without the involvement of the Trustee and delivering such Obligations to the Trustee for cancellation. Obligations purchased pursuant to this Section that are subject to a mandatory sinking fund redemption schedule under the applicable provisions of the Supplemental Agreement related to such Obligations may be credited against future mandatory sinking fund redemption payments as directed by a Corporation Representative.

ARTICLE IV

CUSTODY AND APPLICATION OF PROCEEDS OF OBLIGATIONS

Section 401. Project Fund. A special fund is hereby created and designated as the "Project Fund," and established initially with the Trustee, and into which any designated portion of the proceeds of Obligations shall be deposited as set forth in each Supplemental Agreement. The Project Fund is a trust account and part of the Trust Estate and until expended is security for the Obligations. There also may be deposited to the credit of the Project Fund or any subaccount therein any moneys received from any other source for paying Costs or for any other purpose authorized by law. A Supplemental Agreement or a Corporation Representative in writing may (i) direct the Trustee to create accounts and subaccounts within the Project Fund for particular sources and/or uses of funds, including the proceeds of Obligations issued by the Corporation, deposited into the Project Fund, and (ii) provide directions for the withdrawal or transfer of funds held in the Project Fund. The moneys credited to the Project Fund (including all obligations held as investments thereof and the proceeds of such investments) shall be applied to the payment of (i) the Costs of the Light Rail Components or (ii) any other purposes then authorized by law.

Section 402. Payments from Project Fund. Payment of any Cost shall be made, advanced or reimbursed from the Project Fund. All payments from the Project Fund shall be subject to the provisions and restrictions set forth in this Article, and the Corporation covenants that it will not cause or permit to be paid from the Project Fund any sums except in accordance with such provisions and restrictions.

Section 403. Trustee Disbursements from Project Fund. Except as provided in this Article IV, the Trustee shall disburse moneys on deposit in the Project Fund to pay, advance or as reimbursement for payment of any Cost within five (5) Business Days after receipt by the Trustee of written requisition requests, in substantially the form attached hereto as Exhibit "B" with such changes as may be approved by the Corporation Representative, such approval as evidenced by the signature of a Corporation Representative on such requisition request.

The Trustee may assume, and shall have no duty to investigate, that any person executing a Project Fund requisition request has the authority to execute such request on behalf of the applicable entity or holds the particular office or position required hereunder for such execution.

Upon receipt of each requisition, the Trustee shall transfer from the Project Fund to the applicable payees funds equal to the amounts to be paid to the payees as set forth in such requisition and, if to reimburse the Corporation, the City or Capital Metro, the Corporation covenants that such funds will be applied to the purposes described in the requisition. If for any reason the Corporation should decide prior to release of payment by the Trustee of any item not to pay such item, a Corporation Representative shall give notice, confirmed in writing, of such decision to the Trustee and the Trustee shall not make such payment.

Section 404. Trustee to Retain Requisitions. All requisitions, certificates and opinions received by the Trustee, as required in this Article as conditions of payment or reimbursement from the Project Fund, may be relied upon conclusively by and shall be retained in the possession of the Trustee for a period of seven (7) years after the date of the final payment from the Project Fund or longer if required by any covenants related to Tax-Exempt Obligations, subject at all reasonable times to the inspection of the Corporation and its agents and representatives.

Section 405. Alternate Provisions for Project Fund. Notwithstanding any other provisions of this Master Trust Agreement, if Additional Obligations are issued, the Corporation may, in a Supplemental Agreement or other written directive of a Corporation Representative, provide that the Project Fund, related to such Additional Obligations, shall be held, used, and drawn on for such purposes, in such manner, and under such circumstances as shall be directed and prescribed in such Supplemental Agreement or directive, and all provisions of this Master Trust Agreement with respect to the Project Fund shall be altered, modified, or abrogated accordingly. A Supplemental Agreement or directive may direct the Trustee to create accounts or subaccounts within the Project Fund for particular purposes or sources of funds deposited into the Project Fund.

ARTICLE V PLEDGED REVENUES AND FUNDS

Section 501. Covenant as to Pledged Revenues. The Corporation represents and warrants that (a) it is authorized to issue the Obligations, to adopt this Master Trust Agreement and to pledge the Pledged Revenues as provided in this Master Trust Agreement and that the Pledged Revenues are and will remain free and clear of any pledge, lien, charge or encumbrance except as expressly permitted by this Master Trust Agreement, (b) the Obligations and provisions of this Master Trust Agreement are valid and legally enforceable obligations of the Corporation in accordance with their terms, subject only to laws relating to governmental immunity, bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws now or hereafter enacted related to creditors' rights generally or by general principles of equity which permit the exercise of judicial discretion, and (c) the Corporation's Automated Clearing House (ACH) or wiring instructions required under the Funding Agreement shall provide for the deposit of Contract Revenues directly into the Revenue Fund held by the Trustee. The Corporation and the Trustee will defend, preserve and protect the pledge of the Trust Estate and all of the rights of the Owners against all claims and will take appropriate steps to enforce the provisions of the Funding Agreement.

Section 502. Revenue Fund. A special fund held by the Trustee is hereby created and designated the "Revenue Fund." The Corporation covenants that all Pledged Revenues (excepting investment income from certain funds and accounts that constitute a portion of the Pledged Revenues and Trust Estate which shall be retained in such funds and accounts except as otherwise required to be transferred as provided herein or pursuant to a Supplemental Agreement, including with respect to any Supplemental Agreement for any Additional Obligation Security), including any payments made by the City to the Corporation pursuant to the Funding Agreement, will be deposited, as far as practicable and within the control of the Corporation, with the Trustee for the credit of the Revenue Fund. It shall be the duty of the Trustee to provide the Corporation the ability to verify the amount of each such deposit separately. There may be created pursuant to a Supplemental Agreement, subaccounts within the Revenue Fund necessary or convenient to the Corporation.

Section 503. Creation of Rebate Fund; Debt Service Funds; and Corporation General Fund. (a) To facilitate compliance with Section 148(f) of the Code, a special fund held by the Trustee is hereby created and designated the "Rebate Fund."

(b) A special fund held by the Trustee is hereby created and designated the "Senior Lien Debt Service Fund." There are hereby created three separate accounts in the Senior Lien Debt Service Fund designated the "Senior Lien Interest Account," "Senior Lien Principal/Redemption Account" and "Senior Lien Reserve Account," respectively. There may be created pursuant to a Supplemental Agreement or as directed in writing by a Corporation Representative, subaccounts within the Senior Lien Interest Account, Senior Lien Principal/Redemption Account and the Senior Lien Reserve Account necessary or convenient to the creation and method of funding a reserve fund or funding capitalized interest for a series or group of series of Senior Lien Obligations.

(c) A special fund held by the Trustee is hereby created and designated the "Subordinate Lien Debt Service Fund." There are hereby created three separate accounts in the Subordinate Lien Debt Service Fund, designated the "Subordinate Lien Interest Account," "Subordinate Lien Principal/Redemption Account" and "Subordinate Lien Reserve Account," respectively. There may be created pursuant to a Supplemental Agreement, subaccounts within the Subordinate Lien Interest Account, the Subordinate Lien Principal/Redemption Account and the Subordinate Lien Reserve Account necessary or convenient to the payment of Principal of or interest on a series of Subordinate Lien Obligations and the creation and method of funding a reserve fund or funding capitalized interest for a series or group of series of Subordinate Lien Obligations.

(d) A special fund held by a Depository of the Corporation is hereby created and designated "Corporation General Fund." The Corporation's General Fund is not part of and is held outside of the Trust Estate.

Section 504. Flow of Funds. (a) The Corporation covenants that all Pledged Revenues (excepting certain investment income as provided in Section 502 hereof) will be deposited upon receipt with the Trustee or in the name of the Trustee with a Depository or Depositories to the credit of the Revenue Fund in accordance with this Section 504. On any date, but not less than monthly, transfers from the Revenue Fund shall be made to the below-listed funds and accounts (each such date a "Transfer Date"), in the order of priority in which the funds and accounts are

listed below and in the amounts specified for such funds and accounts as provided herein, unless a Corporation Representative certificate is delivered to the Trustee as set forth in the following paragraph.

- (1) Rebate Fund;
- (2) Senior Lien Interest Account;
- (3) Senior Lien Principal/Redemption Account;
- (4) Senior Lien Reserve Account, if any;
- (5) Subordinate Lien Interest Account;
- (6) Subordinate Lien Principal/Redemption Account;
- (7) Subordinate Lien Reserve Account, if any;
- (8) any funds and accounts, and priority of funds and accounts created pursuant to a Supplemental Agreement, including with respect to Section 211 hereof; and
- (9) Corporation General Fund.

In recognition that Obligations and Payment Obligations may be issued or incurred on various Liens and may become due on various dates, a Corporation Representative may deliver a certificate to the Trustee on or before the first Business Day of such Fiscal Year (and updated on the date of delivery of any Additional Obligations issued during such Fiscal Year), based on the Annual Budget with respect to Pledged Revenues for such Fiscal Year, that no transfer from the Revenue Fund to any fund or account to be made in such Fiscal Year is anticipated to result in the inability of the Corporation to make any subsequent transfer in the Fiscal Year, as required by this Master Trust Agreement or any applicable Supplemental Agreement, to a fund or account securing any Obligations. If a Corporation Representative delivers the certificate contemplated in the foregoing sentence (and until any certificate contemplated in clause (B) of the following paragraph is delivered), the Corporation may maintain any and all Pledged Revenues in the Revenue Fund during the Fiscal Year and transfer such amounts as necessary to the various funds and accounts throughout such Fiscal Year.

If (A) a Corporation Representative fails to deliver the certificate described in the immediately preceding paragraph for a Fiscal Year, or (B) at any time during a Fiscal Year the Corporation determines that transfers from the Revenue Fund to any fund or account may result in the inability of the Corporation to make a later transfer within the six (6) month period from the date of such determination, as required by this Master Trust Agreement or any applicable Supplemental Agreement, to a fund or account securing any Obligations, a Corporation Representative shall deliver to the Trustee a certificate to that effect, then, in either case, for such Fiscal Year or the remainder of such Fiscal Year (i) transfers from the Revenue Fund to any fund

or account shall be made strictly in the priority set forth in the first paragraph of this Section 504, (ii) such transfers from the Revenue Fund shall be made at least once each month, and (iii) no transfer to a fund or account shall be made until all funds and accounts with a higher priority have on deposit therein all amounts to be deposited in such fund or account for such Fiscal Year.

(b) The Corporation covenants to calculate and to pay directly to the government of the United States all amounts due for payment of "arbitrage rebate" under Section 148(a) of the Code with respect to any Tax-Exempt Obligations. Nevertheless, the Corporation in the future may deposit with the Trustee or direct the Trustee to deposit in the Rebate Fund amounts held in any fund hereunder for any or all Series of Senior Lien Obligations or Subordinate Lien Obligations (which direction shall specify the procedures for collection and payment of amounts due in respect of arbitrage rebate) if (a) required under any amendments to Section 148(a) of the Code or (b) the Corporation otherwise determines that the funding of the Rebate Fund is necessary or appropriate. The Rebate Fund is a trust fund but the amounts therein do not constitute part of the Trust Estate. Amounts on deposit in the Rebate Fund may be used solely to make payments to the United States under Section 148 of the Code and to pay costs related to the calculation of the amounts due. Upon satisfaction of the Corporation's covenants described above, any amounts remaining in the Rebate Fund shall be deposited in the Revenue Fund.

(c) After first having made the deposits required by Section 504(b) hereof prior to the transfer under this clause (c), if any, and subject to Section 504(a), on the Transfer Date preceding each interest, Principal or redemption payment date for the Senior Lien Obligations or such other day as set forth in a Supplemental Agreement, the Trustee shall withdraw from the Revenue Fund and deposit to the applicable account in the Senior Lien Debt Service Fund (or to a fund or account created to pay or repay Senior Lien Payment Obligations owed under a Senior Lien Credit Agreement entered into in connection with a series of Senior Lien Obligations in lieu of the foregoing) the amounts due on any Senior Lien Obligation.

If at the time the Trustee is required to make a deposit into the Senior Lien Debt Service Fund from the Revenue Fund pursuant to the above paragraph, the money therein shall not be sufficient for paying amount then to be due on the Senior Lien Obligations (allocated on the basis provided in Section 804), then the Trustee shall withdraw the amount of such deficiency from the money on deposit in any applicable reserve subaccount in the Senior Lien Reserve Account.

(d) After first having made the deposits required by Section 504(b) through (c) hereof prior to the transfer under this clause (d), if any, and subject to Section 504(a), on each Transfer Date the Trustee shall transfer from the Revenue Fund to the credit of the Senior Lien Reserve Account or subaccount therein the amount, if any, required to accumulate any applicable reserve requirement or restore any deficiency in such account or subaccount due to a withdrawal or change in Value of Permitted Investments applied first on a pro rata basis among each applicable reserve account (and any subaccount) and then to reimburse, pro rata, any obligors of any Reserve Surety Agreements within a reserve account thus restoring that portion of any applicable reserve requirement, and then to restore the cash portion of any applicable reserve requirement in such reserve account, as provided in any Supplemental Agreements.

(e) After first having made the deposits required by Section 504(b) through (d) hereof prior to the transfer under this clause (e), if any, and subject to Section 504(a), on the Transfer Date preceding each interest, Principal or redemption payment date for any Subordinate Lien Obligations or such other day as set forth in a Supplemental Agreement, the Trustee shall withdraw from the Revenue Fund and deposit to the applicable account in the Subordinate Lien Debt Service Fund (or to a fund or account created to pay or repay Subordinate Lien Payment Obligations owed under a Subordinate Lien Credit Agreement entered into in connection with a series of Subordinate Lien Obligations or Senior Lien Obligations) the amounts due on any Subordinate Lien Obligation.

If at the time the Trustee is required to make a deposit into the Subordinate Lien Debt Service Fund from the Revenue Fund pursuant to the above paragraph, the money therein shall not be sufficient for paying the amount then to be due on the Subordinate Lien Obligations (allocated on the basis provided in Section 804), then the Trustee shall withdraw the amount of such deficiency from the money on deposit in any applicable reserve subaccount in the Subordinate Lien Reserve Account.

(f) In each Fiscal Year, after first having made the deposits required by Section 504(b) through (e) hereof prior to the transfer under this clause (f), if any, and subject to Section 504(a), on each Transfer Date the Trustee shall transfer from the Revenue Fund to the credit of the Subordinate Lien Reserve Account or subaccount therein the amount, if any, required to accumulate any applicable reserve requirement or restore any deficiency in such account or subaccount due to a withdrawal or change in Value of Permitted Investments applied first on a pro rata basis among each applicable reserve account (and any subaccount) and then to reimburse, pro rata, any obligors of any Reserve Surety Agreements within a reserve account thus restoring that portion of any applicable reserve requirement, and then to restore the cash portion of any applicable reserve requirement in such reserve account, as provided in any Supplemental Agreements.

Section 505. Application and Pledge of Moneys in Debt Service Funds. (a) Subject to the terms and conditions set forth in this Master Trust Agreement, the Senior Lien Debt Service Fund shall be held in trust and disbursed by the Trustee for, not in any particular order of priority, (1) after utilizing amounts available in any applicable Capitalized Interest Account for the related Senior Lien Obligations, the payment of interest upon the Senior Lien Obligations issued hereunder as such interest comes due, or (2) the payment of the Principal of such Senior Lien Obligations at maturity, or (3) the payment of Senior Lien Payment Obligations, or (4) the payment of the purchase price, the Redemption Price or the defeasance of such Senior Lien Obligations before maturity, as provided in this Master Trust Agreement or any Supplemental Agreement, and such moneys are hereby pledged to and charged with the payment mentioned in this Section 505(a).

(b) Subject to the terms and conditions set forth in this Master Trust Agreement, the Subordinate Lien Debt Service Fund shall be held in trust and disbursed by the Trustee for, not in any particular order of priority, (1) after utilizing amounts available in any applicable Capitalized Interest Account for the related Subordinate Lien Obligations, the payment of interest upon the Subordinate Lien Obligations issued hereunder as such interest comes due, or (2) the payment of the Principal of such Subordinate Lien Obligations at maturity, or (3) the payment of Subordinate Lien Payment Obligations, or (4) the payment of the purchase price, the Redemption Price or the defeasance of such Subordinate Lien Obligations before maturity, as provided in this Master Trust

Agreement or any Supplemental Agreement, and such moneys are hereby pledged to and charged with the payment mentioned in this Section 505(b).

Section 506. Withdrawals from Interest Accounts. (a) The Trustee shall, from time to time and after utilizing amounts available in any applicable Capitalized Interest Accounts for the related Senior Lien Obligations, withdraw from the Senior Lien Interest Account and remit to the respective Owners of Senior Lien Obligations the amounts required for paying interest upon the Senior Lien Obligations as such interest comes due on the dates and in the manner provided in this Master Trust Agreement or any Supplemental Agreement or other proceedings approved by the Corporation.

(b) The Trustee shall, from time to time and after utilizing amounts available in any applicable Capitalized Interest Accounts for the related Subordinate Lien Obligations, withdraw from the Subordinate Lien Interest Account or any applicable subaccount therein and remit to the respective Owners of Subordinate Lien Obligations the amounts required for paying interest upon the Subordinate Lien Obligations as such interest comes due on the dates and in the manner provided in this Master Trust Agreement or any Supplemental Agreement or other proceedings approved by the Corporation.

Section 507. Application of Moneys in Principal/Redemption Accounts; Payment of Obligations and Payment Obligations; Redemption of Obligations. (a) To the extent of any moneys at any time in the Senior Lien Principal/Redemption Account, the Trustee shall retire or provide for the retirement of Principal of Senior Lien Obligations, including Senior Lien Payment Obligations, with money from the Senior Lien Principal/Redemption Account, and the Trustee shall pay, when due, the amount of Principal of all Senior Lien Obligations scheduled to mature and all Senior Lien Payment Obligations, and the Trustee shall redeem or purchase Senior Lien Obligations prior to maturity during each year specified in, and pursuant to, any optional or mandatory redemption or purchase provisions required for Senior Lien Obligations, and shall pay the Principal, any redemption premium required therefor, and all necessary and proper expenses in connection therewith, from the Senior Lien Principal/Redemption Account, but shall pay all accrued interest on Senior Lien Obligations from the Senior Lien Interest Account.

(b) To the extent of any moneys at any time in the Subordinate Lien Principal/Redemption Account or any subaccount therein, the Trustee shall retire or provide for the retirement of Principal of Subordinate Lien Obligations, including Subordinate Lien Payment Obligations, with money from the Subordinate Lien Principal/Redemption Account, and the Trustee shall pay, when due, the amount of Principal of all Subordinate Lien Obligations scheduled to mature and all Subordinate Lien Payment Obligations, and the Trustee shall redeem or purchase Subordinate Lien Obligations prior to maturity during each year specified in, and pursuant to, any optional or mandatory redemption or purchase provisions required for Subordinate Lien Obligations, and shall pay the Principal, any redemption premium required therefor, and all necessary and proper expenses in connection therewith, from the Subordinate Lien Principal/Redemption Account, but shall pay all accrued interest on Subordinate Lien Obligations from the Subordinate Lien Interest Account.

Section 508. Application of Moneys in Reserve Accounts. (a) Moneys and investments held for the credit of any subaccounts of the Senior Lien Reserve Account shall be used finally to retire the last of the applicable Outstanding Senior Lien Obligations to which the subaccounts relate, respectively, and/or for the purpose of paying interest on and Principal of the Senior Lien Obligations to which the subaccounts relate whenever and to the extent that the moneys held for the credit of the Senior Lien Interest Account and the Senior Lien Principal/Redemption Account shall be insufficient for such purpose. The provision for any subaccount of the Senior Lien Reserve Account related to a Series of Senior Lien Obligations shall be set out in the Supplemental Agreement related thereto, including any reserve requirement, to make up any deficiency in such account and disposition of any excess moneys and investments therein. If a Reserve Surety Agreement is used as a reserve for any Series of Senior Lien Obligations, any reimbursements and related payments required thereunder to be paid to an obligor as a result of a draw or demand thereunder and any expenses payable thereunder shall be made, as provided in the related Reserve Surety Agreement, from moneys deposited into the applicable subaccount of the Senior Lien Reserve Account until fully paid; provided, however, if the Senior Lien Reserve Account is funded with a Reserve Surety Agreement, the payment obligations of such agreement shall be payable as provided in Section 504(d) and (f), respectively.

(b) Moneys and investments held for the credit of any subaccounts of the Subordinate Lien Reserve Account shall be used finally to retire the last of the applicable Outstanding Subordinate Lien Obligations to which the subaccounts relate, respectively, and/or for the purpose of paying interest on and Principal of the Subordinate Lien Obligations to which the subaccounts relate whenever and to the extent that the moneys held for the credit of the Subordinate Lien Interest Account and the Subordinate Lien Principal/Redemption Account shall be insufficient for such purpose. The provision for any subaccount of the Subordinate Lien Reserve Account related to a Series of Subordinate Lien Obligations shall be set out in the Supplemental Agreement related thereto, including any reserve requirement, requirement to make up any deficiency in such account and disposition of any excess moneys and investments therein. If a Reserve Surety Agreement is used as a reserve for any Series of Subordinate Lien Obligations, any reimbursements required thereunder to be paid to an obligor as a result of a draw or demand thereunder and any expenses payable thereunder shall be made, as provided in the related Reserve Surety Agreement, from moneys deposited into the applicable subaccount of the Subordinate Lien Reserve Account until fully paid; provided, however, if the Subordinate Lien Reserve Account is funded with a Reserve Surety Agreement, the payment obligations of such agreement shall be payable as provided in Section 504(f).

Section 509. Corporation General Fund. After first having made the deposits provided by Section 504 on or before the last Business Day of each month (or more frequently if every condition set forth below has been satisfied) the Trustee, upon receipt of a certificate of the Corporation Representative, shall transfer from the Revenue Fund to the credit of the Corporation General Fund, which is not part of and is held outside of the Trust Estate, any funds that a Corporation Representative determines as provided in such certificate. The certificate of the Corporation Representative must state that, as of the Transfer Date:

- (i) no Event of Non-Appropriation or Event of Default currently exists, and

- (ii) every fund and account established by or required to be established by this Master Trust Agreement and any Supplemental Agreement contains at least the amount then required to be on deposit therein or a certificate provided pursuant to the second paragraph of Section 504(a) has been filed with the Trustee and is in full force and effect.

Moneys in the Corporation General Fund may be used for any lawful purpose including operations of the Corporation.

Section 510. Moneys Set Aside for Principal and Interest Held in Trust; Unclaimed Moneys. All moneys which the Trustee shall have withdrawn from the Debt Service Funds or shall have received from any other source and shall have set aside in separate accounts or deposits with the Trustee for the purpose of paying any of the Obligations hereby secured, either at maturity thereof, upon call for redemption, prepayment or tender for purchase, shall be held in trust for the respective Owners of such Obligations, without interest. Any moneys which shall be so set aside or deposited by the Trustee and which remain unclaimed by the Owners of such Obligations for a period of three years after the date on which such Obligations shall have become payable shall upon request in writing be turned over to the Corporation, and the Trustee shall have no responsibility with respect to such moneys; provided, however, that the Trustee shall comply with Title 6, Texas Property Code, if applicable.

Section 511. Cancellation of Obligations Upon Payment. All Obligations paid, redeemed or purchased, either at or before maturity, shall be cancelled and delivered to the Trustee when such payment, redemption or purchase is made; provided, however, any Obligations purchased pursuant to a tender provision may be remarketed or otherwise resold (and not cancelled) as provided in the applicable Supplemental Agreement. All cancelled Obligations shall be held by the Trustee until this Master Trust Agreement shall be released; provided, however, that Obligations so cancelled may at any time be destroyed by the Trustee in the presence of one of its authorized officers, who shall execute a certificate of destruction in duplicate describing the Obligations so destroyed, and one executed certificate shall be filed with a Corporation Representative and the other executed certificate shall be retained by the Trustee.

ARTICLE VI DEPOSITS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 601. Deposits Constitute Trust Funds; Security for Deposits. Except as otherwise provided herein, all moneys received by the Corporation pursuant to this Master Trust Agreement, whether as proceeds from the sale of Obligations or as Pledged Revenues, shall be deemed to be trust funds, to be held and applied solely as provided in this Master Trust Agreement or applicable Supplemental Agreement. Any officer to whom, or any Bank to which, such moneys shall be paid shall act as trustee of such moneys and shall hold and apply the same for the purposes thereof, subject to such regulation as State law and this Master Trust Agreement provide.

All moneys held by and deposited with the Trustee (including all moneys held on time deposit, under certificates of deposit, or under any other similar arrangements), and not invested

as provided in this Master Trust Agreement, shall be continuously secured, for the benefit of the Corporation and the Owners of the Obligations, by the Trustee with its own trust department as collateral security which qualifies as collateral pursuant to the Public Funds Collateral Act, Chapter 2257, Texas Government Code.

Section 602. Investment of Moneys; Time Deposits or Other Arrangements in Lieu of Investments. Moneys held for the credit of the Reserve Accounts shall, as nearly as may be practicable, be invested and reinvested by the Trustee, as directed by the Corporation, in Permitted Investments which shall mature, or shall be subject to redemption by the holder thereof at the option of such holder, not later than ten (10) years after the date of such investment.

Moneys held for the credit of the Revenue Fund, the Project Fund, the Interest Accounts and the Principal/Redemption Accounts shall be invested and reinvested by the Trustee, as directed by the Corporation, in Permitted Investments which shall mature, or which shall be subject to redemption by the holder thereof at the option of such holder, not later than the respective dates which will allow moneys to be available in each of such funds and accounts for use at the appropriate times and for the purposes for which they were created.

In lieu of the investments as provided above, and at the option of the Corporation, and in any other case where the Corporation deems it advisable, the Corporation may make interest bearing time deposits, invest in certificates of deposit, or make other similar arrangements with the Trustee in connection with moneys in any fund or account created by this Master Trust Agreement, as may be permitted by law, and which will allow moneys to be available in each of the funds and accounts created by this Master Trust Agreement for use at the appropriate times and for the purposes for which they were created, provided that all such time deposits, certificates of deposit, and other similar agreements shall be secured in the manner provided in Section 601 hereof for uninvested moneys.

Section 603. Investments and Deposits Deemed to be Part of Funds and Accounts for which Purchased; Valuation of Funds or Accounts; Rebates to United States of America. Permitted Investments purchased as investments of moneys in any fund or account created under the provisions of this Master Trust Agreement and all time deposits or similar arrangements made in connection therewith, shall be deemed at all times to be a part of such fund or account, and the interest accruing thereon and any profit realized from any investment shall be credited to such fund or account, and any loss resulting from any investment shall be charged to such fund or account. The Trustee shall account for all amounts at any time on hand attributable to all investment earnings, regardless of their source, and shall make the deposits required above to the extent of such investment earnings on hand at the time each such deposit is required to be made.

The Trustee and the Corporation shall sell at the best price obtainable in the exercise of reasonable diligence, or present for payment or redemption, any investment so purchased, whenever and to the extent it shall be necessary so to do, in order to provide moneys required to meet any payment or transfer from any fund or account. The Trustee and the Corporation shall present for payment all such investments when they mature or when they shall be called for redemption and the proceeds thereof shall be reinvested promptly, unless needed to meet any such payment or transfer. Neither the Trustee nor the Corporation shall be liable or responsible for

making any such investment or for any loss resulting from any such investment, but any resulting deficiency in any fund or account shall be restored from the first moneys available therefor in accordance with Section 504 hereof. The Trustee shall advise the Corporation in writing, on or before the fifteenth day of each month, of the details of all money and investments held by them for the credit of any such fund or account.

The provisions of this Master Trust Agreement which relate to the deposit and to the investment of moneys shall be subject to the provisions of any applicable laws of the State.

Permitted Investments held for the credit of the Revenue Fund, the Project Fund, the Interest Accounts, the Principal/Redemption Accounts and any Reserve Accounts shall be valued at the Value of Permitted Investments at the time of such valuation. The Corporation shall advise the Trustee of the Value of Permitted Investments for any Permitted Investments for any funds held by the Corporation or the Trustee as of the last Business Day of the current Fiscal Year and semiannually thereafter as of the last Business Day of the sixth and twelfth months, respectively, of each Fiscal Year.

Notwithstanding any other provisions of this Master Trust Agreement, other than Section 504, if investment income derived from any fund or account maintained pursuant hereto is required to be rebated to the United States of America, as may be required by the federal tax covenants of the Corporation set forth in the relevant Supplemental Agreement, in order to prevent any Tax-Exempt Obligations from being "arbitrage bonds," such investment income shall be so rebated, through the Rebate Fund, if required, from the appropriate fund or account, and the amounts of such rebates shall not be considered to be Pledged Revenues. The Trustee shall forthwith, upon the request and direction of the Corporation, transmit any such rebate amounts held by it to the United States of America as directed by the Corporation.

Section 604. Guaranteed Investment Contracts. In accordance with the Public Funds Investment Act or applicable laws, proceeds from the issuance of, or entering into, Obligations may be invested in one or more guaranteed investment contracts as authorized by law. In the event that the Corporation Representative determines that it would be in the best interests of the Corporation to invest part or all of the amounts in the Project Fund in a guaranteed investment contract, the Corporation Representative shall ensure that the Corporation complies with the requirements of such laws.

ARTICLE VII PARTICULAR COVENANTS

Section 701. Payment of Principal, Interest and Premium. The Corporation covenants that it will promptly pay, pursuant to the terms of this Master Trust Agreement, the Principal of and the interest on every Obligation, including Payment Obligations, at the places, on the dates and in the manner provided herein and in such Obligations, and any premium required for the retirement of such Obligations by redemption, according to the true intent and meaning thereof. The Principal of, and interest on (except interest paid from the Capitalized Interest Account) and premiums, including Payment Obligations, of Obligations are payable solely in the priorities and from the sources herein described, and nothing in the Obligations or in this Master

Trust Agreement shall be construed as pledging any other funds or assets of the Corporation for their payment.

Chapter 1208, Texas Government Code, applies to the issuance of the Obligations and the pledge of, lien on and security interest in the Trust Estate granted by the Corporation under this Master Trust Agreement, and such pledge of, lien on and security interest in the Trust Estate are therefore valid, effective, and perfected. If Texas law is amended at any time while the Obligations are outstanding and unpaid such that the pledge of, lien on and security interest in the Trust Estate granted by the Corporation under this Master Trust Agreement is to be subject to the filing requirements of Chapter 9, Texas Business and Commerce Code, then in order to preserve to the Owners the perfection of the pledge of, lien on and security interest in the Trust Estate, the Corporation 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 and Commerce Code, to perfect such pledge of, lien on and security interest in the Trust Estate, *provided, however*, that the Corporation and the Trustee shall take reasonably required measures to perfect such pledge of, lien on and security interest in the Trust Estate as directed by the Owners of not less than twenty-five percent (25%) of the aggregate Principal amount of the Obligations then Outstanding.

Section 702. Rights of Trustee or Owners Not to be Impaired. The Corporation covenants and agrees that, until the Obligations and the interest thereon shall have been paid or provision for such payment shall have been made, none of the Pledged Revenues (so long as part of the Trust Estate) will be used for any purpose other than as provided in this Master Trust Agreement and any Supplemental Agreements and no contract or contracts will be entered into or any action taken by which the rights of the Trustee or of the Owners will be impaired or diminished, except as provided in this Master Trust Agreement and any Supplemental Agreements. Notwithstanding any provision in this Master Trust Agreement to the contrary, an Event of Non-Appropriation is not an Event of Default or, otherwise, a covenant default under this Master Trust Agreement or any Supplemental Agreement.

Section 703. Further Instruments and Action. The Corporation covenants that it will, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of this Master Trust Agreement. Subject to Article IX, the Trustee shall cooperate with the Corporation to meet the requirements of this Section.

Section 704. Annual Audits. The Corporation covenants that as soon as practicable, but in no event more than six (6) months after the last day of each Fiscal Year, beginning the Fiscal Year of the issuance of the Initial Obligations, it will prepare or cause to be prepared a financial report of the results of operations including the determination and accounting of Pledged Revenues for such Fiscal Year in accordance with Accounting Principles, certified by a certified public accountant approved by the Corporation, and containing an audited balance sheet as of the end of such Fiscal Year, an audited statement of operations for such Fiscal Year, and an audited statement of cash flows of such Fiscal Year. A copy of such audit shall be filed with the Trustee promptly after the receipt by the Corporation for such purpose.

Section 705. Tax Covenants. All covenants in any resolution or Supplemental Agreement with respect to the treatment of any Tax-Exempt Obligations as obligations described

in Section 103 of the Code, the interest on which is not includable in the "gross income" of the Owner for purposes of federal income taxation, shall be provided for in the Supplemental Agreement or resolution relating to the issuance of such Tax-Exempt Obligations.

Section 706. Funding Agreement. (a) The Trustee, acting on behalf of the Owners as intended third-party beneficiaries of the Funding Agreement, shall enforce or cause to be enforced the rights of the Owners pursuant to the Funding Agreement. For the avoidance of doubt, an Event of Non-Appropriation is not an event of default or covenant default under the Funding Agreement that can be enforced.

(b) The Corporation covenants that it will not assign or amend the Funding Agreement or consent to an assignment by the City of the Funding Agreement unless, in the judgment of the Corporation, such assignment or amendment does not materially adversely affect the interests of the Owners of the Outstanding Obligations or any Bond Insurer of record.

ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES

Section 801. Remedies Applicable. The Owners shall be entitled to the remedies provided in this Article VIII.

Section 802. Events of Default. Each of the following events is hereby declared an "Event of Default":

(a) subject to the last sentence of this Section 802, the Corporation shall default in the payment of the Principal or premium, if any, of any of the Obligations (other than due to an Event of Non-Appropriation) when the same shall become due and payable, either at maturity or otherwise;

(b) subject to the last sentence of this Section 802, the Corporation shall default in the payment of any installment of interest on any Obligation (other than due to an Event of Non-Appropriation) when the same shall become due and payable;

(c) an order or decree shall be entered, with the consent or acquiescence of the Corporation, appointing a receiver or receivers of the Corporation or any part thereof or of the Pledged Revenues, or if such order or decree, having been entered without the consent or acquiescence of the Corporation, shall not be vacated or discharged or stayed within ninety (90) days after the entry thereof;

(d) any proceeding shall be instituted, with the consent or acquiescence of the Corporation, for the purpose of effecting a composition between the Corporation and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Pledged Revenues;

(e) the Corporation shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Obligations or in this Master Trust Agreement on the part of the Corporation to be performed, and such default shall continue for sixty (60) days after written notice specifying such default and requiring same to be remedied shall have been given to the Corporation by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Owners of not less than ten percent (10%) in Principal amount of the Obligations then Outstanding; and the Trustee shall investigate and consider any allegation of such default;

(f) the Corporation shall default in the due and punctual performance of any of the covenants, conditions, agreements and provisions contained in the Obligations or in the particular Supplemental Agreement with respect only to the Owners of the particular Obligations issued thereunder on the part of the Corporation to be performed, and such default shall continue for sixty (60) days after written notice specifying such default and requiring same to be remedied shall have been given to the Corporation by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Owners of the particular Obligations issued under such Supplemental Agreement of not less than ten percent (10%) in Principal amount of such particular Obligations then Outstanding; and the Trustee shall investigate and consider any allegation of such default;

(g) the occurrence and continuance of an "Event of Default" by the Corporation as such term is defined under a Credit Agreement; or

(h) the occurrence and continuance of an "event of default" of the Corporation or the City under the Funding Agreement, after the expiration of any applicable cure period therefor.

A payment default under Section 802(a) or (b) with respect to a Subordinate Lien Obligation shall not constitute an Event of Default with respect to Senior Lien Obligations.

Section 803. Enforcement of Remedies; No Acceleration. Upon the occurrence and continuance of any Event of Default specified in Section 802 of this Article, then and in every such case the Trustee may proceed, and upon the written request of the Owners of not less than twenty percent (20%) in Principal amount of the Obligations then Outstanding hereunder shall proceed, subject to the provisions of Sections 806 and 902, to protect and enforce its rights and the rights of the Owners under State law, including Chapter 431, Texas Transportation Code, under this Master Trust Agreement or the Funding Agreement or by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights. Notwithstanding anything to the contrary contained in this Master Trust Agreement, acceleration of the Principal of or interest on the Obligations and Payment Obligations upon the occurrence of an Event of Default is not a remedy available under this Master Trust Agreement and in no event shall the Trustee, the Owners or other parties have the ability, upon the occurrence of an Event of Default, to declare immediately due and payable the Principal of or interest on the Obligations and Payment Obligations.

Except with respect to any Event of Non-Appropriation, in the enforcement of any remedy under this Master Trust Agreement, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or, during any default, becoming and at any time remaining, due from the Corporation for Principal, interest or otherwise under any of the provisions of this Master Trust Agreement or of the Obligations and unpaid, with interest on overdue payments at the rate or rates of interest borne by such Obligations, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Obligations, without prejudice, to any other right or remedy of the Trustee or of the Owners, and to recover and enforce judgment or decree against the Corporation, but solely as provided herein and in such Obligations, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (but solely from moneys in the applicable Debt Service Fund and any other moneys available for such purposes) in any manner provided by law, the moneys adjudged or decreed to be payable.

Section 804. Pro Rata Application of Funds. If an Event of Default specified in Section 802 of this Article or an Event of Non-Appropriation has occurred and is continuing and the moneys in the Revenue Fund, the Project Fund, the Senior Lien Debt Service Fund or the Subordinate Lien Debt Service Fund shall not be sufficient to pay the Principal of or the interest on the Obligations as the same become due and payable, such moneys, together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied (subject to the provisions of Sections 902 and 905) as follows; provided, however, amounts on deposit in a fund or account (i) dedicated to the payment or security of the Senior Lien Obligations or Subordinate Lien Obligations, or (ii) constituting Additional Obligation Security for the benefit of one or more specific Series of Obligations shall not be applied as provided below but shall be used only for the purpose for which such deposits were made:

(a) Unless the Principal of all the Senior Lien Obligations shall then be due and payable, all such moneys shall be applied first: to the payment to the persons entitled thereto of all installments of interest then due on the Senior Lien Obligations, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Senior Lien Obligations; and second: to the payment of the Principal of any Senior Lien Obligations which have matured, and, if the amount available shall not be sufficient to pay all of such matured Senior Lien Obligations, then to the payment thereof ratably, according to the amount due; or if no Senior Lien Obligations have matured, to the retirement of Senior Lien Obligations.

(b) If there is no default existing in the payment of the Principal of, premium, if any, or interest on the Senior Lien Obligations but the Principal of, premium, if any, or interest on Subordinate Lien Obligations has not been paid when due, unless the Principal of all the Subordinate Lien Obligations shall then be due and payable, all such moneys shall be applied first: to the payment to the persons entitled thereto of all installments of interest then due on the Subordinate Lien Obligations, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto,

without any discrimination or preference except as to any difference in the respective rates of interest specified in the Subordinate Lien Obligations; and second: to the payment of the Principal of any Subordinate Lien Obligations, which have matured, and, if the amount available shall not be sufficient to pay all of such matured Subordinate Lien Obligations within such class, then to the payment thereof ratably, according to the amount due; or if no Subordinate Lien Obligations have matured, to the retirement of Subordinate Lien Obligations in accordance with the provisions of Section 507(b).

(c) Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future; the deposit of such moneys with the Paying Agent, or otherwise setting aside such moneys, in trust for the proper purpose shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Corporation, to any Owner or to any other person for any delay in applying any such moneys, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Master Trust Agreement as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an interest payment date unless the Trustee shall deem another date more suitable) and appropriate record date upon which such application is to be made and upon such date interest on the amounts of Principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date and record date, if applicable, and shall not be required to make payment to the Owner of any unpaid Obligation or the interest thereon unless such Obligation shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 805. Effect of Discontinuance of Proceedings. In case any action taken by the Trustee on account of any default hereunder shall have been discontinued or abandoned for any reason, then and in every such case the Corporation, the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such action had been taken.

Section 806. Majority of Owners May Control Proceedings. Anything in this Master Trust Agreement to the contrary notwithstanding but subject to Section 812, the Owners of not less than a majority in aggregate Principal amount of the Senior Lien Obligations then Outstanding hereunder (or, if no Senior Lien Obligations are then Outstanding, then the Owners of not less than a majority in Principal amount of the Subordinate Lien Obligations then Outstanding) shall have the right, subject to the provisions of Section 902, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial actions to be taken by the Trustee hereunder, provided that such direction shall be in accordance with law and the provisions of this Master Trust Agreement and any Supplemental Agreements, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee, subject to Sections 906, 910 and 911, would be unjustly prejudicial to Owners not parties to such direction.

Section 807. Restrictions Upon Action by Individual Owner. No Owner of any of the Outstanding Obligations shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law for the execution of any trust hereunder or the protection or enforcement of any right under this Master Trust Agreement or any resolution of the Corporation authorizing the issuance of Obligations, or any rights under the Funding Agreement or the laws of Texas, excepting only an action for the recovery of overdue and unpaid Principal, interest or redemption premium, unless such Owner previously shall have given to the Trustee written notice of an Event of Default or breach of trust or duty on account of which such suit or action is to be taken, and unless the Owners of not less than twenty percent (20%) in Principal amount of the Obligations then Outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted, or by the laws of the State, or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Master Trust Agreement or for any other remedy hereunder, or the laws of the State. It is understood and intended that no one or more Owners of the Obligations shall have any right in any manner whatsoever by his or their action to affect, disturb or prejudice the security of this Master Trust Agreement, or to enforce any right hereunder, or the laws of the State with respect to the Obligations or this Master Trust Agreement, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Owners of the Outstanding Obligations, except as otherwise permitted herein with reference to over-due and unpaid Principal, interest, redemption premium or purchase price of Obligations tendered pursuant to a Supplemental Agreement.

Section 808. Actions by Trustee. All rights of action under this Master Trust Agreement or under any of the Obligations enforceable by the Trustee, may be enforced by it without the possession of any of the Obligations or the production thereof on the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the Owners of such Obligations, subject to the provisions of this Master Trust Agreement.

Section 809. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners of the Obligations is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 810. No Delay or Omission Construed to be a Waiver; Repeated Exercise of Powers and Remedies; Waiver of Default. No delay or omission of the Trustee or of any Owner of the Obligations to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein; and every power and remedy given by this Master Trust Agreement to the Trustee and the Owners

of the Obligations, respectively, may be exercised from time to time and as often as may be deemed expedient.

The Trustee may, and upon written request of the Owners of not less than a majority in Principal amount of the Obligations then Outstanding shall, waive any default which in its opinion shall have been remedied before the completion of the enforcement of any remedy under this Master Trust Agreement, but no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

Section 811. Notice of Default. The Trustee shall mail to each Bond Insurer and Credit Provider of record, and each Owner of record written notice of the occurrence of any Event of Default set forth in Section 802 of this Article, within thirty (30) days after the Trustee has knowledge of any such Event of Default. If in any Fiscal Year the total amount of deposits to the Debt Service Funds shall be less than the amounts required so to be deposited under the provisions of this Master Trust Agreement, after taking into account all transfers from other funds herein, the Trustee, on or before the first day of the second month of the next succeeding Fiscal Year, shall mail to each Bond Insurer of record, and all Owners of record written notice of the failure to make such deposits. The Trustee shall not, however, be subject to any liability to any Bond Insurer or Owner by reason of its failure to mail any notice required by this Section.

Section 812. Bond Insurer's Rights. Notwithstanding any other provisions of this Article VIII, if there has been filed with the Trustee a Bond Insurance Policy, or a certified copy thereof, with respect to any Obligation, provided the Bond Insurer is not in default under such Bond Insurance Policy, the Bond Insurer shall be entitled (i) upon the occurrence and continuance of any Event of Default, to exercise, control and direct the enforcement of all rights and remedies under this Master Trust Agreement granted to the Owners of Obligations entitled to the benefit of such Bond Insurance Policy or the Trustee for the benefit of such Owners under this Master Trust Agreement and direct the Trustee to take any actions in connection therewith and (ii) to grant any consent, direction or approval or take any action expressly permitted by or required under this Master Trust Agreement to be granted or taken by the Owners of Obligations entitled to the benefit of such Bond Insurance Policy, except with respect to the Unanimous Voting Matters. In such event, the Bond Insurer shall be deemed to be the Owner of Obligations entitled to the benefit of the related Bond Insurance Policy for such purposes. Any Bond Insurer under a Bond Insurance Policy, or certified copy thereof, which has been filed with the Trustee and is then in effect shall, for all purposes of this Master Trust Agreement, constitute and may be called a Bond Insurer of record.

ARTICLE IX CONCERNING THE TRUSTEE

Section 901. Acceptance of Trusts. (a) The Trustee accepts and agrees to execute the trusts imposed upon it by this Master Trust Agreement, but only upon the terms and conditions and subject to the provisions of this Master Trust Agreement, to all of which the parties hereto and the respective Owners of the Obligations agree.

(b) If an Event of Default (of which the Trustee has knowledge) has occurred and is continuing, the Trustee will exercise such of the rights and powers vested in it by this Master Trust Agreement and use the same degree of care and skill in their exercise, as a prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs.

(c) In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(d) Except during the continuance of an Event of Default: (i) the duties of the Trustee will be determined solely by the express provisions of this Master Trust Agreement, and the Trustee need perform only those duties that are specifically set forth in this Master Trust Agreement and no others, and no implied covenants or obligations shall be read into this Master Trust Agreement against the Trustee; and (ii) subject to Sections 906 and 910 hereof, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Master Trust Agreement; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee will examine such certificates and opinions to determine whether or not they conform to the requirements of this Master Trust Agreement (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(e) The Trustee may not be relieved from liabilities for its own negligent action or willful misconduct, except that: (i) this paragraph does not limit the effect of paragraphs (c) or (d) of this Section 901; (ii) the Trustee will not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Responsible Officer was negligent or acting with willful misconduct in ascertaining the pertinent facts; (iii) the Trustee will not be liable with respect to any action it takes if so directed or omits to take, if so directed, if the Trustee acts in good faith in accordance with a direction received by it pursuant to Sections 806 and 812 hereof; and (iv) no provision of this Master Trust Agreement will require the Trustee to expend or risk its own funds or incur any liability.

(f) The Trustee shall not be responsible for and makes no representation as to existence, genuineness, value or protection of the Pledged Revenues or any other collateral securing the Obligations, or for the creation, perfection, priority, sufficiency or protection of any liens securing the Obligations. The Trustee shall not be responsible for filing any financing or continuation statements or recording any documents or instruments in any public office at any time or times or otherwise perfecting or maintaining the perfection of any lien or security interest in the Pledged Revenues or any other collateral securing the Obligations.

Section 902. Trustee Entitled to Indemnity; Trustee May Act Without Indemnity; Reimbursement of Trustee. The Trustee shall be under no obligation to institute any suit, or to take any remedial proceeding under this Master Trust Agreement, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its reasonable satisfaction against any and all costs and expenses, outlays and

counsel fees and other reasonable disbursements, and against all liability; the Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Trustee, without indemnity, and in any such case the Corporation shall reimburse the Trustee for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the Corporation shall fail to make such reimbursement, the Trustee may reimburse itself from any moneys in its possession under the provisions of this Master Trust Agreement and shall be entitled to a preference therefor over any of the Obligations Outstanding hereunder.

Section 903. Limitation on Liabilities and Responsibilities of Trustee. The Trustee shall be under no obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the Corporation or to report, or make or file claims or proof of loss for, any loss or damage insured against or which may occur, nor shall the Trustee be responsible for any loss due to the insufficiency of such insurance or by reason of the failure of any insurer to pay the full amount of any loss against which it may have insured to the Trustee, the Corporation or any other Person.

Section 904. Trustee Not Liable for Failure of Corporation to Act or for Deposits in Other Banks. The Trustee shall not be liable or responsible because of the failure of the Corporation or of any of its employees or agents to make any collections or deposits or to perform any act herein required of the Corporation, or its employees or agents or because of the loss of any moneys arising through the insolvency or the act or default or omission of any Depository, or any Paying Agent other than itself, in which such moneys shall have been deposited under the provisions of this Master Trust Agreement. The Trustee shall not be responsible for the application of any of the proceeds of the Obligations or any other moneys deposited with it and paid out, invested, withdrawn or transferred in accordance with the provisions of this Master Trust Agreement. The immunities and exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

Section 905. Compensation and Indemnification of Trustee. Subject to the provisions of any contract between the Corporation and the Trustee, the Corporation shall pay to the Trustee reasonable compensation for all services performed by it hereunder and also all its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees incurred in and about the administration and execution of the trusts hereby created and the performance of their powers and duties hereunder, and shall, to the extent permitted by the laws of the State, indemnify and save the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, except to the extent any such liabilities result from the negligence or willful misconduct of the Trustee. If the Corporation shall fail to make any payment required by this Section, the Trustee may make such payments from any moneys in its possession under the provisions of this Master Trust Agreement and shall be entitled to a preference therefor over any of the Obligations Outstanding hereunder.

Section 906. Trustee May Rely on Certificates. In case at any time it shall be necessary or desirable for the Trustee to make any investigation respecting any fact preparatory to taking or not taking any action or doing or not doing anything as such Trustee, and in any case in which this Master Trust Agreement provides for permitting or taking any action, the Trustee may rely

conclusively upon any certificate required or permitted to be filed with it under the provisions of this Master Trust Agreement, and any such certificate shall be evidence of such fact to protect it in any action that it may or may not take or in respect of anything it may or may not do, in good faith, by reason of the supposed existence of such fact. Any request, notice or other instrument from the Corporation to the Trustee shall be deemed to have been signed by the proper party or parties if signed by the President of the Board of Directors of the Corporation or a Corporation Representative, and the Trustee may accept a certificate signed by a Corporation Representative as to any resolution adopted or any other action taken by the Corporation.

Section 907. Notice of Default. Except upon the occurrence of an Event of Default specified in Section 802(a) and (b), the Trustee shall not be obliged to take notice or be deemed to have notice of any Event of Default hereunder, unless specifically notified in writing of such Event of Default by the Owners of not less than twenty percent (20%) in Principal amount of the Obligations then Outstanding or by any Bond Insurer of record.

Section 908. Trustee May Deal in Obligations and Take Action as Owners. Any Bank acting as Trustee under this Master Trust Agreement, and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the Obligations issued under and secured by this Master Trust Agreement, and may join in any action which any Owner may be entitled to take with like effect as if such Bank were not the Trustee under this Master Trust Agreement.

Section 909. Trustee Not Responsible for Recitals. The recitals, statements and representations contained herein and in the Obligations (excluding the Trustee's authentication certificate on the Obligations) shall be taken and construed as made by and on the part of the Corporation and not by the Trustee, and the Trustee assumes and shall have no responsibility for the correctness of the same.

Section 910. Trustee Protected in Relying on Certain Documents. The Trustee may conclusively rely and shall be fully protected in acting or refraining from acting, in good faith, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document believed by it to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Master Trust Agreement, or upon the opinion of any attorney, engineer, or accountant believed by the Trustee to be qualified in relation to the subject matter. The Trustee shall not be bound to recognize any person as an Owner of any Obligation or to take any action at his request unless such Owner has provided reasonable evidence of ownership of such Obligation to the Trustee.

Section 911. Other Rights of the Trustee. (a) The Trustee may act through its attorneys, accountants, experts and such other professionals as the Trustee deems necessary, advisable or appropriate and shall not be responsible for the misconduct or negligence of any attorney, accountant, expert or other such professional appointed with due care.

(b) Unless otherwise specifically provided in this Master Trust Agreement, any demand, request, direction or notice from the Corporation will be sufficient if signed by a Corporation Representative.

(c) The Trustee may consult with counsel selected by the Trustee with due care, and any advice from such counsel with respect to compliance with the provisions of this Master Trust Agreement shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder in good faith and in accordance with such advice.

(d) The permissive right of the Trustee to take any action under this Master Trust Agreement shall not be construed as a duty to so act.

(e) In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities; it being understood that the Trustee shall use all reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 912. Resignation of Trustee. The Trustee may resign and thereby become discharged from the trusts hereby created, by notice in writing to be given to the Corporation and mailed to each Owner of record not less than sixty (60) days before such resignation is to take effect, but such resignation shall take effect immediately upon the appointment of a new Trustee, if such new Trustee shall be appointed before the time limited by such notice and shall then accept the trusts hereof; provided, however, such resignation shall not become effective until and unless a successor Trustee is appointed and accepts the trusts hereunder. If no successor Trustee has been appointed and accepted the trusts hereunder within one-hundred twenty (120) days after the date the foregoing resignation is to take effect, the schedule of fees and charges of the Trustee then in effect shall terminate, and the Trustee may establish such fees and charges for its services as Trustee deems necessary to reasonably compensate it for such services under the circumstances then existing.

Section 913. Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, signed by the Owners of not less than a majority in Principal amount of all the Obligations hereby secured and then Outstanding and filed with the Corporation. A photostatic copy of each such instrument shall be delivered promptly by the Corporation to the Trustee. It is further provided, however, that no removal of a Trustee shall be effective until and unless a qualified successor Trustee shall have been appointed and accepted the trusts hereunder.

So long as no Event of Default has occurred and is continuing, the Trustee may also be removed at any time, for any reason, in the sole discretion of the Corporation, by a resolution duly adopted by the Corporation; provided that such resolution shall name a successor Trustee in accordance with Section 914, and shall direct the successor Trustee to mail written notice of such change in Trustee to each Owner of record on or before the next interest payment date or redemption date, whichever is first to occur.

Section 914. Appointment of Successor Trustee. If at any time the Trustee shall resign, or shall be removed by the Corporation or otherwise, be dissolved or otherwise become incapable of acting, or the Bank acting as Trustee shall be taken over by any governmental official, agency,

department or board, the position of Trustee shall thereupon become vacant. If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, the Corporation shall appoint a Trustee to fill such vacancy. The Corporation shall publish notice of any such appointment once in each week for four successive weeks in a financial journal of general circulation published in the State, which includes the Texas Bond Reporter, provided that no such publication is required if such notice is mailed to each Owner of record.

At any time within six (6) months after any such vacancy shall have occurred and the Corporation has not taken action to appoint a Trustee for such vacancy, the Owners of a majority in Principal amount of the Obligations then Outstanding, by an instrument or concurrent instruments in writing, signed by such Owners or their attorneys in fact hereunto duly authorized and filed with the Corporation, may appoint a successor Trustee, which shall supersede any Trustee theretofore appointed by the Corporation. Photostatic copies of each such instrument shall be delivered promptly by the Corporation to the predecessor Trustee and to the Trustee so appointed by the Owners.

If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section, the Owner of any Obligation Outstanding hereunder or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

Any Trustee hereafter appointed shall be a Bank duly organized and doing business under the laws of the United States of America and located in the State, authorized under such laws to exercise corporate trust powers and subject to examination by federal or state authority, of good standing, and having, at the time of its appointment, a combined capital and surplus aggregating not less than One Hundred Million Dollars (\$100,000,000.00).

The Corporation covenants that it will promptly notify in writing each Bond Insurer of record of the resignation or removal of any Trustee and of the appointment of any successor Trustee.

Any Trustee which is replaced by a successor Trustee promptly shall turn over to such successor Trustee all funds, books, and records pertaining to this Master Trust Agreement.

Section 915. Vesting of Trusts in Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the Corporation, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, shall become fully vested with all the rights, immunities, powers and trusts, and subject to all the duties and obligations, of its predecessor; but such predecessor shall, nevertheless, on the written request of its successor or of the Corporation, and upon payment of the compensation, expenses, charges and other disbursements of such predecessor which are due and payable pursuant to the provisions of Section 905 of this Article, execute and deliver an instrument transferring to such successor Trustee all the rights, immunities, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all property and moneys held by it hereunder to its successor.

Should any instrument in writing from the Corporation be required by any successor Trustee for more fully and certainly vesting in such Trustee the rights, immunities, powers and trusts hereby vested or intended to be vested in the predecessor Trustee, any such instrument in writing shall and will, on request, be executed, acknowledged and delivered by the Corporation.

Notwithstanding any of the foregoing provisions of this Article, any Bank having power to perform the duties and execute the trusts of this Master Trust Agreement and otherwise qualified to act as Trustee hereunder with or into which the Bank acting as Trustee may be merged or consolidated, or to which the assets and business of such Bank may be sold, shall be deemed the successor of the Trustee.

Section 916. Verifications of Statutory Representations and Covenants. The Trustee makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Master Trust Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Master Trust Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Master Trust Agreement, notwithstanding anything in this Master Trust Agreement to the contrary.

(a) Not a Sanctioned Company. The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Master Trust Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Master Trust Agreement. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Master Trust

Agreement. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

(e) Texas Ethics Commission Form 1295 Certificate of Interested Parties. The Trustee hereby verifies that it has submitted a disclosure of interested parties to the Corporation pursuant to the requirements of Section 2252.908, Texas Government Code and Chapter 46 of the rules of the Texas Ethics Commission.

ARTICLE X

EXECUTION OF INSTRUMENTS BY OWNERS AND PROOF OF OWNERSHIP OF OBLIGATIONS

Section 1001. Execution of Instruments by Owners; Proof of Execution; Proof of Holding of Obligations; Other Proof; Owners' Actions Bind Future Owners. Any request, direction, consent or other instrument in writing required or permitted by this Master Trust Agreement to be signed or executed by Owners may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Owners in person or by agent appointed by an instrument in writing. Proof of the execution of any such instrument and of the ownership of Obligations shall be sufficient for any purpose of this Master Trust Agreement, and shall be conclusive in favor of the Trustee with regard to any action taken by it under such instrument, if made in the following manner:

(a) The fact and date of the execution by any person of any such instrument may be proved by the verification of any officer in any jurisdiction who, by the laws thereof, has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of a witness to such execution.

(b) The fact of owning Obligations by any Owner shall be proved by the registration books kept by the Trustee under the provisions of this Master Trust Agreement.

But nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which to it may seem sufficient. Any request or consent of the Owner of any Obligation shall bind every future Owner of the same Obligation in respect of anything done by the Trustee in pursuance of such request or consent. The Trustee may conclusively rely upon a certification by any Person to the effect that such Person is a Beneficial Owner of a specified Principal amount of any Series of Book-Entry Obligations in determining whether the Owners of a specified percentage of the Principal amount of such series of Book-Entry Obligations has consented, approved, waived, directed or otherwise taken any action under this Master Trust Agreement or any applicable Supplemental Agreement.

ARTICLE XI

SUPPLEMENTAL AGREEMENTS

Section 1101. Supplemental Agreements by Corporation and Trustee. The Corporation and the Trustee may, from time to time and at any time, without the consent of the

Owners of the Obligations, enter into Supplemental Agreements as shall not be in conflict with the terms and provisions hereof (which supplemental agreements shall thereafter form a part hereof),

(a) to cure any ambiguity or formal defect or omission in this Master Trust Agreement or in any Supplemental Agreement;

(b) to grant to or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners or the Trustee;

(c) to close this Master Trust Agreement against or provide limitations and restrictions, in addition to the limitations and restrictions contained in this Master Trust Agreement, with respect to the future issuance of Additional Obligations;

(d) to set forth additional covenants and provisions with respect to any Obligations issued in connection therewith;

(e) to provide for the issuance of Additional Obligations pursuant to Sections 207, 208 and 211;

(f) to set forth additional provisions, if deemed necessary or advisable, with respect to the issuance of the Additional Obligations, including any Project Fund provisions pursuant to Section 405 and the addition of certain other funds and accounts necessary or convenient for effecting the payment of Principal of or interest on such Obligations, which changes or amendments do not, in the judgment of the Corporation, materially adversely affect the interests of the Owners of the Outstanding Obligations or any Bond Insurer of record;

(g) to comply with additional requirements to the extent necessary in the opinion of Bond Counsel to preserve the exemption from federal income taxation of interest on any applicable Obligations under Section 103 of the Code;

(h) to make any changes or amendments requested by a Nationally Recognized Rating Agency, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the Corporation, materially adversely affect the interests of the Owners of the Outstanding Obligations or any Bond Insurer of record;

(i) to provide for additional defeasance provisions to the provisions of Article XII applicable to the Obligations authorized by such a Supplemental Agreement;

(j) upon direction of the Corporation, provided that the Trustee receives a written confirmation from each Nationally Recognized Rating Agency then maintaining a rating on the Senior Lien Obligations and the Subordinate Lien Obligations to the effect that the execution and delivery of such Supplemental Agreement will not in and of itself cause such Nationally Recognized Rating Agency to reduce or withdraw the then current rating on the Senior Lien Obligations and the Subordinate Lien Obligations, together with the prior written consent of each Bond Insurer and other Credit Provider then providing credit support for any Series of affected

Obligations; provided, however, that no such amendment shall have the effect of amending a provision of this Master Trust Agreement with respect to Unanimous Voting Matters;

(k) to comply with additional requirements imposed by USDOT or a Governmental Lender in connection with a TIFIA Obligation or other comparable Obligation which changes or amendments do not, in the judgment of the Corporation, materially adversely affect the interests of the Owners of the Outstanding Obligations or any Bond Insurer of record;

(l) to make any modifications or adjustments to the indices used to calculate the rate of interest borne by any Variable Rate Obligation, which changes or amendments do not, in the judgment of the Corporation, materially adversely affect the interests of the Owners of the Outstanding Obligations or any Bond Insurer of record;

(m) to change the principal amount of the Financing Program as provided in Section 210;

(n) to modify, alter, supplement or amend this Master Trust Agreement in such manner as shall permit the qualifications of this Master Trust Agreement, if requested, under the Trust Indenture Act of 1939, the Securities Act of 1933 or a similar federal statute hereafter in effect, which changes or amendments do not, in the judgment of the Corporation, materially adversely affect the interests of the Owners of the Outstanding Obligations or any Bond Insurer of record;

(o) to modify, alter, supplement or amend this Master Trust Agreement to obtain the approval of the Attorney General of the State for delivery of Obligations, which changes or amendments do not, in the judgment of the Corporation, materially adversely affect the interests of the Owners of the Outstanding Obligations or any Bond Insurer of record;

(p) to make such other changes or amendments to this Master Trust Agreement as the Corporation may deem necessary or desirable, which changes or amendments do not, in the judgment of the Corporation, materially adversely affect the interests of the Owners of the Outstanding Obligations or any Bond Insurer of record;

(q) to provide for the appointment of a co-trustee under this Master Trust Agreement;
or

(r) to make any modifications or adjustments necessary or appropriate to accommodate Credit Agreements, which changes or amendments do not, in the judgment of the Corporation, materially adversely affect the interests of the Owners of the Outstanding Obligations or any Bond Insurer of record.

Notice of any amendment or supplement pursuant to this Section 1101 shall be sent to each Nationally Recognized Rating Agency then maintaining a rating on the affected Obligations or any Bond Insurer of record.

Section 1102. Modification of Trust Agreement and Supplemental Agreements with Consent of a Majority of Owners of Obligations; Restrictions on Modifications; Notice of Supplemental Agreements. Subject to the terms and provisions contained in this Section and not otherwise, the Owners of not less than a majority of the aggregate Principal amount of the Obligations then Outstanding, or in case less than all of the Obligations then Outstanding are affected by the modification or amendment, the Owners of not less than a majority of the aggregate Principal amount of the Obligations so affected and Outstanding, shall have the right, from time to time, anything contained in this Master Trust Agreement to the contrary notwithstanding, except Section 812, to consent to and approve the execution by the Corporation and the Trustee of such Supplemental Agreements as shall be deemed necessary or desirable by the Corporation for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Master Trust Agreement or in any Supplemental Agreement. Notwithstanding the foregoing or the provisions of Section 812, nothing herein contained shall permit, or be construed as permitting, (a) an extension of the Principal of or the interest on any Outstanding Obligation issued hereunder, or (b) a reduction in the Principal amount of any Outstanding Obligation or the redemption premium or the rate of interest thereon, or (c) the creation of a lien upon or a pledge of Pledged Revenues ranking prior to or on a parity with (to the extent not permitted hereunder) the lien or pledge created by this Master Trust Agreement, or (d) except as otherwise provided in this Master Trust Agreement, the applicable Supplemental Agreements and in Article V, preference or priority of any Senior Lien Obligations or Subordinate Lien Obligations, as the case may be, over any other Senior Lien Obligations or Subordinate Lien Obligations, or (e) a reduction in the aggregate Principal amount of the Obligations required for consent to such Supplemental Agreement or for any other consent, direction or determination required in this Master Trust Agreement, or (f) a deprivation of an Owner to the lien on the Trust Estate granted by this Master Trust Agreement without the consent of the Owners of not less than one hundred percent (100%) in aggregate Principal amount of the Obligations Outstanding that are affected thereby (collectively "Unanimous Voting Matters"). Any amendment or modification of any Unanimous Voting Matter shall also require the written consent of the Bond Insurer as provided in Sections 805 and 1105. Nothing herein contained, however, shall be construed as making necessary the approval by Owners of the execution of any Supplemental Agreement or Agreements as authorized in Section 1101 of this Article, including the issuance of Additional Obligations pursuant to Sections 207 and 208.

If at any time the Corporation shall request the Trustee to enter into any Supplemental Agreement for any of the purposes of this Section, the Trustee shall, at the expense of the Corporation, cause notice of the proposed execution of such Supplemental Agreement to be published once in each week for two (2) successive weeks in a financial journal of general circulation published in the State, which includes the Texas Bond Reporter; provided that if before the first publication of such notice, the Trustee shall cause such notice to be mailed, postage prepaid, to all Owners of Obligations then Outstanding at their addresses as they appear on the registration books provided for in the applicable Supplemental Agreement, then no such publication shall be required. The notice shall briefly set forth the nature of the proposed Supplemental Agreement and shall state that a copy thereof (or a substantially final draft thereof) is on file at the office of the Trustee for inspection by all Owners. The Trustee shall not, however, be subject to any liability to any Owner by reason of its failure to mail the notice required by this

Section, and any such failure shall not affect the validity of such Supplemental Agreement when consented to and approved as provided in this Section.

Whenever, at any time within one (1) year after the date of the first publication of such notice or the date of mailing of such notice, as applicable, the Corporation shall deliver to the Trustee an instrument or instruments purporting to be executed by the Owners of not less than a majority or one hundred percent (100%), as applicable, of the aggregate Principal amount of the Obligations then Outstanding, which instrument or instruments shall refer to proposed Supplemental Agreement described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice as on file with the Trustee, thereupon, but not otherwise, the Trustee may execute such Supplemental Agreement in substantially such form, without liability or responsibility to any Owner of any Obligation, whether or not such Owner shall have consented thereto in the case of majority required consents.

In the case of majority required consents, if the Owners of not less than a majority of the aggregate Principal amount of the Obligations Outstanding at the time of the execution (or, in the case that less than all of the Obligations then Outstanding are affected by the modification or amendment, the Owners of not less than a majority of the aggregate Principal amount of the Obligations so affected and Outstanding at the time of the execution) of such Supplemental Agreement shall have consented to and approved the execution thereof as herein provided, no Owner of any Obligation shall have any right to object to the execution of such Supplemental Agreement, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Corporation from executing the same or from taking any action pursuant to the provisions thereof.

Notice of any amendment or supplement pursuant to this Section 1102 shall be sent to each Nationally Recognized Rating Agency then maintaining a rating on the affected Obligations or any Bond Insurer of record.

Section 1103. Trustee Joining in Supplemental Agreements; Supplemental Agreements Part of Trust Agreement. The Trustee is authorized to join with the Corporation in the execution of any such Supplemental Agreement and to make the further agreements and stipulations which may be contained therein. Any Supplemental Agreement executed in accordance with the provisions of this Article shall thereafter form a part of this Master Trust Agreement, and all the terms and conditions contained in any such Supplemental Agreement as to any provision authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of this Master Trust Agreement for any and all purposes. In case of the execution and delivery of any Supplemental Agreement, express reference may be made thereto in the text of any Obligations issued thereafter, if deemed necessary or desirable by the Trustee or the Corporation.

Upon the execution of any Supplemental Agreement pursuant to the provisions of this Section and Sections 1101 and 1102, this Master Trust Agreement shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations

under this Master Trust Agreement of the Corporation and the Trustee and all Owners of Obligations then Outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Section 1104. Reliance by Trustee on Opinion of Counsel. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of any counsel approved by it, who may be Counsel to the Corporation, as conclusive evidence that any such proposed Supplemental Agreement complies with the provisions of this Master Trust Agreement, and that it is proper for the Trustee, under the provisions of this Article, to join in the execution of such Supplemental Agreement.

Section 1105. Rights of Bond Insurers. Notwithstanding the foregoing provisions of this Article XI, if there has been filed with the Trustee a Bond Insurance Policy, or a certified copy thereof, with respect to any Obligation, provided the Bond Insurer is not in default under such Bond Insurance Policy, no consent by the Owner of such Obligation to the execution of any Supplemental Agreement or other modification of this Master Trust Agreement shall be effective unless the Bond Insurer consents in writing to the execution of such Supplemental Agreement or other modification, provided the Bond Insurer is not in default under the related Bond Insurance Policy. The Corporation further covenants that it will furnish to each Bond Insurer of record a transcript of the pertinent proceedings relating to each Supplemental Agreement to this Master Trust Agreement.

ARTICLE XII DEFEASANCE

Section 1201. Release of Master Trust Agreement. Once all Obligations issued pursuant to this Master Trust Agreement are no longer Outstanding in accordance with the respective Supplemental Agreements, this Master Trust Agreement shall be released and the right, title and interest of the Trustee herein shall thereupon cease and become void. The Trustee in such case, on demand of the Corporation, shall release this Master Trust Agreement and shall execute such documents to evidence such release as may be reasonably required by the Corporation, and shall turn over to the Corporation all balances remaining in all funds and accounts created by this Master Trust Agreement, other than funds held for redemption or payment of Obligations or interest thereon; otherwise this Master Trust Agreement shall be, continue and remain in full force and effect.

ARTICLE XIII MISCELLANEOUS PROVISIONS

Section 1301. Manner of Giving Notice, Etc. Any notice, demand, direction, request or other instrument authorized or required by this Master Trust Agreement to be given to or filed with the Corporation or the Trustee shall be deemed to have been sufficiently given or filed for all purposes of this Master Trust Agreement if and when (i) hand delivered to such party or (ii)(1) sent by registered mail, return receipt requested or by a recognized delivery courier service to the Corporation, if addressed to Austin Transit Partnership Local Government Corporation, 203 Colorado Street, Austin, Texas 78701, Attention: Corporation Representative or at such other

address as may be designated in writing by the Corporation to the Trustee or delivered in an Adobe compatible pdf or comparable format by electronic mail to _____ with a copy to _____ or such other electronic mail addresses as designated in writing by a Corporation Representative to the Trustee; or (2) sent by registered mail, return receipt requested or by a recognized delivery courier service to the Trustee at its then Principal Office or delivered in an Adobe compatible pdf or comparable format by electronic mail to _____ with a copy to _____ or such other electronic mail addresses as designated in writing by the Trustee to the Corporation.

All documents received by the Trustee under the provisions of this Master Trust Agreement shall be retained in its possession, subject at all reasonable times to the inspection of the Corporation, any Owner, and the agents and representatives thereof.

Section 1302. Rights Under Master Trust Agreement. Except as herein otherwise expressly provided, nothing in this Master Trust Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto and the Owners of the Obligations any right, remedy or claim, legal or equitable, under or by reason of this Master Trust Agreement or any provision hereof, this Master Trust Agreement and all its provisions being intended to be and being for the sole and exclusive benefit of the foregoing.

Section 1303. No Pledge of Credit of the City, Capital Metro or any Political Subdivision. The Obligations and the interest thereon do not constitute a debt of the City, Capital Metro or of any political subdivision thereof, and neither the City, Capital Metro nor any political subdivision of the State shall be obligated to pay the Obligations or the interest thereon except from the Pledged Revenues to the extent of Contract Revenues Appropriated by the City, and other sources solely as provided in this Master Trust Agreement or any Supplemental Agreement, and neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the Principal of or the interest on the Obligations. The Corporation has no taxing power.

Section 1304. Effect of Partial Invalidity. In case any one or more of the provisions of this Master Trust Agreement or of the Obligations shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Master Trust Agreement or of such Obligations, but this Master Trust Agreement and such Obligations shall be construed and enforced as if such illegal or invalid provision had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in the Obligations or in this Master Trust Agreement shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation, or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Corporation to the full extent permitted by law.

Section 1305. Effect of Covenants, Etc. All covenants, stipulations, obligations and agreements of the Corporation contained in this Master Trust Agreement shall be deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full extent authorized by the Acts and other applicable laws and permitted by the Constitution of Texas. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future director, member, agent or employee of the

Corporation in his individual capacity, and neither the directors or members of the Corporation nor any official executing the Obligations shall be liable personally on the Obligations or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 1306. Multiple Counterparts. This Master Trust Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

Section 1307. Headings, Etc. Not Part of Trust Agreement. Any headings preceding the texts of the several articles hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Master Trust Agreement, nor shall they affect its meaning, construction or effect.

Section 1308. Obligations Held by Corporation. Obligations held by or for the account of the Corporation, the City or Capital Metro or any person controlling, controlled by or under common control with the Corporation shall not be deemed to be Outstanding for purposes of any consent or other action to be taken by the Owners or a specified percentage of Outstanding Obligations; provided, however, in determining whether the Trustee shall be protected in making a determination whether the Owners of the requisite Principal amount of Outstanding Obligations are present at a meeting of Owners for quorum purposes or have consented to or voted in favor of any request, demand, authorization, direction, notice, consent, waiver, amendment or modification hereunder, or relying upon any such quorum, consent or vote, only Obligations which the Trustee actually knows to be owned by such persons shall not be considered Outstanding.

Section 1309. Further Assurances. The Corporation agrees that it will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements to this Master Trust Agreement and such further instruments as may reasonably be required for carrying out the expressed intention of this Master Trust Agreement and as may be necessary or desirable for assuring, conveying, granting, assigning, securing and confirming the security interest (whether now existing or hereafter arising) granted by or on behalf of the Corporation to the Trustee for the benefit of the Owners of the Obligations, pursuant to this Master Trust Agreement, and the subject of each security interest is and will be free and clear of any other security interest thereon or with respect thereto prior to, or of equal rank with the security interests created by this Master Trust Agreement, other than liens entitled to priority as a matter of law or as permitted by this Master Trust Agreement, and all corporate action on the part of the Corporation to that end shall be duly and validly taken at such time. The Corporation shall, at all times, to the extent permitted by law, defend, preserve and protect the security interests granted pursuant to this Master Trust Agreement and all the rights of the Trustee for the benefit of the Owners of the Obligations under this Master Trust Agreement against all claims and demands of all persons whomsoever.

Section 1310. Limitation of Liability of Officials. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the Corporation, the City or Capital Metro in his or her individual capacity, and neither the members of the Board of Directors of the Corporation nor any official executing the Obligations shall be liable personally on such

Obligations or be subject to any personal liability or accountability by reason of the issuance thereof. Notwithstanding anything to the contrary contained herein, the Owners and any other party entitled to seek payment from the Corporation under or to enforce this Master Trust Agreement and the Obligations will be entitled to look solely to the Pledged Revenues, and such other collateral, if any, as may now or hereafter be given to secure the payment of the obligations of the Corporation under this Master Trust Agreement and the Obligations, and no other property or assets of the Corporation shall be subject to levy, execution or other enforcement procedure for the satisfaction of the remedies hereunder, or for any payment required to be made under this Master Trust Agreement and the Obligations or for the performance of any of the covenants or warranties contained herein.

Section 1311. Governing Law; Jurisdiction. This Master Trust Agreement shall be construed and interpreted in accordance with the laws of the State of Texas. All suits and actions arising out of this Master Trust Agreement shall be instituted in a court of competent jurisdiction in Travis County, Texas.

Section 1312. Execution. This Master Trust Agreement and any agreements and certificates executed in connection therewith may be executed through any electronic symbol or process attached to or logically associate with a contract or other record and executed or adopted by a person with the intent to sign such document pursuant to the Texas Uniform Electronic Transaction Act, codified at Chapter 322, Texas Business and Commerce Code , in any number of counterparts and by the different parties thereto in separate counterparts, each of which when so executed and delivered to be deemed an original, but all such counterparts together to constitute one and the same instrument.

IN WITNESS WHEREOF, the Corporation has caused this Master Trust Agreement to be executed by a Corporation Representative, and the Trustee has caused this Master Trust Agreement to be executed on its behalf by one of its authorized representatives, as of the day and year first above written.

**AUSTIN TRANSIT PARTNERSHIP LOCAL
GOVERNMENT CORPORATION**

By: _____
Corporation Representative

_____,
as Trustee

By: _____
Title: _____

[Trustee Signature Page]

EXHIBIT A DEFINITIONS

"Accounting Principles" – the "Generally Accepted Accounting Principles" for governmental entities in the United States, which are promulgated by the Governmental Accounting Standards Board ("GASB") and, when applicable, such other accounting principles as the Corporation may be required to employ from time to time, in order to comply with the terms of this Master Trust Agreement, or pursuant to State law or regulation or as the Corporation may otherwise elect, provided such election does not cause a violation of the Rule.

"Acts" – collectively, Chapter 431, Texas Transportation Code, Chapter 394, Texas Local Government Code, and Chapter 22, Texas Business Organizations Code, Chapters 1201 and 1371, Texas Government Code, each as amended.

"Additional Obligation Security" – any credit enhancement or funds for specified Obligations and any funds received, future receipts or obligations payable to the Corporation which the Corporation chooses to include as security for any Series or group of Series of Obligations (but only to the extent such credit enhancement or funds are pledged pursuant to a Supplemental Agreement), as the case may be, pursuant to a Supplemental Agreement including as provided in Section 212 hereof.

"Additional Obligations" – any Senior Lien Obligations, Subordinate Lien Obligations and Inferior Lien Obligations issued after the initial issuance and delivery of the Initial Obligations.

"Annual Budget" – the budget adopted by the Board of Directors of the Corporation for each Fiscal Year as may be amended from time to time.

"Appropriate" or "Appropriated" or "Appropriation" – means the approval by the City Council of the City's budget or amendments to the City's budget for a fiscal year which includes the City's funding commitment during a fiscal year as calculated pursuant to the terms of the Funding Agreement.

"Assumed Variable Rate" – in the case of:

(a) Obligations bearing interest at a Variable Rate, means

- (1) the average interest rate on such Obligations for the most recently completed sixty (60) month period; or
- (2) the average interest rate on such Obligations for the period such Obligations have been Outstanding if such Obligations have been Outstanding for less than sixty (60) months or, if so determined by a Corporation Representative, the rate to be determined pursuant to clause (b) below assuming the Outstanding Obligations bearing interest at a Variable Rate were being issued on the date of calculation; and

(b) proposed Additional Obligations to be issued at a Variable Rate

- (1) on the basis that, in the opinion of Bond Counsel to be delivered at the time of the issuance thereof, such Additional Obligations will be Tax-Exempt Obligations, the greater of (i) the average of the Security Industry and Financial Markets Association Municipal Swap Index ("SIFMA Index") for the twelve (12) month period ending seven (7) days preceding the date of calculation plus 100 basis points, or (ii) the average of the SIFMA Index for the sixty (60) month period ending seven (7) days preceding the date of calculation plus 100 basis points; or
- (2) on a basis other than as described in clause (1), the greater of (i) the average of the Secured Overnight Financing Rate ("SOFR") for the time period most closely resembling the reset period for the Additional Obligations for the twelve (12) month period ending seven (7) days preceding the date of calculation plus 100 basis points, or (ii) the average of SOFR for the time period most closely resembling the reset period for the Additional Obligations for the sixty (60) month period ending seven (7) days preceding the date of calculation plus 100 basis points; and

provided that if the SIFMA Index or SOFR shall cease to be published, the index to be used in its place shall be that index which the Corporation, in consultation with the Financial Consultant or such other party as set forth in an applicable Supplemental Agreement, determines most closely replicates such index, as set forth in a certificate of a Corporation Representative filed with the Trustee. Notwithstanding the foregoing, in no event shall the Assumed Variable Rate be in excess of the maximum interest rate allowed by law on obligations of the Corporation.

"Austin Light Rail Implementation Plan" – has the meaning given such term in the recitals of this Master Trust Agreement.

"Balloon Indebtedness" – a Series of Obligations of which twenty-five percent (25%) or more of the original Principal matures or is otherwise due in the same annual period and is not required by the documents pursuant to which such Obligations were issued to be amortized by payment or redemption prior to that annual period (excluding any contingent mandatory redemptions), provided that such Obligations will not constitute Balloon Indebtedness and will be assumed to amortize in accordance with its stated terms if the Trustee is provided a certificate of a Corporation Representative certifying that such Obligations are not to be treated as Balloon Indebtedness.

"Bank" – any bank, trust company, or national banking association organized or operating under the laws of any state of the United States of America or of the United States of America.

"Bankruptcy Related Event" – (a) with respect to any Person other than the Corporation, (i) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (A) liquidation, reorganization or other relief in respect of such Person or any of its debts, or of a substantial part of the assets thereof, under any Insolvency Laws, or (B) the

appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for such Person or for a substantial part of the assets thereof and, in any case referred to in the foregoing subclauses (A) and (B) of subclause (a)(i), such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered or (ii) such Person shall (A) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for such Person or for a substantial part of the assets of such Person, (B) generally not be paying its debts as they become due unless such debts are the subject of a bona fide dispute, or become unable to pay its debts generally as they become due, (C) make a general assignment for the benefit of creditors, (D) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in subclause (a)(i) of this definition, (E) commence a voluntary proceeding under any Insolvency Law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief under any Insolvency Law, (F) file an answer admitting the material allegations of a petition filed against such Person in any proceeding referred to in the foregoing subclauses (A) through (E), inclusive, of this subclause (a)(ii), or (G) take any action for the purpose of effecting any of the foregoing subclauses (A) through (F);

(b) with respect to the Corporation, (i) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (A) liquidation, reorganization or other relief in respect of the Corporation or any of the Corporation's debts or a substantial part of the assets of the Corporation under any Insolvency Laws, or (B) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the Corporation or for a substantial part of the assets of the Corporation and, in any case referred to in the foregoing subclauses (A) and (B) of subclause (b)(i), such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered or (ii) the Corporation shall (A) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the Corporation, or for a substantial part of the assets of the Corporation (B) generally not be paying its debts as they become due unless such debts are the subject of a bona fide dispute, or become unable to pay its debts generally as they become due, (C) make a general assignment for the benefit of creditors, (D) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in subclause (b)(ii) of this definition, (E) commence a voluntary proceeding under any Insolvency Law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief under any Insolvency Law, (F) file an answer admitting the material allegations of a petition filed against the Corporation in any proceeding referred to in the foregoing subclauses (A) through (E), inclusive, of this subclause (b)(ii), or (G) take any action for the purpose of effecting any of the foregoing subclauses (A) through (F), including seeking approval or legislative enactment by any governmental authority of competent jurisdiction to authorize commencement of a voluntary proceeding under any Insolvency Law;

(c) solely with respect to the Corporation, (i) fail to make two (2) consecutive payments of debt service required to have been paid pursuant to the provisions of any TIFIA Loan Agreement; (ii) the Trustee shall commence a process pursuant to which all or a substantial part of the Trust Estate may be sold or otherwise disposed of in a public or private sale or disposition

pursuant to a foreclosure of the liens thereon securing the Obligations; or (iii) the Trustee shall commence a process pursuant to which all or a substantial part of the Trust Estate may be sold or otherwise disposed of pursuant to a sale or disposition of such Trust Estate in lieu of foreclosure; or

(d) solely with respect to the Corporation, the Trustee shall transfer funds on deposit in any of the Revenue Fund and the Debt Service Funds, upon and following the occurrence and during the continuation of an event of default under any TIFIA Loan Agreement and any TIFIA Obligation or this Master Trust Agreement for application to the prepayment or repayment of any principal amount of the Obligations other than in accordance with the provisions of this Master Trust Agreement.

"Beneficial Owner" – the beneficial owner of any Obligation that is held by a nominee.

"Bond Counsel" – an attorney or firm of attorneys of recognized standing and ability, specializing in the law pertaining to municipal bonds, selected by the Corporation and satisfactory to the Trustee.

"Bond Insurance Policy" – an insurance policy issued upon the initial issuance of the Obligations with the consent of the Corporation by a Bond Insurer insuring or guaranteeing the payment of Principal of and interest on any Obligations.

"Bond Insurer" – an entity that insures or guarantees the payment of Principal of and/or interest on any of the Obligations pursuant to a Bond Insurance Policy.

"Book-Entry Obligations" – Obligations subject to the Book-Entry-Only System.

"Book-Entry-Only System" – the system described herein pursuant to which Obligations are registered in book-entry form or a similar system thereto.

"Business Day" – any day other than a Saturday or Sunday or a day on which banking institutions are required or authorized by law or executive order to remain closed in the State of Texas or the City of New York or in the city in which a Principal Office of the Trustee or the Depository is located; provided that "Business Day" may be otherwise defined in a Supplemental Agreement or a Credit Agreement for the purposes of such agreement.

"Capital Metro" – the Capital Metropolitan Transportation Authority, a transportation authority and political subdivision for the State organized under Chapter 451, Texas Transportation Code, as amended.

"Capitalized Interest Account" – any capitalized interest account established (i) in connection with the issuance of the Initial Obligations or (ii) under Sections 207(g), 208(f) or Section 211 in connection with the issuance of any Additional Obligations within an Interest Account funded in whole or in part with proceeds from the sale of the Initial Obligations or Additional Obligations for the purpose, to the extent permitted by law, of paying all or a portion of the debt service on the Initial Obligations or such Additional Obligations, as the case may be.

"City" – has the meaning given such term in the recitals of this Master Trust Agreement.

"City Fiscal Year" – the fiscal year of the City which is presently October 1 through September 30 of the following year; or any other period hereafter designated by the City as its fiscal year in accordance with law.

"Code" – the Internal Revenue Code of 1986, as amended.

"Contract Revenues" – the Appropriated revenues paid by the City to the Corporation pursuant to the Funding Agreement.

"Controlling Provisions" – as defined in Section 201 hereof.

"Corporation General Fund" – the Fund created by Section 503.

"Corporation Representative" – the Chair of the Board of Directors of the Corporation, the Executive Director, Chief Financial Officer of the Corporation or such other individuals designated by the Corporation to perform the duties of a Corporation Representative under this Master Trust Agreement, each as evidenced by a written signature identification and incumbency certificate, furnished to the Trustee, signed on behalf of the Corporation by the Chair or the Secretary of the Corporation.

"Cost" – all obligations and expenses and all items of cost with respect to any project or facility and include all costs and expenses related to planning, designing, acquiring, constructing, installing, extending, equipping, improving, repairing, replacing, operating, maintaining and financing or refinancing all or any part of the project or facilities for the Light Rail Components as set forth below or as otherwise authorized to be incurred or paid under the Acts or State law. For the purposes of this Master Trust Agreement, the term "cost" when used with respect to any project or facility shall mean and include (but not limited to) all costs related to such project or facility for the Light Rail Components, and, without intending thereby to limit or restrict any such definition, shall include the following:

- (a) obligations incurred for labor and to contractors, builders and materialmen in connection with the construction of a facility or project or any part thereof, and obligations incurred for machinery and equipment;

- (b) payments to owners and others, for real property, or interests therein, or for options or other property or contractual rights;

- (c) all expenses of every kind or character incurred in the acquisition of real property including land, rights-of-way and other interests in land, including all costs and expenses of whatever kind in connection with the exercise of the power of condemnation, and including the cost of title searches and reports, abstracts of title, title certificates and opinions, title guarantees, title insurance policies, appraisals, negotiations and surveys;

(d) as to equipment, it is recognized that some manufacturers of such equipment will not sell such equipment outright, and that some manufacturers will sell it; but that it will not be known, until bids are received by the Corporation for the acquisition of such equipment, which manufacturer will offer the most advantageous terms to the Corporation. It is specially provided, however, that if, in the discretion of the Corporation, it will be to the advantage of the Corporation to do so, the Corporation may enter into lease-purchase or lease-rental agreements for the acquisition of such equipment. In such event the Corporation shall so advise the Trustee, and the Trustee shall set aside and retain the amounts required for the payments under such agreements in the Project Fund, and shall make such payments as so required, upon requisition as provided for in Section 404. Any such payments shall constitute proper items of "cost" for all purposes;

(e) the cost of any necessary indemnity and surety bonds, the cost of all fidelity bonds, the fees and expenses of the Trustee and the Paying Agent, and premiums on all insurance deemed necessary and advisable by the Corporation, until one year after the completion of construction thereof;

(f) the cost of borings and other preliminary investigations to determine foundation or other conditions, all fees, costs, and expenses necessary or incident to determining the feasibility and practicability of constructing a facility or project, and all fees, costs, and expenses of engineers and others for making traffic studies, surveys, and estimates, and all fees, costs, and expenses of engineering services, plans, specifications, surveys, and estimates of cost and revenues, and all costs of supervising construction, as well as for the performance of all other duties of engineers in relation to the construction of a facility or project or the issuance of bonds therefor;

(g) the cost of preparing and issuing Obligations, including refunding Obligations, and all legal, accounting and other professional expenses and fees and financing charges (including but not limited to capitalized interest and reserve funds) in connection with any Obligations and/or any facility, and expenses of administration properly chargeable to the construction of a facility, including salaries and all payments and deductions as provided by law pertaining to retirement system;

(h) the cost of restoring, repairing and placing in its original condition, as nearly as practicable, all public or private property damaged or destroyed in the construction of a facility or project, or the amount paid by the Corporation as compensation for such damage or destruction, and all costs lawfully incurred or damages lawfully payable, with respect to the restoration, relocation, removal, reconstruction or duplication of property or facilities in connection with or made necessary or caused by the construction of a facility or project, and the cost of building facilities or projects to connect land severed by a facility or project or severance damages paid in lieu of such facilities or projects;

(i) any obligation or expense heretofore or hereafter incurred by the Corporation in connection with any of the foregoing items of cost, and the reimbursement of any obligations or expenses incurred in connection with any of the foregoing items of cost;

(j) utility relocations, buildings and other structures, fencing, landscaping, illumination, communication systems, and safety devices;

(k) costs of providing investigation and development, the performance or acquisition of feasibility and planning studies and the securing of regulatory approvals; and

(l) all other items of cost and expense not elsewhere in this definition specified, incident to the construction and equipment of a facility or project, the financing or refinancing thereof and the costs of placing a facility or project in operation, including all costs as defined under the term "Cost" in the Acts and State law.

"Counsel to the Corporation" – an attorney or law firm acting as counsel to the Corporation (who may be general counsel to the Corporation).

"Credit Agreement" – a Senior Lien Credit Agreement or a Subordinate Lien Credit Agreement, as applicable.

"Credit Provider" – any Bank, financial institution, insurance company, surety bond provider, or other public or private entity which provides, executes, issues, or otherwise is a party to or provider of a Credit Agreement.

"Debt Service Funds" – the Senior Lien Debt Service Fund, the Subordinate Lien Debt Service Fund or any debt service fund as may be created pursuant to Section 211 for the issuance of Inferior Lien Obligations.

"Debt Service Requirements" – for any annual period (any Fiscal Year, or any other consecutive twelve calendar month period), the aggregate amount of interest on and Principal of Outstanding Obligations specified for the purposes for which Debt Service Requirements is to be calculated, other than any Credit Agreement, and, with respect to any Credit Agreement, the Payment Obligations relating thereto due in such period, as limited and calculated in the following manner; provided, however, that this definition shall never be applied in a manner which results in Debt Service Requirements for any annual period being an amount that is less than the aggregate amount actually required to be paid in such annual period with respect to Outstanding Obligations:

(a) Except as modified below, (i) for any Fiscal Year, the aggregate amount of interest on and Principal of the Obligations, including Payment Obligations, which was paid or redeemed or is scheduled to accrue and be paid or redeemed on October 1 of such Fiscal Year shall be excluded from the calculation of debt service for such Fiscal Year, and the aggregate amount of interest on and

Principal of the Obligations, including Payment Obligations, which was paid or redeemed or is scheduled to accrue and be paid or redeemed on October 1 immediately following such Fiscal Year shall be included in the calculation of debt service for such Fiscal Year, and (ii) for any consecutive twelve calendar month period other than the Fiscal Year, whether or not such period constitutes any future Fiscal Year, the aggregate amount of interest on and Principal of the Obligations, including Payment Obligations, which was paid or redeemed or is scheduled to accrue and be paid or redeemed during such consecutive twelve month period;

(b) As to any annual period prior to the date of any calculation, such requirements shall be calculated solely on the basis of Obligations which were Outstanding as of the first day of such period; and as to any future year such requirements shall be calculated solely on the basis of Obligations Outstanding as of the date of calculation plus any Obligations then proposed to be issued as Additional Obligations;

(c) Notwithstanding the foregoing, all amounts which are deposited to the credit of the Interest Accounts, including any Capitalized Interest Accounts created therein from original proceeds from the sale of any Senior Lien Obligations or Subordinate Lien Obligations, as applicable, any investment income from the Interest Accounts, the Redemption Accounts, the Reserve Accounts and any Capitalized Interest Accounts which is deposited to the credit of the Interest Accounts or from any other lawfully available source (other than from the Revenue Fund), and which are used or scheduled to be used to pay interest on such Obligations during any annual period, shall be deemed to reduce the Debt Service Requirements for any such annual period to the extent of such deposits; and the amount of such deposits shall be excluded from and shall not constitute Debt Service Requirements for any such annual period;

(d) If any of the Obligations or proposed Additional Obligations bear interest at a Variable Rate, the interest rate on such Obligations or Additional Obligations for all periods for which the interest rate is not known, shall be assumed and deemed to be the Assumed Variable Rate;

(e) If any of the Obligations or proposed Additional Obligations constitute Balloon Indebtedness or Short-Term Indebtedness, then such amounts thereof, as constitute Balloon Indebtedness or Short-Term Indebtedness, shall be treated as if such Obligations are to be amortized in substantially equal annual installments of Principal and interest over the useful life of the improvements financed with the proceeds of such Balloon Indebtedness or Short-Term Indebtedness as calculated by, and set forth in, a certificate of a Corporation Representative. Anything to the contrary herein notwithstanding, during the annual period preceding any annual period in which twenty-five percent (25%) or more of the original Principal of such Balloon Indebtedness is payable or, in the case of Short-Term Indebtedness, in each annual period, all of the Principal thereof shall be considered to be due on the Stated Maturity or due date of such Balloon

Indebtedness or Short-Term Indebtedness unless the Corporation provides to the Trustee, a certificate of a Financial Consultant certifying that, in its judgment, the Corporation will be able to refund such Balloon Indebtedness or Short-Term Indebtedness through the issuance of Additional Obligations, in which event the Balloon Indebtedness or Short-Term Indebtedness shall be amortized over the term of such proposed refunding Additional Obligations and shall be deemed to bear the interest rate specified in the certificate of the Financial Consultant;

(f) Notwithstanding anything to the contrary in clause (e) above, with respect to Short-Term Indebtedness that is part of a commercial paper, one year or less revolving note or similar programs of the Corporation, the amount of debt service of such Short-Term Indebtedness taken into account during any annual period shall be equal to the Principal component of debt service calculated using the outstanding Principal amount of such Short-Term Indebtedness on the date of calculation amortized over the period ending on the date of the maximum maturity date under such program on a level debt service basis at an interest rate deemed to be the Assumed Variable Rate determined as if such Short-Term Indebtedness were Obligations bearing interest at a Variable Rate;

(g) Notwithstanding anything to the contrary contained in clauses (a) through (e) above, the Debt Service Requirements for each annual period for a series of Additional Obligations issued (i) in conjunction with one or more Qualified Credit Agreements shall be deemed to be the total net payments which a Corporation Representative certifies the Corporation expects to pay in such annual period with respect to such series of Additional Obligations after taking into account the Principal and interest payments and the Payment Obligations under such Qualified Credit Agreements made or to be made in such annual period and the amounts received or to be received from the Qualified Credit Provider under such Qualified Credit Agreement in such annual period or (ii) as a series of Variable Rate Obligations, or one or more maturities within a series, of equal par amounts, issued simultaneously with inverse floating interest rates providing a composite fixed interest rate for such Obligations taken as a whole, such composite fixed rate shall be used in determining the Debt Service Requirement with respect to such Obligations; and

(h) Debt Service Requirements shall exclude any Excluded Debt Service and any termination or similar payments owed or paid by the Corporation under any Credit Agreement.

"Depository" – any Bank selected by the Corporation as a depository of the Corporation in accordance with State law.

"DTC" – The Depository Trust Company and its successors and assigns.

"Event of Default" – as defined in Section 802.

"Event of Non-Appropriation" – the failure to appropriate by the City in its Annual Budget adopted prior to the commencement of any City Fiscal Year funds to pay the Contract Revenues or any other amounts due for such City Fiscal Year pursuant to the terms of the Funding Agreement.

"Excluded Debt Service" – means each payment of Principal of and interest on Obligations that the Corporation has specified in the related Supplemental Agreement to be payable from or secured by funds or revenues that do not constitute Pledged Revenues, which may include, without limitation, (i) any grants from the State or federal government, or any agency or instrumentality thereof, that have not been designated as Pledged Revenues, (ii) any proceeds of anticipated future borrowings, or (iii) any other funds that have not been designated as Pledged Revenues including Additional Obligation Security.

"Financial Consultant" – a nationally recognized firm of independent professional financial consultants or a financial advisor having a favorable reputation for skill and experience relating to credits of the nature of the sources of the Pledged Revenues or the Contract Revenue component thereof selected by the Corporation.

"Financing Documents" – this Master Trust Agreement, the Obligations and any Supplemental Agreements.

"First Supplemental Agreement" – the First Supplemental Agreement, dated as of _____, between the Corporation and the Trustee.

"Fiscal Year" – the Fiscal Year of the Corporation which is presently, October 1 through September 30 of the following year; or any other period hereafter designated by the Corporation as its Fiscal Year in accordance with law.

"Funding Agreement" – has the meaning given such term in the recitals of this Master Trust Agreement.

"Governmental Lender" – a federal agency or instrumentality, federal government-sponsored enterprise or federal government corporation.

"Inferior Lien Obligations" – Obligations, including any inferior lien credit agreement, issued, incurred or entered into as Inferior Lien Obligations, with varying lien levels and priorities for funds and accounts created pursuant to Section 211 for such Obligations or all of the foregoing, as the case may be, authorized by law and issued under and secured by the provisions of this Master Trust Agreement and any Supplemental Agreement.

"Initial Obligations" – any Senior Lien Obligations issued, from time to time, in an aggregate principal amount not to exceed \$150,000,000 pursuant to the First Supplemental Agreement.

"Insolvency Laws" – the United States Bankruptcy Code, 11 U.S.C. §101 et seq., as from time to time amended and in effect, and any state bankruptcy, insolvency, receivership, liquidation, reorganization or similar law now or hereafter in effect.

"Interest Accounts" – collectively, the Senior Lien Interest Account, the Subordinate Lien Interest Account or any interest accounts as may be created pursuant to Section 211 for the issuance of Inferior Lien Obligations.

"Letter of Representations" – the letter of representations or similar document executed by the Corporation and delivered to the Securities Depository (and any amendments thereto or successor agreements) for one or more Series of Book-Entry Obligations.

"Lien" – the designation of priority of an Obligation, with Senior Lien Obligations being the most senior, Subordinate Lien Obligations being the second most senior and Inferior Lien Obligations being junior and subordinate to the Senior Lien Obligations and the Subordinate Lien Obligations (with varying lien levels and priorities for funds and accounts as may be created pursuant to Section 211 for such Inferior Lien Obligations).

"Light Rail Components" – the light rail components of Project Connect and associated infrastructure, improvements, and equipment including, initially, the light rail and priority extensions described in the Austin Light Rail Implementation Plan.

"Master Trust Agreement" – this Master Trust Agreement, dated as of _____, 20__, as amended, restated, supplemented or otherwise modified from time to time, collectively between the Corporation and the Trustee.

"Nationally Recognized Rating Agency" – means any of Moody's Investor Service, Kroll Bond Rating Agency, S&P Global Ratings, or Fitch Ratings so long as such organization or successor is in existence and is a nationally recognized statistical rating organization as determined by a Corporation Representative, or any other nationally recognized securities rating agency.

"Obligations" – any bonds, notes or other obligations, including Credit Agreements, issued or executed pursuant to this Master Trust Agreement.

"Outstanding" – when used with reference to Obligations, at any date of which the amount of the Outstanding Obligations is to be determined, the aggregate of all Obligations secured by this Master Trust Agreement, except:

(a) Obligations paid, cancelled or delivered to the Paying Agent for cancellation at or prior to such date;

(b) Obligations for the full payment of the Principal of, premium, if any, and interest on which cash shall have been theretofore deposited with the Paying Agent and which (i) shall have matured by their terms, or otherwise shall have become payable, but shall not have been surrendered for payment or (ii) shall have been purchased by the Trustee but shall not have been presented for payment;

(c) Obligations which are deemed paid or defeased pursuant to a Supplemental Agreement; and

(d) Obligations in exchange or in lieu of which other Obligations have been delivered under this Master Trust Agreement.

"Owner" – (i) the registered owner of any bond, note or other obligation as shown on the Trustee's registration records and books for any Obligations provided for in the applicable Supplemental Agreement and (ii) the Credit Provider of any Credit Agreement.

"Paying Agent" – the paying agent designated as paying agent pursuant to a Supplemental Agreement authorizing a Series or group of Series of Obligations. The paying agent may be the Trustee. The duties of each paying agent shall be as described in the applicable Supplemental Agreement or in any separate contracts and agreements approved by the Corporation.

"Payment Obligations" – Senior Lien Payment Obligations, Subordinate Lien Payment Obligations and any payment obligations created pursuant to Section 211 for the issuance of Inferior Lien Obligations.

"Permitted Investments" – any security or obligation or combination thereof permitted under State law, including the Public Funds Investment Act, Chapter 2256, Texas Government Code, as may be amended from time to time, and the Corporation's duly approved investment policy, including forward purchase agreements and guaranteed investment contracts to the extent permitted by such investment policy.

"Person" – an individual, partnership, corporation (including a business trust), limited or unlimited liability company, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity.

"Pledged Revenues" – means (i) the Contract Revenues, (ii) any additional revenues, income, receipts, or other resources, including, without limitation, any grants, donations received or to be received, including from a Governmental Lender (but only to the extent such funds described in this clause (ii) are pledged pursuant to a Supplemental Agreement for a particular Series or group of Series of Obligations), or any other public or private source whether pursuant to an agreement or otherwise as added by action of the Board of Directors of the Corporation pursuant to a Supplemental Agreement, and (iii) all investment income from the Revenue Fund and any investment income from any other fund or account (except the Project Fund) as may be designated as Pledged Revenues in a Supplemental Agreement.

"Principal" – (i) the principal amount of an Obligation or (ii) when used in connection with determining whether Owners of a percentage of the principal amount of Outstanding Obligations has given any consent, order, request, direction or other act (1) with respect to any Obligation that evidences one or more financial hedge obligations, the amount, if any, that would be payable by the Corporation if the transaction in respect of which such financial hedge obligations are payable were terminated as of a recent date (within 30 days of the date of determination) specified by the

Corporation, and (2) with respect to any other Obligation, means the Outstanding unpaid principal sum, amount or notional amount of such Obligation.

"Principal/Redemption Accounts" – collectively, the Senior Lien Principal/Redemption Account, the Subordinate Lien Principal/Redemption Account and any other principal/redemption accounts as may be created pursuant to Section 211 for the issuance of Inferior Lien Obligations.

"Principal Office" – when used with respect to the Trustee, the business office of the Trustee specified in writing by the Trustee to the Corporation as the principal office of the Trustee for the administration of this Master Trust Agreement and, initially, shall be

"Project Connect" – the Project Connect System Plan as it is more particularly described in City Resolution 20200610-002, and as modified by the City Council's adoption of certain updates described as the "Austin Light Rail Implementation Plan" in City Resolution No. 20230601-072, and as such plan may from time to time be amended or supplemented.

"Project Fund" – the Project Fund created and established by Section 401.

"Proposition A" – has the meaning given such term in the recitals of this Master Trust Agreement.

"Qualified Credit Agreement" – a Senior Lien Credit Agreement or a Subordinate Lien Credit Agreement, as applicable, entered into with a Qualified Credit Provider.

"Qualified Credit Provider" – a Credit Provider (or its corporate parent as guarantor of its obligations under a Credit Agreement) whose long-term debt is rated or whose credit rating is, at the time the Qualified Credit Agreement is entered into, in one of the three highest rating categories by a Nationally Recognized Rating Agency, without regard to rating sub-categories.

"Rebate Fund" – the Rebate Fund created by Section 503.

"Redemption Premium" – the premium payable upon the call of any Obligation for redemption, determined in accordance with the provisions of this Master Trust Agreement.

"Redemption Price" – the Principal amount of any Obligation and the premium payable upon the redemption thereof determined in accordance with the provisions of this Master Trust Agreement together with interest accrued to the date fixed for redemption.

"Reserve Accounts" – collectively, the Senior Lien Reserve Account, the Subordinate Lien Reserve Account or any other reserve accounts as may be created pursuant to Section 211 for the issuance of Inferior Lien Obligations.

"Reserve Surety Agreement" – any substitute for cash and Permitted Investments in any respective Reserve Account as may be provided in a Supplemental Agreement.

"Responsible Officer" – when used with respect to the Trustee, the officer of the Trustee within the Corporate Trust Services of the Trustee (or any successor unit, department or division of the Trustee) located at a Principal Office of the Trustee, who has direct responsibility for the administration of this Master Trust Agreement.

"Revenue Fund" – the Revenue Fund created by Section 502.

"Rule" – United States Securities Exchange Commission Rule 15c2-12, as amended from time to time.

"SEC" – the United States Securities Exchange Commission.

"Securities Depository" – a Person that is registered as a clearing agency under Section 17A of the Securities Exchange Act of 1934 or whose business is confined to the performance of the functions of a clearing agency with respect to exempted securities, as defined in Section 3(a)(12) of such act for the purposes of Section 17A thereof.

"Senior Lien Credit Agreement" – collectively, an obligation entered into on a parity with Senior Lien Obligations in the form of a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase obligations, purchase or sale agreement, interest rate swap, cap and floor agreement, Reserve Surety Agreement or commitment or other contract or agreement authorized, recognized and approved by the Corporation as a Senior Lien Credit Agreement, whether authorized or approved in anticipation of, simultaneously with, or subsequent to, the authorization of the Senior Lien Obligations in connection with which it is executed.

"Senior Lien Debt Service Fund" – the Senior Lien Debt Service Fund created by Section 503.

"Senior Lien Interest Account" – an account in the Senior Lien Debt Service Fund created by Section 503.

"Senior Lien Obligations" – Obligation or obligations, including any Senior Lien Credit Agreement, issued, incurred or entered into pursuant to Section 207 as Senior Lien Obligations, or all of the foregoing, as the case may be, authorized by law and issued under and secured by the provisions of this Master Trust Agreement and any Supplemental Agreement.

"Senior Lien Payment Obligations" – unless otherwise specifically stated in a Supplemental Agreement, all amounts payable by the Corporation under a Senior Lien Credit Agreement less any amounts of Principal or interest payable with respect to any Senior Lien Obligations pledged under a Senior Lien Credit Agreement as collateral for the amounts due thereunder and any payment obligations evidenced by a Senior Lien Obligation; and all such Senior Lien Payment Obligation payments shall be deemed to constitute Principal payments of Senior Lien Obligations, and shall be paid from the Senior Lien Principal/Redemption Account as provided in Section 507(a); provided, however, that, if so provided in a Senior Lien Credit Agreement or in the proceedings approved by the Corporation in connection therewith, some or

all of the amounts payable under a Senior Lien Credit Agreement may be designated to be Subordinate Lien Payment Obligations.

"Senior Lien Principal/Redemption Account" – an account in the Senior Lien Debt Service Fund created by Section 503.

"Senior Lien Reserve Account" – an account in the Senior Lien Debt Service Fund created by Section 503.

"Series" – one or more Obligations issued at the same time and having the same parity insofar as the lien of the Trust Estate is concerned and any Obligations thereafter authenticated and delivered in lieu of or in substitution for such Obligations, or sharing some other common term or characteristic, and designated as a separate Series of Obligations.

"Short-Term Indebtedness" – all Obligations that mature in less than 365 days and are issued as Short-Term Indebtedness. In the event a Credit Provider has extended a line of credit or the Corporation has undertaken a commercial paper, one year or less revolving note or similar programs, only amounts actually borrowed under such line of credit or program and repayable in less than 365 days shall be considered Short-Term Indebtedness and the full amount of such commitment or program shall not be treated as Short-Term Indebtedness to the extent that such facility remains available but undrawn.

"State" – the State of Texas.

"Stated Maturity" – for any Obligation, the scheduled maturity date or final mandatory sinking fund redemption date of such Obligation.

"Subordinate Lien Credit Agreement" – collectively, an obligation entered into on a parity with the Subordinate Lien Obligations in the form of a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase obligations, purchase or sale agreement, interest rate swap, cap and floor agreement, Reserve Surety Agreement or commitment or other contract or agreement authorized, recognized and approved by the Corporation as a Subordinate Lien Credit Agreement, whether authorized or approved in anticipation of, simultaneously with, or subsequent to, the authorization of the Subordinate Lien Obligations in connection with which it is executed.

"Subordinate Lien Debt Service Fund" – the Subordinate Lien Debt Service Fund created by Section 503.

"Subordinate Lien Interest Account" – an account in the Subordinate Lien Debt Service Fund created by Section 503.

"Subordinate Lien Obligations" – Obligations, including any Subordinate Lien Credit Agreement, issued, incurred or entered into pursuant to Section 208 as Subordinate Lien Obligations, or all of the foregoing, as the case may be, authorized by law and issued under and secured by the provisions of this Master Trust Agreement and any Supplemental Agreement.

"Subordinate Lien Obligations Coverage Certificate" – means a certificate evidencing compliance with the additional conditions set forth in a Supplemental Agreement for issuing Subordinate Lien Obligations, including any Subordinate Lien Credit Agreement, issued, incurred or entered into pursuant to Section 208 as Subordinate Lien Obligations, or all of the foregoing, as the case may be, authorized by law and issued under and secured by the provisions of this Master Trust Agreement and any Supplemental Agreement.

"Subordinate Lien Payment Obligations" – unless otherwise specifically stated in a Supplemental Agreement, all amounts payable by the Corporation under a Subordinate Lien Credit Agreement less any amounts of Principal or interest payable with respect to any Subordinate Lien Obligations pledged under a Subordinate Lien Credit Agreement as collateral for the amounts due thereunder and any payment obligations evidenced by a Subordinate Lien Obligation; and all such Subordinate Lien Payment Obligation payments shall be deemed to constitute Principal payments of Subordinate Lien Obligations, and shall be paid from the Subordinate Lien Principal/Redemption Account or subaccount therein as provided in Section 507(b) and specified in a Supplemental Agreement; and all payment obligations under a Senior Lien Credit Agreement which are designated to be Subordinate Lien Payment Obligations shall be treated as and constitute Subordinate Lien Payment Obligations for all purposes under this Master Trust Agreement.

"Subordinate Lien Principal/Redemption Account" – an account in the Subordinate Lien Debt Service Fund created by Section 503.

"Subordinate Lien Reserve Account" – an account in the Subordinate Lien Debt Service Fund created by Section 503.

"Supplemental Agreement" – any supplemental agreement to this Master Trust Agreement, now or hereafter duly authorized and entered into in accordance with the provisions of Article XI hereof, together with, to the extent applicable, the related award or pricing certificate of the Corporation.

"Tax-Exempt Obligations" – any Obligations issued as obligations described in Section 103 of the Code.

"TIFIA Loan Agreement" – any loan agreement, as supplemented and amended from time to time, between the Corporation and USDOT or other Governmental Lender, executed pursuant to the federal Transportation Infrastructure Finance and Innovation Act or other law, which may be a credit agreement under Chapter 1371, Texas Government Code, and, for purposes of this Master Trust Agreement, shall be a Credit Agreement.

"TIFIA Obligation" – an Obligation initially delivered to and owned by USDOT or other Governmental Lender related to a TIFIA Loan Agreement.

"Transfer Date" – has the meaning given such term in Section 504(a).

"Trust Agreement" – this Master Trust Agreement, together with all Supplemental Agreements.

"Trustee" – _____ or its successor as Trustee under the provisions of this Master Trust Agreement.

"Trust Estate" – has the meaning given such term in the granting clauses of the recitals of this Master Trust Agreement.

"Unanimous Voting Matters" – has the meaning given such term in Section 1102.

"USDOT" – the United States Department of Transportation, or any successor thereto.

"Value of Permitted Investments" – the amortized value of any Permitted Investments, provided, however, that all United States of America, United States Treasury Obligations – State and Local Government Series shall be valued at par and those obligations which are redeemable at the option of the holder shall be valued at the price at which such obligations are then redeemable. The computations made under this paragraph shall include accrued interest on the investment securities paid as a part of the purchase price thereof and not collected. For the purposes of this definition "amortized value", when used with respect to a security purchased at par means the purchase price of such security and when used with respect to a security purchased at a premium above or discount below par, means as of any subsequent date of valuation, the value obtained by dividing the total premium or discount by the number of interest payment dates remaining to maturity on any such security after such purchase and by multiplying the amount as calculated by the number of interest payment dates having passed since the date of purchase and (i) in the case of a security purchased at a premium, by deducting the product thus obtained from the purchase price, and (ii) in the case of a security purchased at a discount, by adding the product thus obtained to the purchase price.

"Variable Rate" – interest on an Obligation which does not have a predetermined fixed rate or rates to maturity.

EXHIBIT B

**AUSTIN TRANSIT PARTNERSHIP LOCAL GOVERNMENT CORPORATION
FORM OF PROJECT FUND REQUISITION CERTIFICATE**

Project Fund Requisition Certificate
pursuant to Section 403 of the Master Trust Agreement

_____, Trustee

Attention: _____

Date:	
Requisition No.:	
Project Fund Subaccount No:	
Total Amount	\$

Reference is made to Sections 403 of the Master Trust Agreement, dated as of _____, 2024 (as amended, restated, supplemented or otherwise modified from time to time, collectively, the "Master Trust Agreement"), by and between the Austin Transit Partnership Local Government Corporation (the "Corporation"), and _____, in its capacity as Trustee (the "Trustee"). Capitalized terms used herein but not defined herein shall have the respective meanings assigned thereto in the Master Trust Agreement.

The Corporation hereby requests that the Trustee withdraw and pay from amounts on deposit in the subaccounts of the Project Fund in the amounts, for the purposes, and to the payees, in each case as set forth in the schedule attached hereto.

In support of such request, the undersigned, on behalf of the Corporation, hereby represents and certifies, as of the date hereof, as follows:

1. The undersigned is a Corporation Representative of the Corporation duly authorized by the Corporation to execute and deliver this Project Fund Requisition Certificate.

2. The obligations in the stated amounts referred to above have been incurred by the Corporation, and each item thereof is a proper charge against the Project Fund, is due for payment, advance or reimbursement and has not been previously paid, advanced or reimbursed.

3. There has not been filed with or served upon the Corporation legal notice of any lien, right to lien, attachment or other claim, which is valid in the opinion of Counsel for the Corporation, and affects the right to receive payment of any of the money payable to any of the persons, firms or corporations named in such requisition, which has not been released or will not be released simultaneously with such payments.

4. This requisition contains no item representing payment on account of any retained percentages which the Corporation is at the date of such certificate entitled to retain.

IN WITNESS WHEREOF, the Corporation has caused this Project Fund Requisition Certificate to be executed and delivered by its Corporation Representative as of the day and year first above written.

AUSTIN TRANSIT PARTNERSHIP LOCAL
GOVERNMENT CORPORATION

By: _____

Name: _____

Title: _____

FORM OF
FIRST SUPPLEMENTAL AGREEMENT*

BY AND BETWEEN

AUSTIN TRANSIT PARTNERSHIP LOCAL GOVERNMENT CORPORATION

AND

_____, AS TRUSTEE

SECURING

ONE OR MORE SERIES OF

SENIOR LIEN CONTRACT REVENUE BONDS,
SERIES 2024

Dated as of _____, _____

* The First Supplemental Agreement and related exhibits will be completed and finalized in accordance with the final pricing, sale and delivery of Bonds. The series designation of the Series 2024 Bonds may be changed as needed to reflect the year of issuance.
ATP: 1stSuppAgrmnt

TABLE OF CONTENTS

PREAMBLE	1
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ARTICLE I DEFINITIONS

SECTION 101.	MEANING OF WORDS AND TERMS	1
SECTION 102.	MISCELLANEOUS DEFINITIONS	1
SECTION 103.	SIGNING OF CERTIFICATES AND OPINIONS	2
SECTION 104.	REFERENCES	2

ARTICLE II AUTHORIZATION AND DESIGNATION OF OBLIGATIONS

SECTION 201.	AUTHORIZATION AND DESIGNATION OF OBLIGATIONS	2
SECTION 202.	TERMS OF BONDS; AWARD CERTIFICATES; AND SALE OF BONDS	3
SECTION 203.	INTEREST	4
SECTION 204.	ADDITIONAL CHARACTERISTICS OF THE BONDS	5
SECTION 205.	BOOK-ENTRY-ONLY SYSTEM	8
SECTION 206.	FORM OF BOND	9
SECTION 207.	INITIAL BONDS	9

ARTICLE III SECURITY FOR BONDS; MASTER TRUST AGREEMENT APPLICABLE

SECTION 301.	PRINCIPAL AMOUNT	9
SECTION 302.	PLEDGE	9
SECTION 303.	PAYMENT OF BONDS	10
SECTION 304.	MASTER TRUST AGREEMENT APPLICABLE	10
SECTION 305.	HIGHEST LAWFUL RATE	10
SECTION 306.	ACCOUNTS	10

ARTICLE IV PARTICULAR COVENANTS

ARTICLE V TAX COVENANTS FOR THE TAX-EXEMPT BONDS

SECTION 501.	COVENANTS REGARDING TAX-EXEMPTION OF TAX-EXEMPT BONDS	10
SECTION 502.	REBATE FUND	12
SECTION 503.	DISPOSITION OF THE LIGHT RAIL COMPONENTS	12

SECTION 504.	ALLOCATION OF, AND LIMITATION ON, THE EXPENDITURES FOR THE LIGHT RAIL COMPONENTS.....	13
SECTION 505.	TAXABLE BONDS	13

ARTICLE VI AMENDING SUPPLEMENTS

SECTION 601.	AMENDING SUPPLEMENTS WITHOUT OWNERS' CONSENT	13
SECTION 602.	AMENDING SUPPLEMENTS REQUIRING OWNERS' CONSENT	14
SECTION 603.	CONSENTS OF OWNERS OF THE BONDS AND OPINIONS	15
SECTION 604.	EXCLUSION OF CERTAIN OBLIGATIONS FOR THE PURPOSE OF CONSENT, ETC.	16
SECTION 605.	EFFECT OF AMENDING SUPPLEMENTS	16
SECTION 606.	SUPPLEMENTAL AGREEMENTS FOR ADDITIONAL OBLIGATIONS.....	16

ARTICLE VII MISCELLANEOUS PROVISIONS

SECTION 701.	SUCCESSORSHIP OF TRUSTEES	16
SECTION 702.	NOTICES.....	17
SECTION 703.	NON-BUSINESS DAYS.....	17
SECTION 704.	COUNTERPARTS	17
SECTION 705.	LIMITATION OF LIABILITY OF OFFICIALS OF THE CORPORATION	17
SECTION 706.	SUCCESSORS AND ASSIGNS	17
SECTION 707.	FORM OF DOCUMENTS DELIVERED TO TRUSTEE	17
SECTION 708.	CONSENT OF OWNERS	18
SECTION 709.	PAYMENT OF ATTORNEY GENERAL FEE.....	18

ARTICLE VIII GENERAL PROVISIONS

SECTION 801.	CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION, CUSIP NUMBERS, AND INSURANCE.....	19
SECTION 802.	FURTHER PROCEDURES	19
SECTION 803.	PRELIMINARY AND FINAL OFFICIAL STATEMENT	19
SECTION 804.	BOND INSURANCE POLICIES.....	20
SECTION 805.	ADDITIONAL AGREEMENTS.....	20
SECTION 806.	PARTIAL INVALIDITY	20

SECTION 807.	LAW AND PLACE OF ENFORCEMENT OF THIS FIRST SUPPLEMENTAL AGREEMENT	20
SECTION 808.	NOTICES TO NATIONALLY RECOGNIZED RATING AGENCIES AND BOND INSURER	20
SECTION 809.	GOVERNMENTAL IMMUNITY	21
SECTION 810.	GUARANTEED INVESTMENT CONTRACTS	21
SECTION 811.	VERIFICATION OF STATUTORY REPRESENTATIONS AND COVENANTS	21
SECTION 812.	DEFESANCE OF BONDS	22

ARTICLE IX CONTINUING DISCLOSURE UNDERTAKING

SECTION 901.	CONTINUING DISCLOSURE UNDERTAKING.....	23
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EXHIBIT A	DEFINITIONS
EXHIBIT B	PRICING OFFICER'S AWARD CERTIFICATE

FIRST SUPPLEMENTAL AGREEMENT

THIS FIRST SUPPLEMENTAL AGREEMENT (this "First Supplemental Agreement"), dated as of _____, 2024, is made by and between the Austin Transit Partnership Local Government Corporation, created under the laws of the State of Texas, including particularly Chapter 431, Transportation Code, Chapter 22, Texas Business Organization Code, and Chapter 394, Texas Local Government Code (the "Corporation"), and _____, a national banking association duly organized and existing under the laws of the United States which is authorized under such laws to exercise corporate trust powers, as trustee (the "Trustee"):

WITNESSETH:

WHEREAS, terms used and not otherwise defined in this Preamble shall have the meanings given in Section 101 to this First Supplemental Agreement; and

WHEREAS, the Corporation and the Trustee have entered into a Trust Agreement, dated as of even date herewith (as more fully described and defined herein, the "Master Trust Agreement"), and, in addition to this First Supplemental Agreement, a supplemental trust agreement related to the issuance of certain obligations in connection with Project Connect; and

WHEREAS, pursuant to the Master Trust Agreement, the Corporation is authorized to issue the Initial Obligations for the Light Rail Components of Project Connect pursuant to the Master Trust Agreement and this First Supplemental Agreement; and

WHEREAS, the Trustee has accepted the trusts created by this First Supplemental Agreement and in evidence thereof has joined in the execution hereof; and

WHEREAS, the Corporation and the Trustee hereby agree as follows:

ARTICLE I

DEFINITIONS

SECTION 101. MEANING OF WORDS AND TERMS. Except as otherwise defined in this First Supplemental Agreement (other than in the Form of Bond set forth in Exhibit "B" hereto), the capitalized terms used in this First Supplemental Agreement and not otherwise defined shall have the meanings given such terms in Exhibit "A" to this First Supplemental Agreement and in Section 101 of the Master Trust Agreement unless the context clearly indicates otherwise.

SECTION 102. MISCELLANEOUS DEFINITIONS. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neutral genders (and vice versa). Words of the singular number shall be construed to include correlative words of the plural number and vice versa. References to any named person means that party and its successor and assigns. Unless the context shall otherwise require, the words "hereto," "herein," "hereof," "hereunder" and other words of similar import refer to this First Supplemental Agreement as a whole. Unless the context shall otherwise require, all references to any resolution, contract,

agreement, or other document shall be deemed to include any appendices, exhibits, annexes or schedules thereto and any amendments to, or modifications or restatements of, such documents that are approved in accordance with the terms thereof and hereof.

SECTION 103. SIGNING OF CERTIFICATES AND OPINIONS. Certificates and opinions to be signed by any consultant of the Corporation, Bond Counsel, Counsel to the Corporation, general counsel to the Corporation or other partnerships, firms or corporations, may be signed by any partner or officer of, or any representative designated by, the organization making the certificate or opinion.

SECTION 104. REFERENCES. All references in this First Supplemental Agreement to designated "Articles," "Sections," and other subdivisions are to the designated Articles, Sections, and other subdivisions of this First Supplemental Agreement. All references in this First Supplemental Agreement to "Exhibits" are to the designated Exhibits to this First Supplemental Agreement.

ARTICLE II

AUTHORIZATION AND DESIGNATION OF OBLIGATIONS

SECTION 201. AUTHORIZATION AND DESIGNATION OF OBLIGATIONS. (a) The Initial Obligations of the Corporation are hereby authorized to be issued and delivered in one or more Series of Bonds in the maximum aggregate principal amount not to exceed \$150,000,000, not including any premiums, to provide funds for: (i) paying or reimbursing Costs of the Light Rail Components including planning, designing and engineering costs and (ii) the costs of issuance of the Bonds.

(b) Each Series of Bonds shall be designated as provided in each Award Certificate designated by the year in which it is awarded pursuant to Section 202 below, and if there is more than one Series of Bonds, each Series of Bonds may have a letter designation following the year as designated by a Pricing Officer pursuant to Section 202(b) hereof in order to differentiate one Series from another; provided if the initial Series of Bonds awarded pursuant to Section 202 is in calendar year 2024 such initial Series may be designated as 2024 and if more than one Series is issued such Series of Bonds may contain any letter or other designation. The term "Bonds" as used herein shall mean and include collectively all bonds initially issued hereunder and all substitute bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term "Bond" shall mean any of the Bonds (and within each Series, as appropriate). Any Bonds issued as Taxable Bonds may include a designation as such, if necessary or convenient. Additionally, portions of the Bonds may be issued in various subseries bearing different terms, CUSIP numbers and may bear such additional designations, if any, as may be set forth in each Award Certificate. The authority for a Pricing Officer to deliver each Award Certificate for a Series of Bonds shall expire at 5:00 p.m. Central Time on February 16, 2025. Bonds priced on or before February 16, 2025, may be delivered to the initial purchaser after such date. The Bonds are authorized pursuant to authority conferred by and in conformity with State law, particularly the provisions of the Acts.

SECTION 202. TERMS OF BONDS; AWARD CERTIFICATES; AND SALE OF BONDS. (a) Terms of Bonds. For each Series of Bonds, there shall initially be issued, sold, and delivered hereunder fully registered Bonds, without interest coupons. The Bonds will be Senior Lien Obligations as described in the Master Trust Agreement, may be in the form of Taxable Bonds, Tax-Exempt Bonds, Fixed Rate Bonds (as Current Interest Bonds) or Bonds which contain such other terms, rates, provisions or any combination thereof, as provided in each Award Certificate in substantially the form as set forth in Exhibit "B" attached hereto. Each Bond shall be numbered consecutively for each Series of Bonds from R-1 upward (except Initial Bond which shall be numbered T-1), payable to the respective initial Owners thereof, or to the registered assignee or assignees of said Bonds or any portion or portions thereof (in each case with respect to Bonds issued under this First Supplemental Agreement, the "Owner" or the "Owner of the Bonds"), in Authorized Denominations maturing not later than 40 years after the Issue Date, serially or otherwise on the dates, in the years, and in the principal amounts and dated, all as set forth in each Award Certificate relating to each Series of Bonds.

(b) Award Certificate(s). As authorized by the Acts, a Pricing Officer is hereby authorized, appointed, and designated to act on behalf of the Corporation in selling and delivering the Bonds of each Series and carrying out the other procedures specified in this First Supplemental Agreement, including determining and fixing the date of the Bonds of each Series, any additional or different designation or title by which the Bonds of each Series shall be known, the price at which the Bonds of each Series will be sold, the years in which the Bonds of each Series will mature, the principal amount to mature in each of such years, the aggregate principal amount of Taxable Bonds, Tax-Exempt Bonds, Fixed Rate Bonds, the rate or rates of interest to be borne by each maturity, the interest payment periods, the dates, price, and terms upon and at which the Bonds of each Series shall be subject to redemption prior to maturity at the option of the Corporation, as well as any mandatory sinking fund redemption provisions, provisions for defeasance including modification of the definition of Government Obligations and other provisions to accommodate Taxable Bonds, and all other matters relating to the issuance, sale, and delivery of the Bonds of each Series, including procuring municipal bond insurance with a Bond Insurer, if any, all of which shall be specified in each Award Certificate; provided that (i) the price to be paid for the Bonds of each Series shall not be less than 90% of the aggregate original principal amount thereof plus accrued interest thereon, if any, (ii) none of the Bonds shall bear interest at a rate greater than the Highest Lawful Rate and (iii) each Series of Bonds is rated by a Rating Agency in one of the four highest rating categories for long-term debt instruments. Each Award Certificate is hereby incorporated into and made a part of this First Supplemental Agreement. No reserve fund shall be established for any Series of the Bonds and no capitalized interest is being funded from proceeds of any Series of the Bonds.

In satisfaction of Section 1201.022(a)(3), Texas Government Code, the Corporation hereby determines that the delegation of the authority to a Pricing Officer to approve the final terms and conditions of each Series of the Bonds as set forth in this First Supplemental Agreement, and the decisions made by a Pricing Officer pursuant to such delegated authority and incorporated in each Award Certificate will be, in the best interests and shall have the same force and effect, as if such determination were made by the Board of Directors of the Corporation and a Pricing Officer is hereby authorized to make and include in each Award Certificate an appropriate finding to that effect.

Pursuant to the provisions of the Acts, the Articles and Bylaws, and this subsection (b), the Corporation delegates to each Pricing Officer the continuing authority, under the terms of this First Supplemental Agreement, to establish, alter, or consent to changes in interest rates, and pursuant to Chapter 1201, Government Code, each Pricing Officer is authorized to execute and enter into any other certificate, document, or other instrument, or to take any other action, including the making of any finding or determination, that a Pricing Officer determines is necessary or appropriate to carry out the provisions of this First Supplemental Agreement or to take all such action or perform such functions as contemplated by this First Supplemental Agreement or in an Award Certificate.

(c) Sale of the Bonds. To achieve advantageous borrowing costs for the Corporation, each Series of Bonds shall be sold by a negotiated sale and a Pricing Officer shall designate the Underwriters as such Pricing Officer deems appropriate to assure that each Series of the Bonds are sold on the most advantageous terms to the Corporation. Each Pricing Officer, acting for and on behalf of the Corporation, is authorized to enter into and carry out one or more Purchase Contracts or other agreements for each Series of the Bonds to be sold by negotiated sale, with the Underwriters at such price, with and subject to such terms as determined by a Pricing Officer pursuant to this Section 202 with any provisions determined to be necessary by such Pricing Officer and Bond Counsel in the event that such Series of Bonds is being sold in a forward delivery transaction.

(d) In General. Each Series of Bonds (i) may be subject to prepayment or redemption, (ii) may be assigned and transferred, (iii) may be exchanged for other Bonds of the same Series, (iv) shall have the characteristics, (v) shall be signed and sealed, (vi) may be subject to optional and mandatory redemption or tender, (vii) shall be Tax-Exempt Bonds or Taxable Bonds, (viii) shall be Senior Lien Obligations under the Master Trust Agreement, (ix) shall be issued for such purposes and (x) the principal of and interest on each Series of the Bonds shall be payable, all as provided, and in the manner required or indicated, in the Award Certificate and Form of Bond set forth in Exhibit "B" to this First Supplemental Agreement for such Series, with such changes and additions as are required to meet the terms of each Award Certificate for such Series and the respective Purchase Contract or other agreement.

SECTION 203. INTEREST. (a) Interest. The Current Interest Bonds shall accrue interest calculated on the basis of a 360-day year composed of twelve 30-day months from the dates specified in the Form of Bond set forth in Exhibit "B" to this First Supplemental Agreement to their respective Maturity Dates or redemption at the rates per annum set forth in each Award Certificate.

(b) Payment of Principal and Interest. The Corporation hereby appoints the Trustee to act as the paying agent for paying the principal of and interest on the Bonds, and to act as its agent to convert and exchange or replace Bonds. The Trustee shall keep proper records of all payments made by the Trustee with respect to the Bonds, and of all conversions, exchanges, and replacements of Bonds, as provided in this First Supplemental Agreement.

SECTION 204. ADDITIONAL CHARACTERISTICS OF THE OBLIGATIONS. (a)

Registration Books. The Corporation shall keep or cause to be kept at a corporate trust office of the Trustee in the State books or records for the registration and transfer of the Bonds (the "Registration Books"), and the Corporation hereby appoints the Trustee as its registrar and transfer agent to keep such books or records and make such transfers and registrations under such reasonable regulations as the Corporation and the Trustee may prescribe; and the Trustee shall make such transfers and registrations as herein provided. The Trustee shall obtain and record in the Registration Books the address of the Owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each Owner to notify the Trustee 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 Corporation shall have the right to inspect the Registration Books during regular business hours of the Trustee, but otherwise the Trustee shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity or person.

(b) Ownership of Bonds. The entity or person in whose name any Bond shall be registered in the Registration Books at any time shall be deemed and treated as the absolute owner thereof for all purposes of the Master Trust Agreement, whether or not such Bond shall be overdue, and the Corporation and the Trustee shall not be affected by any notice to the contrary; and payment of, or on account of, the principal of, premium, if any, and interest on any such Bond shall be made only to such Owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(c) Authentication. An authorized representative of the Trustee shall, before the delivery of any Bond initially issued and delivered pursuant to this First Supplemental Agreement or issued in exchange for any Bond or Bonds issued under this First Supplemental Agreement, date and manually sign the Trustee's Authentication Certificate, and no such Bond shall be deemed to be issued or outstanding under this First Supplemental Agreement unless such certificate is so authenticated. The Authentication Certificate shall be in the form set forth in the Form of Bond.

(d) Transfer, Exchange, or Replacement. Each Bond issued and delivered pursuant to this First Supplemental Agreement, to the extent of the unpaid or unredeemed principal amount or maturity amount thereof, may, upon surrender of such Bond at a corporate trust office of the Trustee, together with a written request therefor duly executed by the Owner or its duly authorized attorney or representative, with guarantee of signatures satisfactory to the Trustee, at the option of the Owner, be exchanged for fully registered Bonds, without interest coupons, in the form prescribed in the Form of Bond set forth in this First Supplemental Agreement, in Authorized Denominations (subject to the requirement hereinafter stated that each substitute Bond shall have a single stated Maturity Date), as requested in writing by such Owner, in an aggregate principal amount or maturity amount equal to the unpaid or unredeemed principal amount or maturity amount of any Bond or Bonds so surrendered, and payable to the appropriate Owner, assignee, or assignees, as the case may be. If a portion of any Bond shall be redeemed prior to the scheduled maturity as provided herein, a substitute Bond or Bonds having the same Series designation and Maturity Date, bearing interest at the same rate and payable in the same names, in Authorized Denominations at the request of the Owner, and in aggregate principal amount or maturity amount equal to the unredeemed portion thereof will be issued to the Owner upon surrender for

cancellation. If any Bond or portion thereof is assigned and transferred, each Bond issued in exchange therefor shall have the same Maturity Date and bear interest at the same rate as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Trustee shall exchange or replace Bonds as provided herein, and each fully registered Bond delivered in exchange for or replacement of any Bond or portion thereof as permitted or required by any provision of this First Supplemental Agreement shall constitute one of the Bonds for all purposes of this First Supplemental Agreement, and may again be exchanged or replaced. The Trustee promptly shall cancel all Bonds surrendered for conversion and exchange or replacement. No additional orders or resolutions need be passed or adopted by the Corporation or any other body or person so as to accomplish the foregoing conversion and exchange or replacement of any Bond or portion thereof, and the Trustee shall provide for the preparation, execution, and delivery of the substitute Bonds in the manner prescribed herein. Pursuant to Chapter 1203, Texas Government Code, as amended, the duty of exchange or replacement of Bonds as aforesaid is hereby imposed upon the Trustee, and, upon the execution of the above Trustee's Authentication Certificate, the exchanged or replaced Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds originally issued pursuant to this First Supplemental Agreement. The Corporation shall pay the Trustee's standard or customary fees and charges for transferring and exchanging any Bond or any portion thereof, but the one requesting any such transfer or exchange shall pay any taxes or governmental charges required to be paid with respect thereto as a condition precedent to the exercise of such privilege of transfer or exchange. The Trustee shall not be required to make transfers of registration of any Bond or any portion thereof during the period commencing with the closing of business on any Record Date and ending with the opening of business on the next following Interest Payment Date.

(e) Payment of Fees and Charges. The Corporation hereby covenants with the Owners of the Bonds that it will (i) pay the standard or customary fees and charges of the Trustee for its services with respect to the payment of the principal of and interest on the Bonds, when due, and (ii) pay the fees and charges of the Trustee for services with respect to the transfer of registration of the Bonds, and with respect to the exchange of the Bonds, solely to the extent above provided in this First Supplemental Agreement.

(f) Replacement Bonds.

(i) In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Trustee shall cause to be printed, executed, and delivered, a new Bond of the same Series designation, principal amount or maturity amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(ii) Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made by the Owner thereof to the Trustee. In every case of loss, theft, or destruction of a Bond, the Owner applying for a replacement Bond shall furnish to the Corporation and to the Trustee 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 Bond, the Owner shall furnish to the Corporation and

to the Trustee evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the Owner shall surrender to the Trustee for cancellation of the Bond so damaged or mutilated.

(iii) Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal or maturity amount of, redemption premium, if any, or interest on the Bond, the Corporation may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(iv) Prior to the issuance of any replacement Bond, the Trustee shall charge the Owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement Bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the Corporation whether or not the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this First Supplemental Agreement equally and proportionately with any and all other Bonds duly issued under the Master Trust Agreement. The Corporation hereby consents to the Trustee's use of the Trustee's blanket surety bond to effect the replacement of lost, stolen, or destroyed bonds.

(v) In accordance with Chapter 1206, Texas Government Code, as amended, this Section to this First Supplemental Agreement shall constitute authority for the issuance of any such replacement Bond without necessity of further action by the governing body of the Corporation or any other body or person, and the duty of the replacement of such Bonds is hereby authorized and imposed upon the Trustee, and the Trustee shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided above in this First Supplemental Agreement for Bonds issued in conversion and exchange for other Bonds.

(g) Notices of Optional Redemption and Defeasance; Conditional Notice of Optional Redemption.

(i) In addition to the notice of redemption set forth in the Form of Bond in Exhibit "B," the Corporation shall give notice of optional redemption or defeasance to the Trustee and a Nationally Recognized Rating Agency (1) in the case of an optional redemption as set forth in the Form of Bond or the appropriate Award Certificate and (2) on the defeasance date in the case of a defeasance, and the Trustee shall give such notice of optional redemption or of defeasance of Bonds by mail, first-class postage prepaid at least thirty (30) days prior to an optional redemption date in the case of Fixed Rate Bonds and within ten (10) Business Days after a defeasance date to the MSRB. The Trustee shall also send a notice of optional redemption to the Owner of any Bond who has not sent the Bonds in for optional redemption sixty (60) days after the optional redemption date.

(ii) Each notice of optional redemption or defeasance, whether required in the Form of Bond or in this Section, shall contain a description of the Bonds to be redeemed or defeased including the complete name of the Bonds, the Series, the date of issue, the interest rate, the Maturity Date, the CUSIP number, the certificate numbers, the amounts called of each certificate, mailing date for the notice, the date of optional redemption or defeasance, the redemption price, if any, the name of the Trustee and the address at which the Bonds may be redeemed or paid, including a contact person and telephone number.

(iii) All optional redemption payments made by the Trustee to the Owners of the Bonds shall include a CUSIP number relating to each amount paid to such Owner.

(iv) The notice for optional redemption may state (1) that it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the optional redemption, with the Trustee no later than the redemption date or (2) that the Corporation retains the right to rescind such notice at any time prior to the scheduled redemption date if the Corporation delivers a certificate of a Pricing Officer to the Trustee instructing the Trustee to rescind the redemption notice (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described in subsection (v) of this Section.

(v) Any conditional redemption pursuant to clause (iv) above may be rescinded in whole or in part at any time prior to the optional redemption date if the Corporation delivers a certificate of a Pricing Officer to the Trustee instructing the Trustee to rescind the optional redemption notice. Any Bonds subject to conditional optional redemption where redemption has been rescinded or funds to effect the optional redemption have not been deposited shall remain Outstanding, and the rescission or failure to deposit funds shall not constitute an Event of Default under the Master Trust Agreement or this First Supplemental Agreement. The Trustee shall give prompt notice of such rescission or failure to deposit funds to the affected Owners of the Bonds.

(vi) Notice of mandatory redemption is not required unless otherwise provided in an Award Certificate.

SECTION 205. BOOK-ENTRY-ONLY SYSTEM. (a) Book-Entry-Only System. The Bonds of each Series issued in exchange for the Bonds of each Series initially issued and delivered under this First Supplemental Agreement shall be issued in the form of a separate single fully registered Bond for each of the maturities thereof registered in the name of Cede & Co., and except as provided in subsection (b) of Section 206 of the Master Trust Agreement, all of the Bonds shall be registered in the name of Cede & Co., as nominee of DTC and be subject to the book-entry-only provisions in Section 206 of the Master Trust Agreement.

(b) Owners. The Trustee may conclusively rely upon a certification by any Person to the effect that such Person is a beneficial owner of a specified principal amount of any Series of Bonds in determining whether the Owners of a specified percentage of the principal amount of such Series of Bonds has consented, approved, waived, directed or otherwise taken any action under this First Supplemental Agreement.

(c) Letter of Representations. A Pricing Officer is authorized to execute a Letter of Representations with DTC establishing the Book-Entry-Only System which will be utilized with respect to the Bonds.

SECTION 206. FORM OF BOND. The form of all Bonds, including any Bonds issued in conversion and exchange or replacement of any other Bond or portion thereof, including the form of the Trustee's Authentication Certificate and the Form of Assignment, shall be, respectively, substantially as set forth in Exhibit "B" to this First Supplemental Agreement, with such appropriate variations, omissions, and insertions as are permitted or required by this First Supplemental Agreement, the Master Trust Agreement, each Award Certificate, and each Purchase Contract. It is specifically provided that the provisions of the Bonds to be provided in each Award Certificate shall be incorporated into the form of the executed Bonds in the manner determined by the Trustee. Each Award Certificate shall have attached to it a Form of Bond incorporating the respective provisions of this First Supplemental Agreement and each Award Certificate. If initial Bonds are utilized pursuant to Section 207 hereof, each Award Certificate for a Series of Bonds shall include the form of initial Bond.

SECTION 207. INITIAL BONDS. Each Award Certificate may provide for the use of an initial Bond or Bonds for a Series. In such event, on the Issue Date, one initial Bond representing the entire principal amount of Bonds of a Series, payable in stated installments to the order of the initial purchaser of the Bonds or its designee, executed by manual or facsimile signature of the Chair of the Corporation and Secretary of the Corporation, 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 Bonds, the Trustee shall cancel each of the initial Bonds and deliver to the DTC on behalf of such purchaser one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all of the Bonds for such maturity.

ARTICLE III

SECURITY FOR BONDS; MASTER TRUST AGREEMENT APPLICABLE

SECTION 301. PRINCIPAL AMOUNT. The Bonds issued pursuant to this First Supplemental Agreement in the aggregate shall not exceed the principal amount authorized in Section 201 of this First Supplemental Agreement.

SECTION 302. PLEDGE. The Corporation has pledged and assigned to the Trustee all moneys held by the Trustee in the various funds and accounts created under the Master Trust Agreement, to the extent provided in the Master Trust Agreement, as security for the payment of all "Obligations" as defined in the Master Trust Agreement, and the interest thereon, for the benefit and security of all and singular the present and future owners of all such "Obligations" issued pursuant to the Master Trust Agreement and with such priority and distinction as is set forth in the Master Trust Agreement. Such pledge and assignment are hereby confirmed and specifically made applicable and extended to each Series of the Bonds.

SECTION 303. PAYMENT OF BONDS. The principal of, premium, if any, and interest on the Bonds shall be paid from the Senior Lien Debt Service Funds, including the Senior Lien Interest Account and Senior Lien Principal/Redemption Account, in accordance with Sections 503 through 512 of the Master Trust Agreement.

SECTION 304. MASTER TRUST AGREEMENT APPLICABLE. Except as modified and supplemented by this First Supplemental Agreement, the provisions of the Master Trust Agreement shall be applicable to each Series of the Bonds for all pertinent purposes.

SECTION 305. HIGHEST LAWFUL RATE. Notwithstanding anything in this First Supplemental Agreement to the contrary, the interest rate on any Bonds shall never exceed the Highest Lawful Rate.

SECTION 306. ACCOUNTS. Pursuant to Section 401 of the Master Trust Agreement, a Corporation Representative shall designate in each Award Certificate any accounts created within the Project Fund for the deposit of proceeds of each Series of the Bonds.

ARTICLE IV

PARTICULAR COVENANTS

The Corporation covenants that it will promptly pay the principal of and the interest on every Bond at the place, on the dates, and in the manner provided herein and in said Bonds and any premium required for the retirement of said Bonds by redemption, according to the provisions in the Master Trust Agreement and this First Supplemental Agreement.

ARTICLE V

TAX COVENANTS FOR THE TAX-EXEMPT BONDS

SECTION 501. COVENANTS REGARDING TAX-EXEMPTION OF TAX-EXEMPT BONDS. The Corporation covenants to refrain from taking any action which would adversely affect, and to take any action required to ensure, the treatment of the Tax-Exempt Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Corporation covenants as follows:

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

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

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

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

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

(f) to refrain from using the proceeds of the Tax-Exempt Bonds or proceeds of any prior Tax-Exempt Bonds to pay debt service on another issue more than 90 days after the date of issue of the Tax-Exempt Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings);

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

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

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

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

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

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

The Corporation understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations. It is the understanding of the Corporation that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Tax-Exempt Bonds, the Corporation will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally-recognized Bond Counsel, will not adversely affect the exemption from federal income taxation of interest on the Tax-Exempt Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Tax-Exempt Bonds, the Corporation agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized Bond Counsel, to preserve the exemption from federal income taxation of interest on the Tax-Exempt Bonds under section 103 of the Code. In furtherance of such intention, the Corporation hereby authorizes and directs a Pricing Officer to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Corporation, which may be permitted by the Code as are consistent with the purpose for the issuance of the Tax-Exempt Bonds.

SECTION 502. REBATE FUND. In order to facilitate compliance with Section 501(h), for any Tax-Exempt Bonds, a subaccount for each Series of the Tax-Exempt Bonds within the Rebate Fund is hereby established with the Trustee for the sole benefit of the United States of America, and each such subaccount shall not be subject to the claim of any other person, including without limitation the Owners of any Bonds. Each such subaccount within the Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

SECTION 503. DISPOSITION OF THE LIGHT RAIL COMPONENTS. The Corporation covenants that the property constituting the Light Rail Components financed or refinanced by the Tax-Exempt Bonds will not be sold or otherwise disposed of in a transaction resulting in the receipt by the Corporation of cash or other compensation, unless the Corporation obtains an opinion of nationally recognized Bond Counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Tax-Exempt Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed of in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Corporation shall not be obligated to comply with this covenant if it obtains an opinion of nationally recognized Bond Counsel that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

SECTION 504. ALLOCATION OF, AND LIMITATION ON, THE EXPENDITURES FOR THE LIGHT RAIL COMPONENTS. The Corporation covenants to account for the expenditure of sale proceeds and investment earnings to be used for the acquisition and construction of property financed or refinanced by the Tax-Exempt Bonds on its books and records in accordance with the requirements of the Code. The Corporation recognizes that in order for the proceeds of the Tax-Exempt Bonds to be considered used for the reimbursement of Costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Light Rail Components are completed; but in no event later than three (3) years after the date on which the original expenditure is paid unless the Corporation receives an engineering certificate that such projects will require five (5) years to be completed. The foregoing notwithstanding, the Corporation recognizes that in order for proceeds of the Tax-Exempt Bonds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than sixty (60) days after the earlier of (1) the sixth (6th) anniversary of the delivery of the Tax-Exempt Bonds, or (2) the date the Tax-Exempt Bonds are retired. The Corporation agrees to obtain the advice of nationally recognized Bond Counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Tax-Exempt Bonds. For purposes hereof, the Corporation shall not be obligated to comply with this covenant if it obtains an opinion of nationally recognized Bond Counsel that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest on the Tax-Exempt Bonds.

SECTION 505. TAXABLE BONDS. (a) To the extent required by the Code and the regulations, it shall be the duty of the Trustee to report to the Owners of the Taxable Bonds and the Internal Revenue Service (i) the amount of "reportable payments," if any, subject to back up withholding during each year and the amount of tax withheld, if any, with respect to the payments on the Taxable Bonds and (ii) the amount of interest or amount treated as interest, such as original issue discount, on the Taxable Bonds required to be included in the gross income of the owners thereof for federal income tax purposes.

(b) It is the intention of the Corporation that the Taxable Bonds not be obligations described in section 103 of the Internal Revenue Code of 1986 interest on which is excludable from the gross income of the holders and in that regard the Corporation agrees not to file a form 8038-G, or any comparable information return relating to tax-exempt Bonds, with the Internal Revenue Service.

ARTICLE VI

AMENDING SUPPLEMENTS

SECTION 601. AMENDING SUPPLEMENTS WITHOUT OWNERS' CONSENT. Subject to the Master Trust Agreement (including Section 1101 thereof) and as otherwise provided in this First Supplemental Agreement, the Corporation and the Trustee may from time to time and at any time enter into Amending Supplements, without the consent of or notice to any Owner of the Bonds, to effect any one or more of the following:

(a) cure any ambiguity, defect or omission or correct any provision in this First Supplemental Agreement;

(b) grant to or confer upon the Trustee for the benefit of the Owners of the Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners of the Bonds or the Trustee which are not contrary to or inconsistent with the Master Trust Agreement and this First Supplemental Agreement as then in effect or to subject to the pledge and lien of this First Supplemental Agreement additional revenues, properties or collateral;

(c) add to the covenants and agreements of the Corporation in this First Supplemental Agreement other covenants and agreements thereafter to be observed by the Corporation or to surrender any right or power herein reserved to or conferred upon the Corporation which are not contrary to or inconsistent with the Master Trust Agreement and this First Supplemental Agreement as then in effect;

(d) modify, alter, supplement or amend this First Supplemental Agreement in such manner as shall permit the qualification of this First Supplemental Agreement, if required, under the Trust Agreement Act of 1939, the Securities Act of 1933 or any similar federal statute hereafter in effect which changes or amendments do not, in the judgment of the Corporation, materially adversely affect the interest of the Owners of the Bonds or any Bond Insurer of record;

(e) make any other change herein that is determined by the Corporation not to be materially adverse to the interests of the Owners of the Bonds, including changes or amendments requested by any Nationally Recognized Rating Agency as a condition to the issuance or maintenance of a rating or requested by the Texas Attorney General's office as a condition to the approval of any Bonds which changes or amendments do not, in the judgment of the Corporation, materially adversely affect the interest of the Owners of the Bonds or any Bond Insurer of record; or

(f) if all the Bonds are Book-Entry Obligations, amend, modify, alter or replace any Letter of Representations as provided in Section 206 of the Master Trust Agreement or other provisions relating to Book-Entry Bonds.

The Trustee shall not be obligated to enter into any such Amending Supplements that materially adversely affects the Trustee's own rights, duties or immunities under this First Supplemental Agreement.

Notice of any amendment pursuant to this Section 601 shall be sent to each Nationally Recognized Rating Agency then maintaining a rating on the affected Bonds and any Bond Insurer of record.

SECTION 602. AMENDING SUPPLEMENTS REQUIRING OWNERS' CONSENT. Subject to the Master Trust Agreement (including Section 1102 thereof), the Corporation and the Trustee, at any time and from time to time, may execute and deliver Amending Supplements for the purpose of making any modification or amendment to this First Supplemental

Agreement, but only with the written consent, given as provided in Section 603, of the Owners of at least a majority in aggregate principal amount of the Bonds Outstanding at the time such consent is given, and in case less than all of the Bonds then Outstanding are affected by the modification or amendment, of the Owners of at least a majority in aggregate principal amount of the Bonds so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds so affected remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. Notwithstanding the foregoing, no modification or amendment contained in any such Amending Supplement shall permit any of the following, without the consent of each Owner of the Bonds whose rights are affected thereby:

- (a) a change in the terms of stated maturity or redemption of any Bond or of any installment of interest thereon;
- (b) a reduction in the principal amount of or redemption premium on any Bond or in the rate of interest thereon or a change in the coin or currency in which such Bond is payable;
- (c) the creation of a lien on or a pledge of any part of the Trust Estate which has priority over or parity with (to the extent not permitted hereunder) the lien or pledge granted to the Owners of the Bonds hereunder (but this provision shall not apply to the release of any part of the Trust Estate as opposed to the creation of a prior or parity lien or pledge);
- (d) the granting of a preference or priority of any Bond over any other Bond, except to the extent permitted herein;
- (e) a reduction in the aggregate principal amount of Bonds of which the consent of the Owners is required to effect any such modification or amendment; or
- (f) any provision which requires the consent of each Owner of the Bonds.

Notwithstanding the foregoing, the Owner of any Bond may extend the time for payment of the principal of or interest on such Bond; provided, however, that upon the occurrence of an Event of Default, funds available hereunder for the payment of the principal of and interest on such Bonds shall not be applied to any payment so extended until all principal and interest payments which have not been extended have first been paid in full. Notice of any Supplemental Agreement executed pursuant to this Section shall be given to the Owners of the Bonds promptly following the execution thereof.

Notice of any amendment pursuant to this Section 602 shall be sent to each Nationally Recognized Rating Agency then maintaining a rating on the Bonds and any Bond Insurer of record.

SECTION 603. CONSENTS OF OWNERS OF THE BONDS AND OPINIONS.
Each Amending Supplement executed and delivered pursuant to the provisions of Section 602 shall take effect only when and as provided in this Section 603. A copy of such Supplemental Agreement (or brief summary thereof or reference thereto in form approved by the Trustee),

together with a request to Owners of the Obligations for their consent thereto in form satisfactory to the Trustee, shall be sent by the Trustee to Owners of the Obligations, at the expense of the Corporation, by first class mail, postage prepaid, provided that a failure to mail such request shall not affect the validity of the Supplemental Trust Agreement when consented to as provided hereinafter. Such Supplemental Agreement shall not be effective unless and until there shall have been filed with the Trustee the written consents of Owners of the Obligations of the percentage of Obligations specified in Section 602 given as provided in Section 1001 of the Master Trust Agreement. Any such consent shall be binding upon the Owner giving such consent and upon any subsequent Owner of such Obligations and of any Obligations issued in exchange therefor or in lieu thereof (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner of such Obligations by filing such revocation with the Trustee prior to the date the Trustee receives the material required in subsections (a) and (b) of this Section.

SECTION 604. EXCLUSION OF CERTAIN OBLIGATIONS FOR THE PURPOSE OF CONSENT, ETC. Obligations that are to be disregarded under the last sentence of the definition of "Outstanding" in the Master Trust Agreement shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Obligations provided for in this Article. At the time of any consent or other action taken under this Article or elsewhere in this First Supplemental Agreement, the Corporation shall furnish the Trustee a certificate of a Pricing Officer, upon which the Trustee may rely, describing all Obligations so to be excluded.

SECTION 605. EFFECT OF AMENDING SUPPLEMENTS. Upon the execution and delivery of any Amending Supplement under this Article, this First Supplemental Agreement shall be modified in accordance therewith, and such Amending Supplement shall form a part of this First Supplemental Agreement for all purposes; and every Owner of any Bond theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

SECTION 606. SUPPLEMENTAL AGREEMENTS FOR ADDITIONAL OBLIGATIONS. For the avoidance of doubt, no consent of the Owners of the Bonds is needed in connection with issuing Additional Obligations or any other amendment authorized in a Supplemental Agreement in accordance with Section 1101 of the Master Trust Agreement.

ARTICLE VII

MISCELLANEOUS PROVISIONS

SECTION 701. SUCCESSIONSHIP OF TRUSTEES. Any commercial bank, national banking association or trust company with or into which any Trustee may be merged or consolidated, or to which the assets and business of such Trustee may be sold, shall be deemed the successor of such Trustee for the purposes of this First Supplemental Agreement. If the position of any Trustee shall become vacant for any reason, the Corporation shall, within thirty (30) days thereafter, appoint a commercial bank, national banking association or trust company as Trustee to fill such vacancy; provided, however, that if the Corporation shall fail to appoint such Trustee within said period, the Trustee shall make such appointment.

SECTION 702. NOTICES. Except as otherwise provided herein, all notices, certificates or other communications hereunder shall be in writing and shall be deemed given as required by the Master Trust Agreement.

SECTION 703. NON-BUSINESS DAYS. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this First Supplemental Agreement, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this First Supplemental Agreement and no interest shall accrue on the payment so deferred during the intervening period.

SECTION 704. COUNTERPARTS. This First Supplemental Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall constitute an original, but all of which, when taken together, shall constitute but one and the same instrument, and shall become effective when copies hereof shall be delivered to each of the parties hereto, which copies, when taken together, bear the signatures of each of the parties hereto.

SECTION 705. LIMITATION OF LIABILITY OF OFFICIALS OF THE CORPORATION. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the Corporation in his individual capacity, and neither the members of the Corporation nor any official executing the Bonds shall be liable personally on such Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. Notwithstanding anything to the contrary contained herein, the Trustee, the Owners of the Bonds and any other party entitled to seek payment from the Corporation under or to enforce this First Supplemental Agreement and the Bonds will be entitled to look solely to the Trust Estate, and such collateral, if any, as may now or hereafter be given to secure the payment of the obligations of the Corporation under this First Supplemental Agreement and the Bonds and no other property or assets of the Corporation or any officer or director of the Corporation shall be subject to levy, execution or other enforcement procedure for the satisfaction of the remedies hereunder, or for any payment required to be made under this First Supplemental Agreement and the Bonds or for the performance of any of the covenants or warranties contained herein.

SECTION 706. SUCCESSORS AND ASSIGNS. All the covenants, promises and agreements in this First Supplemental Agreement contained by or on behalf of the Corporation, or by or on behalf of the Trustee, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 707. FORM OF DOCUMENTS DELIVERED TO TRUSTEE. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents. Any certificate of a Corporation Representative or a Pricing Officer may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by,

Counsel to the Corporation, unless such official or officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his or her certificate or opinion is based are erroneous. Any opinion of Counsel to the Corporation may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, a Corporation Representative, or a Pricing Officer stating that the information with respect to such factual matters is in the possession of the Corporation, unless such Counsel of the Corporation knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this First Supplemental Agreement, they may, but need not, be consolidated and form one instrument.

SECTION 708. CONSENT OF OWNERS. Any consent, request, direction, approval, objection or other instrument required by this First Supplemental Agreement to be signed and executed by the Owners of the Bonds may be in any number of concurrent writings of similar tenor and must be signed or executed by such Owners of the Bonds in person or by an agent duly appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this First Supplemental Agreement, and shall be conclusive in favor of the Trustee with regard to any action taken by it under such request or other instrument, namely:

(a) The fact and date of the execution by any Person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the Person signing such writing acknowledged the execution thereof, or by an affidavit of any witness to such execution.

(b) The Trustee may establish a record date for the purpose of identifying Owners of the Bonds entitled to issue any such consent, request, direction, approval or instrument.

SECTION 709. PAYMENT OF ATTORNEY GENERAL FEE. The Corporation hereby authorizes the disbursement of a fee equal to the lesser of (i) one-tenth of one percent of the principal amount of a Series of the Bonds or (ii) \$9,500 per Series of Bonds provided that such fee shall not be less than \$750, to the Attorney General of Texas Public Finance Division for payment of the examination fee charged by the State of Texas for the Attorney General's review and approval of public securities and credit agreements, as required by Section 1202.004 of the Texas Government Code. A Pricing Officer is hereby instructed to take the necessary measures to make this payment. The Corporation is also authorized to reimburse the appropriate Corporation funds for such payment from proceeds of the Bonds.

ARTICLE VIII

GENERAL PROVISIONS

SECTION 801. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION, CUSIP NUMBERS, AND INSURANCE. A Pricing Officer is hereby authorized to have control of each series of the Bonds issued hereunder and all necessary records and proceedings pertaining to the Bonds pending delivery and the investigation, examination, and approval by the Attorney General of the State. The approving legal opinion of the Corporation's Bond Counsel, a copy of any municipal bond insurance policy, and the assigned CUSIP numbers may, at the option of the Corporation, be printed on the Bonds, but neither shall have any legal effect, and shall be solely for the convenience and information of the Owners of the Bonds.

SECTION 802. FURTHER PROCEDURES. Each Pricing Officer 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 under the seal (if any) and on behalf of the Corporation all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this First Supplemental Agreement, the Purchase Contract, each Official Statement, the Letter of Representations, and any other necessary agreements. The Corporation's Financial Consultant is specifically authorized to engage consultants necessary to comply with the issuance of Additional Obligations pursuant to the Master Trust Agreement. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. Prior to the initial delivery of the Bonds, a Pricing Officer and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this First Supplemental Agreement or to any of the instruments authorized and approved by this First Supplemental Agreement necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this First Supplemental Agreement, (ii) obtain a rating from any of the Nationally Recognized Rating Agencies, (iii) make changes to this First Supplemental Agreement deemed reasonable and necessary by a Pricing Officer, with the advice of Bond Counsel, to conform this First Supplemental Agreement to the requirements set forth in the commitment from a Bond Insurer or (iv) obtain the approval of a Series of the Bonds by the Texas Attorney General's office. In addition, the statements, findings, representations, and determinations set forth in the recitals to this First Supplemental Agreement are hereby incorporated into and made a part of this First Supplemental Agreement for all purposes.

In addition, unless otherwise specifically stated, each time this First Supplemental Agreement provides for action to be taken or an election to be made by the Corporation, such action shall be taken by a Pricing Officer upon behalf of the Corporation.

SECTION 803. PRELIMINARY AND FINAL OFFICIAL STATEMENT. A Preliminary Official Statement relating to a Series of Bonds is authorized for use, and a Pricing Officer is authorized to prepare and finalize the Preliminary Official Statement, deem it final under the Rule, approve any addenda, supplements or amendments to said document, and the distribution

by the Underwriters to prospective purchasers of such Bonds is ratified and approved. The Pricing Officer is further authorized, for and on behalf of the Corporation, to prepare, finalize and approve one or more final Official Statements, as necessary, and any addenda, supplements or amendments thereto, relating to such Bonds and referred to in the Purchase Contracts for such Bonds.

SECTION 804. BOND INSURANCE POLICIES. In connection with the sale of a Series of Bonds, a Pricing Officer may obtain one or more municipal bond insurance policies from one or more recognized municipal bond insurance organizations (each a "Bond Insurer") to guarantee the full and complete payment required to be made by or on behalf of the Corporation on those Bonds so designated in the Award Certificate if a Pricing Officer finds that the acquisition of such policy or policies will result in such Bonds being sold on more favorable terms to the Corporation. A Pricing Officer is hereby authorized to sign a commitment letter or insurance agreement with a Bond Insurer and to pay the premium for the bond insurance policies at the time of the delivery of the affected Series of the Bonds to the Underwriters out of the proceeds of sale of such Bonds or from other available funds and to execute such other documents and certificates as necessary in connection with the bond insurance policies as they may deem appropriate. If insurance is obtained on any of the Bonds, the Bonds shall bear an appropriate legend concerning insurance as provided by the Bond Insurer.

SECTION 805. ADDITIONAL AGREEMENTS. A Pricing Officer is hereby authorized and directed to execute any supplemental document with the Trustee, DTC or other parties as may be necessary to consummate the transactions contemplated by this First Supplemental Agreement, any such document to be subject to the approval of the applicable foregoing parties.

SECTION 806. PARTIAL INVALIDITY. If any one or more of the covenants or agreements or portions thereof provided in this First Supplemental Agreement on the part of the Corporation should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, or such agreement or agreements, or such portions thereof, shall be deemed severable from the remaining covenants and agreements or portions thereof provided in this First Supplemental Agreement and the invalidity thereof shall in no way affect the validity of the other provisions of this First Supplemental Agreement or of the Bonds, but the Owners shall retain all the rights and benefits accorded to them hereunder and under any applicable provisions of law.

SECTION 807. LAW AND PLACE OF ENFORCEMENT OF THIS FIRST SUPPLEMENTAL AGREEMENT. This First Supplemental Agreement shall be construed and interpreted in accordance with the laws of the State. All suits and actions arising out of this First Supplemental Agreement shall be instituted in a court of competent jurisdiction in the State except to the extent necessary for enforcement by any Trustee, appointed pursuant to the provisions of the Master Trust Agreement, of remedies under the Master Trust Agreement.

SECTION 808. NOTICES TO NATIONALLY RECOGNIZED RATING AGENCIES AND BOND INSURER. The Trustee, or the Corporation in the event of the resignation of the Trustee, shall send to the Nationally Recognized Rating Agency then rating any of the Bonds, if any, notice of (i) a change of the Trustee, (ii) material changes to this First

Supplemental Agreement, the Master Trust Agreement or a Credit Agreement, (iii) expiration, termination, substitution, or extension of a Credit Agreement, (iv) redemption or defeasance of the Bonds and (v) amendments under Sections 1101 and 1102 and (vi) Events of Default under the Master Trust Agreement or a Credit Agreement. The Trustee shall also provide to the Nationally Recognized Rating Agency then rating any of the Bonds any other information that they may reasonably request to maintain a rating on a Series of the Bonds. The Bond Insurer, if any, shall receive such notices as required by their commitment or other agreement.

SECTION 809. GOVERNMENTAL IMMUNITY. THE CORPORATION HAS NOT WAIVED GOVERNMENTAL IMMUNITY FROM SUIT FOR THE PURPOSE OF ADJUDICATING A CLAIM TO ENFORCE THE BONDS OR FOR DAMAGES FOR BREACH OF THE BONDS.

SECTION 810. GUARANTEED INVESTMENT CONTRACTS. In accordance with the Public Funds Investment Act or other applicable laws, the moneys deposited in the Project Fund or any account created therein pursuant to this First Supplemental Agreement may be invested in one or more guaranteed investment contracts meeting the requirements as authorized by law. In the event that the Corporation Representative determines that it would be in the best interests of the Corporation to invest part or all of the amounts in the Project Fund or any account created therein pursuant to this First Supplemental Agreement in a guaranteed investment contract, the Corporation Representative shall ensure that the Corporation complies with the requirements of such law.

SECTION 811. VERIFICATION OF STATUTORY REPRESENTATIONS AND COVENANTS. The Trustee makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this First Supplemental Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this First Supplemental Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this First Supplemental Agreement, notwithstanding anything in this First Supplemental Agreement to the contrary.

(a) **Not a Sanctioned Company.** The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) **No Boycott of Israel.** The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this First Supplemental Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this First Supplemental Agreement. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this First Supplemental Agreement. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

(e) Texas Ethics Commission Form 1295 Certificate of Interested Parties. The Trustee hereby verifies that it has submitted a disclosure of interested parties to the Corporation pursuant to the requirements of Section 2252.908, Texas Government Code and Chapter 46 of the rules of the Texas Ethics Commission.

SECTION 812. DEFEASANCE OF BONDS. The benefits of this First Supplemental Agreement, and the covenants of the Corporation contained herein in support of any Bond, shall be deemed redeemed and discharged with respect to such Bond (a "Defeased Debt") when the following requirements have been satisfied:

(a) The payment of the Principal of, redemption premium, if any, on such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, upon redemption, mandatory or optional tender, or otherwise), either (i) shall have been made in accordance with the terms thereof, or (ii) shall have been provided by irrevocably depositing with the Trustee, in trust, but not as part of the Trust Estate, or an escrow agent pursuant to an escrow agreement, and irrevocably set aside exclusively for such payment, (1) money sufficient to make such payment or (2) Government Obligations certified by an independent public accounting firm or verification firm of national reputation, respectively, to mature as to Principal and interest in such amount and at such times as will ensure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to such Defeased Debt with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such time as a Defeased Debt shall be deemed to be paid hereunder, it shall no longer be secured by or entitled to the benefits of this First Supplemental Agreement or the Master Trust Agreement except for the purposes of any such payment from such money or Government Obligations.

(b) Any moneys so deposited with the Trustee may at the direction of the Corporation also be invested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Government Obligations in the hands of the Trustee pursuant to this Section which is not required for the payment of the Bonds, the redemption premium, if any, and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Corporation.

(c) The Corporation hereby covenants that it will not instruct the Trustee to deposit any funds under clause (a)(ii) of this Section or direct the use of any such deposit which would cause any Tax-Exempt Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code.

(d) Any determination not to redeem Defeased Debt that is made in conjunction with the payment arrangements specified above in (a)(i) or (ii) shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the Corporation expressly reserves the right to call the Defeased Debt for redemption; (2) the Corporation gives notice of the reservation of that right to the Owners of the Defeased Debt immediately following the defeasance; (3) the Corporation directs that notice of the reservation be included in any defeasance or redemption notices that it authorizes; and (4) at or prior to the time of the redemption, the Corporation satisfies the conditions of subsection (a) with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

ARTICLE IX

CONTINUING DISCLOSURE UNDERTAKING

SECTION 901. CONTINUING DISCLOSURE UNDERTAKING. (a) Annual Reports. The Corporation shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB (1) within six months after the end of any fiscal year, financial information and operating data as determined by a Pricing Officer at the time each Series of Bonds are sold including financial statements of the Corporation if audited financial statements are then available and (2) if not provided as part of such financial information and operating data, audited financial statements of the Corporation, when an if available. Any financial statements to be so provided shall be (1) prepared in accordance with the generally accepted accounting principles or such other accounting principles as the Corporation may be required to employ from time to time pursuant to the State law or regulation and (2) audited, if the Corporation 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 12 months after the fiscal year end, then the Corporation shall provide unaudited financial statements within such 12-month period, and audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements become available.

If the Corporation 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 Corporation otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet web site or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(b) Event Notices. The Corporation shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten Business Days after the occurrence of the event, of any of the following events with respect to the Bonds:

- A. Principal and interest payment delinquencies;
- B. Non-payment related defaults, if material within the meaning of the federal securities laws;
- C. Unscheduled draws on debt service reserves reflecting financial difficulties;
- D. Unscheduled draws on credit enhancements reflecting financial difficulties;
- E. Substitution of credit or liquidity providers, or their failure to perform;
- F. 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-exempt status of the Tax-Exempt Bonds, or other events affecting the tax-exempt status of the Tax-Exempt Bonds;
- G. Modifications to rights of holders of the Bonds, if material within the meaning of the federal securities laws;
- H. Bond calls, if material within the meaning of the federal securities laws and tender offers;
- I. Defeasances;
- J. Release, substitution, or sale of property securing repayment of the Bonds, if material within the meaning of the federal securities laws;
- K. Rating changes;
- L. Bankruptcy, insolvency, receivership or similar event of the Corporation;
- M. The consummation of a merger, consolidation, or acquisition involving the Corporation or the sale of all or substantially all of the assets of the Corporation, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material within the meaning of the federal securities laws;
- N. Appointment of a successor or additional trustee or the change of name of a trustee, if material within the meaning of the federal securities laws;

- O. Incurrence of a Financial Obligation of the Corporation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Corporation, any of which affect holders of the Bonds, if material; and
- P. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Corporation, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (L) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Corporation 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 Corporation, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the Corporation 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 Corporation, and (b) the Corporation intends the words used in the immediately preceding paragraphs (O) and (P) and the definition of Financial Obligation to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018.

The Corporation shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, of any failure by the Corporation to provide financial information or operating data in accordance with subsection (a) of this Section by the time required by such subsection. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(c) Limitations, Disclaimers, and Amendments. The Corporation shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Corporation remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Corporation in any event will give notice of any defeasance deposit that causes the Bonds no longer to be outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other Person. The Corporation undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Corporation's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided

herein. The Corporation does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CORPORATION BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CORPORATION, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, 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.

No default by the Corporation in observing or performing its obligations under this Section shall comprise a breach of or default under this First Supplemental Agreement for purposes of any other provision of this First Supplemental Agreement.

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

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

The provisions of this Section may be amended by the Corporation 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 Corporation, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this First Supplemental Agreement that authorizes such an amendment) of the outstanding Bonds consents to such amendment or (b) a Person that is unaffiliated with the Corporation (such as nationally recognized Bond Counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the Bonds. If the Corporation so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with paragraph (a) of this Section 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 Corporation 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 Bonds in the primary offering of the Bonds.

(d) Format, Identifying Information, and Incorporation by Reference. All financial information, operating data, financial statements, and notices required by this Section to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB.

Financial information and operating data to be provided pursuant to Subsection (a) of this Section 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) available to the public on the MSRB's internet web site or filed with the SEC.

[Signature Page Follows]

IN WITNESS WHEREOF, the Austin Transit Partnership Local Government Corporation has caused this First Supplemental Agreement to be executed by a Pricing Officer and _____, as Trustee, has caused this First Supplemental Agreement to be executed on its behalf by its authorized representative, all as of the day and year first above written.

**AUSTIN TRANSIT PARTNERSHIP LOCAL
GOVERNMENT CORPORATION**

By: _____
Executive Director

[Signature Page]

_____,
as Trustee

By: _____
Title: _____

[Signature Page]

EXHIBIT "A"

DEFINITIONS

"Amending Supplements" – Means any amendment to this First Supplemental Agreement in accordance with Article VI hereof.

"Authorized Denominations" – Unless otherwise specified in an Award Certificate, with respect to Fixed Rate Bonds as Current Interest Bonds, \$5,000 or any integral multiple thereof.

"Award Certificate" – Each Certificate by a Pricing Officer in connection to be executed and delivered pursuant to Sections 201 and 202 of this First Supplemental Agreement in connection with each Series of Bonds.

"Beneficial Owner," "Beneficial owner" or "beneficial owner" – Any Person who acquires a beneficial ownership interest in a Bond held by DTC. In determining the Beneficial Owner of any, the Trustee and the Corporation may rely conclusively upon representations made and written information given to the Trustee or the Corporation by DTC or a DTC Participant with respect to any Bond held by DTC in which a beneficial interest is claimed.

"Bond," and "Bonds" – One or more Series of the "Austin Transit Partnership Local Government Corporation Contract Revenue Bonds" as further designated in Section 201 to this First Supplemental Agreement and each Award Certificate.

"Bond Counsel" – A firm of attorneys of nationally recognized standing in the field of law relating to municipal bond law and the exemption from federal income taxation of interest on state or local bonds, selected by the Corporation.

"Bond Insurer" – The municipal bond insurance company or companies, if any, which have issued a municipal bond insurance policy or policies insuring the scheduled payment of principal and interest of a Series of Bonds.

"Bond Resolution" – The Resolution approved by the Board of Directors of the Corporation on February 16, 2024, authorizing the Bonds.

"Bonds" – Each Series of the Bonds authorized by this First Supplemental Agreement and the related Award Certificate.

"Book-Entry-Only System" – The book-entry registration system authorized in Section 205 to this First Supplemental Agreement.

"Business Day" – Any day other than a Saturday or a Sunday or a day on which banking institutions are required or authorized by law or executive order to remain closed in the State or the City of New York or in the city in which the designated office of the Trustee or the Securities Depository is located.

"Bylaws" – The Bylaws of the Austin Transit Partnership Local Government Corporation as amended from time to time.

"Capital Metro" – the Capital Metropolitan Transportation Authority, a transportation authority and political subdivision for the State organized under Chapter 451, Texas Transportation Code.

"Chair" – The Chair of the Board of Directors of the Corporation.

"City" – The City of Austin, Texas, a home-rule municipality existing under the Constitution and laws of the State and operating under its home rule charter.

"Code" – The Internal Revenue Code of 1986, as amended.

"Corporation" – The Austin Transit Partnership Local Government Corporation and its successors and assigns.

"Corporation Representative" – Each of the Chair of the Board, the Chief Financial Officer and the Executive Director.

"Current Interest Bonds" – Each Series of Bonds that pays current interest and matures in each of the years and in the aggregate principal amounts set forth in each Award Certificate.

"Delivery" or "deliver" – When used with respect to a Series of Bonds held in the Book-Entry-Only System, shall mean the making of or the irrevocable authorization to make appropriate entries on the books of DTC or any DTC Participant or any securities broker or dealer, bank or trust company that clears through or maintains a custodial relationship with a DTC Participant.

"DTC" – The Depository Trust Company, New York, New York, and its successors and assigns.

"DTC Participant" – (i) any Person for which, from time to time, DTC effectuates book-entry transfers and pledges of securities pursuant to the Book-Entry-Only System referred to in Section 205 hereof or (ii) any securities broker or dealer, bank, trust company, or other Person that clears through or maintains a custodial relationship with a Person referred to in (i).

"Financial Obligation" – (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 Rule.

"First Supplemental Agreement" – This First Supplemental Agreement, which was adopted pursuant to authority reserved by the Corporation under the Master Trust Agreement and adopted by the Bond Resolution, as may be amended or supplemented from time to time.

"Fitch" – Fitch, Inc. or any successor thereto maintaining a rating on the Bonds.

"Fixed Rate Bonds" – The Bonds of a Series bearing interest at fixed, non-variable rate(s) as established in accordance with Sections 201 and 202 of this First Supplemental Agreement.

"Government Obligations" – Unless modified pursuant to an Award Certificate, government obligations means (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the Board of Directors of the Corporation adopts or approves the proceedings authorizing the financial arrangements are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent and (iv) any other then authorized securities or obligations under applicable State law that may be used to defease obligations such as the Bonds.

"Highest Lawful Rate" – The maximum net effective interest rate permitted by law to be paid on obligations issued or incurred by the Corporation in the exercise of its borrowing powers (prescribed by Chapter 1204, Texas Government Code, or any successor provisions).

"Interest Payment Date" – The date or dates designated as the interest payment dates for a Series of Bonds in each Award Certificate.

"Issue Date" – The date on which a Series of the Bonds are first authenticated and delivered to the initial purchaser(s) against payment therefor.

"Master Trust Agreement" – The Master Trust Agreement, dated as of _____, 2024, between the Corporation and _____, as trustee.

"Maturity Date" – The date or dates designated as the scheduled maturity in connection with a Series of Bonds in each Award Certificate.

"Moody's" – Moody's Investors Service, Inc. or any successor thereto maintaining a rating on the Bonds.

"MSRB" – The Municipal Securities Rulemaking Board or its successor or assignee.

"Official Statement" – The final official statement of the Corporation used to market the Initial Bonds.

"Owners" – The Owners as defined in Section 202(a) to this First Supplemental Agreement.

"Preliminary Official Statement" – The preliminary official statement of the Corporation used to market the Initial Bonds.

"Pricing Officer" – The Chair of the Board of Directors, the Executive Director of the Corporation, the Chief Financial Officer of the Corporation or such other individual so designated by the Corporation to perform the duties of Pricing Officer under this First Supplemental Agreement.

"Principal Payment Date" – Any date upon which a principal amount of the Bonds is due hereunder at the Maturity Date.

"Purchase Contract" – Collectively, the purchase contract or contracts between the Corporation and the Underwriters providing for the purchase of a Series of Bonds.

"Rebate Fund Subaccount" – Each special "Rebate Fund Subaccount" established pursuant to Section 503.

"Record Date" – The date as determined in the respective Award Certificate.

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

"S&P" – Standard & Poor's Rating Services, a division of S&P Global Ratings or any successor thereto.

"SEC" – The United States Securities and Exchange Corporation and any successor and assigns.

"Secretary" – The Secretary of the Corporation.

"Section" – Unless the context clearly requires otherwise, refers to a Section to this First Supplemental Agreement.

"Series" – A separate series of Bonds as specified by or pursuant to the terms of this First Supplemental Agreement and the related Award Certificate.

"Special Record Date" – The date designated as such by the Trustee as provided in the Form of Bond in connection with the payment of defaulted interest on the Bonds.

"State" – The State of Texas.

"Taxable Bonds" – A Bond which is not an obligation described in section 103(a) of the Code.

"Tax-Exempt Bonds" – Any Bond issued as obligations as described in Section 103 of the Code.

"Trustee" – _____, or its permitted successors and assigns under the Master Trust Agreement.

"Underwriters" – For each Series of Bonds, the Underwriters designated by a Pricing Officer pursuant to Section 202(b) to this First Supplemental Agreement.

EXHIBIT "B"

PRICING OFFICER'S AWARD CERTIFICATE ("Series 2024 Bonds")*

I, the undersigned, Chief Financial Officer of the Austin Transit Partnership Local Government Corporation, created under the laws of the State of Texas, including particularly Chapter 431, Transportation Code, Chapter 394, Texas Local Government Code and Chapter 22, Texas Business Organizations Code (the "Corporation"), a Corporation Representative as defined and designated pursuant to the Master Trust Agreement, dated as of _____, 2024, between the Corporation and _____, as Trustee (the "Master Trust Agreement") and as a Pricing Officer as defined in the First Supplemental Agreement, dated as of _____, 2024, between the Corporation and the Trustee (the "First Supplemental Agreement" together with the Master Trust Agreement, the "Trust Agreement") authorizing the issuance of the bonds designated as "Austin Transit Partnership Local Government Corporation Senior Lien Contract Revenue Bonds, Series 2024" (the "Series 2024 Bonds"), hereby certify as follows:

1. This certificate (this "Certificate") is executed for and on behalf of the Corporation and for the benefit of the Attorney General of the State of Texas and the Underwriters, as defined below, in connection with the Series 2024 Bonds authorized by the Trust Agreement.

2. This Certificate is a Pricing Officer's Award Certificate pursuant to Section 202(b) and (c) of the First Supplemental Agreement.

3. Any capitalized terms not otherwise defined herein have the same meanings as those used and defined in the Trust Agreement and the Purchase Contract dated _____, 2024 (the "Purchase Contract"), executed with respect to the sale of the Series 2024 Bonds, between the Corporation and _____, acting for and on behalf of itself and the syndicate of underwriters named on Schedule I of the Purchase Contract (collectively, the "Underwriters").

4. I have determined that it is in the best interest of the Corporation that the Series 2024 Bonds be sold by a negotiated sale. The terms and provisions of the Purchase Contract have been approved by the Chief Financial Officer as a Pricing Officer in accordance with Sections 202(b) and (c) of the First Supplemental Agreement.

5. The Series 2024 Bonds shall (i) be designated as set forth in the introductory paragraph of this Certificate, (ii) be sold to the Underwriters pursuant to the Purchase Contract and at the price specified therein, (iii) be issued as Fixed Rate Bonds Current Interest Bonds (iv) be dated and accrue interest from the Issue Date of the Series 2024 Bonds and pay interest on the dates set forth in Exhibit "I," (v) be in the aggregate principal amount set forth in Exhibit "I", (vi) mature in the years and in the principal amounts set forth in Exhibit "I", (vii) be subject to redemption as provided in Exhibit "I", the First Supplemental Agreement and the Official Statement, (viii) be Tax-Exempt Bonds, (ix) be Senior Lien Obligations under the Master Trust

* The Series designation of the Series 2024 Bonds may be changed as needed to reflect the year of issuance.
ATP: 1stSuppAgrmnt B-1

Agreement and (x) have the other terms and provisions all as provided in Exhibit "I", the First Supplemental Agreement, the Purchase Contract and the Official Statement.

6. That (i) the price to be paid by the Underwriters for the Series 2024 Bonds is in excess of 90% of the aggregate original principal amount thereof, (ii) none of the Series 2024 Bonds bear interest at an interest rate in excess of the Highest Lawful Rate, (iii) the aggregate principal amount of the Series 2024 Bonds does not exceed the amount specified in Section 201(a) of the First Supplemental Agreement and (iv) the final maturity of the Series 2024 Bonds is within 40 years from their date of issuance.

7. The Preliminary Official Statement, dated _____, 2024, has been received and reviewed by the undersigned and is hereby approved and deemed final as of its date (subject to the permissible omissions described in the Rule) within the meaning of the provisions of 17 C.F.R. §250.15c2-12(b)(1). Based upon this review, the Underwriters were authorized to distribute the Preliminary Official Statement in their offering and sale of the Series 2024 Bonds.

8. The Series 2024 Bonds are in amounts sufficient to pay or reimburse Costs of the Light Rail Components including planning, design and engineering costs and costs of issuance of the Series 2024 Bonds.

9. The financial information and operating data and the annual financial statements to be provided by the Corporation annually in accordance with Section 901(a) of the First Supplemental Agreement shall include all quantitative financial information and operating data with respect to the Corporation of the general type included in the Official Statement under the heading "Continuing Disclosure of Information – Annual Reports."

10. Pursuant to Section 306 of the First Supplemental Agreement, the Series 2024 Tax-Exempt Account of the Project Fund is hereby created. Pursuant to Section 202 of the First Supplemental Agreement, immediately after the delivery of the Series 2024 Bonds, all of the net proceeds received from the Underwriters shall be deposited with the Trustee, which shall in turn deposit the proceeds to the credit of the Series 2024 Tax-Exempt Account of the Project Fund to be disbursed to pay Costs of the Light Rail Components and costs of issuance of the Series 2024 Bonds.

11. In connection with the issuance of the Series 2024 Bonds, the Corporation has received an investment grade rating from each Rating Agency rating the Series 2024 Bonds.

12. The Corporation is not in default under the Trust Agreement and, upon issuance of the Series 2024 Bonds, the funds held under the Trust Agreement will contain the amounts required to be on deposit therein.

13. In consultation with, and reliance upon the advice of the financial advisors for the Corporation, I hereby find that the terms of sale are the most advantageous reasonably available on the date and time of the pricing of the Series 2024 Bonds given the then existing market conditions and the stated terms of sale on such date and time.

14. The form of the Series 2024 Bonds shall be as set forth in Exhibit "II" attached hereto. The Initial Series 2024 Bond delivered to the Attorney General of Texas for approval shall be numbered T-1.

EXECUTED this _____, 2024.

Title: Chief Financial Officer
Austin Transit Partnership Local Government
Corporation

EXHIBIT I

TERMS OF THE SERIES 2024 BONDS

**AUSTIN TRANSIT PARTNERSHIP LOCAL GOVERNMENT CORPORATION
SENIOR LIEN CONTRACT REVENUE BONDS, SERIES 2024**

PRINCIPAL AMOUNT

\$ _____

GENERAL DESCRIPTION OF THE SERIES 2024 BONDS

Current Interest Series 2024 Bonds

<u>Due Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Initial Yield</u>	<u>Initial Price</u>
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Series 2024 Term Bonds

CHARACTERISTICS OF THE SERIES 2024 BONDS

The Series 2024 Bonds shall be dated _____, 2024, shall be issued as fixed rate Bonds, current interest Bonds, as Tax-Exempt Bonds and as Current Interest Bonds and shall be numbered from R-1 upwards (except for the initial Bond which is numbered T-1). The Series 2024 Bonds shall mature on _____, 20__ and _____, 20__ in the amounts shown above. The Series 2024 Bonds shall bear interest from the date of initial delivery, anticipated to be _____, 20__, and be payable _____ and _____ of each year, commencing _____, 20__, until maturity or prior redemption as set forth herein.

The Record Date for the payment of interest on the Series 2024 Bonds shall be the close of business on the _____ of each year.

The Series 2024 Bonds shall be initially issued as one initial bond pursuant to Section 207 of the First Supplemental Agreement and registered in the name of _____. The initial Bond registered in the name of _____ shall, immediately following delivery of the Series 2024 Bonds, be exchanged for initial Series 2024 Bonds registered in the name of Cede & Co., as nominee of The Depository Trust Company, pursuant to the Book-Entry-Only System described in the First Supplemental Agreement. Beneficial ownership of the Series 2024 Bonds may be acquired in denominations of \$5,000 or integral multiples thereof.

REDEMPTION PROVISIONS

Optional Redemption.

The Series 2024 Bonds are subject to redemption on _____, 20__ or any date thereafter, in whole or in part, at the option of the Corporation, in such manner as the Corporation may select, at a redemption price of par plus accrued interest to the date fixed for redemption.

If less than all of the Series 2024 Bonds of the same maturity, or sinking fund redemption in the case of Term Bonds, are to be optionally redeemed, the particular Series 2024 Bonds of such maturity to be redeemed will be determined as set forth below.

Mandatory Sinking Fund Redemption.

The Series 2024 Bonds maturing on _____, 20__ and _____, 20__ (the "Series 2024 Term Bonds") are subject to mandatory sinking fund redemption prior to maturity in the aggregate principal amounts and on the dates set forth in the following table, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to, but not including, the redemption date, as follows:

Series 2024 Term Bonds	
Maturing _____, 20__	
<u>Redemption Date</u>	<u>Principal Amount</u>

*Final Maturity

Series 2024 Term Bonds	
Maturing _____, 20__	
<u>Redemption Date</u>	<u>Principal Amount</u>

*Final Maturity

If less than all of the Series 2024 Term Bonds of the same maturity are to be redeemed pursuant to such mandatory sinking fund redemption, the particular Series 2024 Term Bonds of such maturity to be redeemed will be determined as set forth below.

The principal amount of the Series 2024 Term Bonds required to be redeemed on any date pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the Corporation, by the principal amount of any Series 2024 Term Bonds of the maturity scheduled for redemption on such redemption date or dates, which, at least 45 days prior to the respective mandatory sinking fund redemption date, (1) shall have been acquired by the Corporation and delivered to the Trustee for cancellation, (2) shall have been acquired and canceled by the Trustee at the direction of the Corporation, at a price not exceeding the principal amount of such Series 2024 Bonds plus accrued interest to the date of acquisition thereof, or (3) shall have been redeemed pursuant to the optional or special redemption provisions hereof and not previously credited to a scheduled mandatory redemption.

Selection of Series 2024 Bonds for Redemption.

If the Series 2024 Bonds are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of all Series 2024 Bonds, if less than all of the Series 2024 Bonds of a maturity or within a mandatory sinking fund redemption are called for prior redemption, the particular Series 2024 Bonds or portions thereof to be redeemed shall be allocated on a pro rata pass-through distribution of principal basis in accordance with DTC procedures, provided that, so long as the Series 2024 Bonds are held in book-entry form, the selection for redemption of such Series 2024 Bonds shall be made in accordance with the operational arrangements of DTC then in effect, and, if the DTC operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, the Series 2024 Bonds will be selected for redemption, in accordance with DTC procedures, by lot or such other method then required by DTC; provided that any such redemption must be performed such that all Series 2024 Bonds remaining outstanding will be in Authorized Denominations.

If a Series 2024 Bond is in a denomination in excess of \$5,000, portions of the principal sum in amounts of \$5,000 or any integral multiple thereof may be redeemed, and, if less than all of the principal sum is to be redeemed, there will be issued, without charge to the Registered Owner, upon the surrender of the Series 2024 Bond at the designated office of the Trustee, a new Series 2024 Bond or Series 2024 Bonds of like maturity, series, and interest rate in any Authorized Denominations provided by the First Supplemental Agreement for the then unredeemed balance of the principal amount. If a Series 2024 Bond is selected for redemption, in whole or in part, neither the Corporation nor the Trustee will be required to transfer such Series 2024 Bond to an assignee of the Registered Owner within 45 days of the redemption date; provided, however, that such limitation on transferability will not be applicable to any exchange by the Registered Owner of the unredeemed balance in the event of its redemption in part.

EXHIBIT II

FORM OF BOND

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Corporation or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the First Supplemental Agreement referred to herein, until the termination of the system of book-entry-only transfers through DTC, and notwithstanding any other provision of the First Supplemental Agreement to the contrary, this Bond may be transferred, in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

NO. _____

PRINCIPAL AMOUNT
\$ _____

**UNITED STATES OF AMERICA
STATE OF TEXAS
AUSTIN TRANSIT PARTNERSHIP LOCAL GOVERNMENT CORPORATION
SENIOR LIEN CONTRACT REVENUE BONDS,
SERIES 2024**

INTEREST RATE	MATURITY DATE	BOND DATE	INITIAL ISSUE DATE	CUSIP NO.
_____%	_____	_____, 2024	_____, 2024	_____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

On the maturity date specified above the Austin Transit Partnership Local Government Corporation (the "Corporation"), created under the laws of the State of Texas, including particularly Chapter 431, Texas Transportation Code, Chapter 394, Texas Local Government Code and Chapter 22, Texas Business Organizations Code, hereby promises to pay to the Owner specified above or to the registered assignee hereof (either being hereinafter called the "Owner") the principal amount specified above and to pay interest thereon, from the Issue Date, specified above, to the maturity date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; with interest being payable semiannually on _____ and _____ of each year, commencing on _____, except that if the

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date of authentication of this Bond is later than the first "Record Date," such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date (hereinafter defined) but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date. It is specifically provided, however, that the above principal and interest are payable solely from the sources and in the manner provided in the Master Trust Agreement (hereinafter defined). Interest on this Bond shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

This Bond is issued under and pursuant to a First Supplemental Agreement duly adopted by the Corporation (the "First Supplemental Agreement") and pursuant to a Master Trust Agreement dated as of _____, 2024 ("Master Trust Agreement") by and between the Corporation and _____, as trustee, said banking association and any bank or trust company appointed as successor trustee under the Master Trust Agreement being herein called the "Trustee"), as supplemented by the First Supplemental Agreement (collectively, the "Trust Agreement"), executed counterparts of which Trust Agreement are on file at the principal office of the Trustee.

This Bond constitutes a Senior Lien Obligation under the Master Trust Agreement. Reference is hereby made to the First Supplemental Agreement and the Master Trust Agreement, as supplemented, for provisions thereof relating to this Bond, including the custody and application of the proceeds of bonds issued under the Master Trust Agreement, the collection and disposition of revenues, the special funds and accounts charged with and pledged to the payment of the interest on and the principal of this Bond, the nature and extent of the security, the terms and conditions on which this Bond is issued, the rights, duties, and obligations of the Corporation, and the Trustee, and the rights of the owner of this Bond, and, by the acceptance of this Bond, the owner hereof assents to all of the provisions of the First Supplemental Agreement and the Master Trust Agreement. Terms used in this Bond and not otherwise defined have the meaning given in the First Supplemental Agreement and the Master Trust Agreement.

The principal of and interest on this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the Owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, at the corporate trust office of the Trustee. The payment of interest on this Bond shall be made by the Trustee to the Owner hereof on each interest payment date by check, dated as of such interest payment date, drawn by the Trustee on, and payable solely from, funds of the Corporation required by the First Supplemental Agreement and the Master Trust Agreement to be on deposit with the Trustee for such purpose as hereinafter provided; and such check shall be sent by the Trustee by United States mail, first-class postage prepaid, on each such interest payment date, to the Owner hereof, at the address of the Owner, as it appeared on the close of business on the 15th day of the month next preceding each such date (the "Record Date") on the registration books kept by the Trustee (the "Registration Books"). However, notwithstanding the foregoing provisions, (1) the payment of such interest may be made by any other method acceptable to the Trustee and requested by, and at the risk and expense of, the Owner, and (2) upon the written request of the Owner of any Bond in the principal amount of at least \$1,000,000, delivered to the Trustee not less than 15 days prior to any interest payment date, payment of the

interest due on such Bond on such date shall be paid on such date by wire transfer to any designated account in the United States of America in an institution which has the wire service facilities of the Federal Reserve Bank. Any accrued interest due upon the redemption of this Bond prior to maturity as provided herein shall be paid to the Owner at a corporate trust office for payment of the Trustee upon presentation and surrender of this Bond for redemption and payment at an office for payment of the Trustee.

In the event of non-payment of interest on a scheduled interest payment date, and for 30 days thereafter, a new Record Date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from the Corporation. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date"), 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 an Bond 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 the foregoing, during any period in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the Corporation and the securities depository.

If the date for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Trustee is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day 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 Bond is one of an issue and Series of Bonds, dated _____, 2024, authorized in accordance with the Constitution and laws of the State of Texas in the aggregate principal amount of \$_____ for the purpose of paying or reimbursing Costs of the Light Rail Components including planning, design and engineering costs and costs of issuance of the Bonds.

The Bonds are subject to redemption on _____, 20__ or any date thereafter, in whole or in part, at the option of the Corporation, in such manner as the Corporation may select, at a redemption price of par plus accrued interest to the date fixed for redemption.

If less than all of the Bonds of the same maturity or within a mandatory sinking fund redemption are to be redeemed, the particular Bonds of such maturity to be redeemed will be determined as set forth below.

The Bonds maturing on _____ and _____ (the "Series 2024 Term Bonds") are subject to mandatory sinking fund redemption prior to maturity and shall be redeemed by the Trustee prior to maturity, with funds derived from the "Senior Lien Debt Service Fund" created and maintained pursuant to the Master Trust Agreement, in the following amounts, on the following dates and at a price of par plus accrued interest to the redemption date, with the particular Bonds or portions thereof to be redeemed to be selected and designated by the Corporation in its sole discretion

(provided that a portion of any Bond may be redeemed only in an integral multiple of \$5,000). The principal amount of \$_____ remaining after application of the sinking fund redemptions shall be payable on the Maturity Date set forth above.

Series 2024 Term Bonds	
	<u>Maturing _____, 20</u>
<u>Redemption Date</u>	<u>Principal Amount</u>

*Final Maturity

Series 2024 Term Bonds	
	<u>Maturing _____, 20</u>
<u>Redemption Date</u>	<u>Principal Amount</u>

*Final Maturity

The principal amount of the Bonds required to be redeemed on any date pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the Corporation, by the principal amount of any Bonds of the maturity scheduled for redemption on such redemption date or dates, which, at least 45 days prior to the respective mandatory sinking fund redemption date, (1) shall have been acquired by the Corporation and delivered to the Trustee for cancellation, (2) shall have been acquired and canceled by the Trustee at the direction of the Corporation, with funds from the Senior Lien Debt Service Fund at a price not exceeding the principal amount of such Bonds plus accrued interest to the date of acquisition thereof, or (3) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a scheduled mandatory sinking fund redemption.

At least 30 days prior to the date fixed for the redemption of any Bonds or portions thereof prior to maturity at the option of the Corporation, a written notice of all redemptions prior to maturity shall be sent by the Trustee by United States mail, first-class postage prepaid, not less than 30 days prior to the date fixed for any such redemption, to the Owner of each Bond to be redeemed at its address as it appears in the Registration Books on the 45th day prior to such redemption date; provided, however, that the failure to send, mail, or 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 optional redemption of any Bond, and it is hereby specifically provided that the mailing of such notice as required above in connection with the redemption of Bonds prior

to maturity at the option of the Corporation shall be the only notice actually required in connection with or as a prerequisite to such optional redemption of any Bonds or portions thereof. By the date fixed for any such redemption due provision shall be made with the Trustee for the payment of the required redemption price for the Bonds or portions thereof which are to be redeemed, plus accrued interest thereon to the date fixed for redemption. If notice of redemption is given and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which 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 Owner to receive the redemption price plus accrued interest from the Trustee out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds 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 Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Owner upon the surrender thereof for cancellation, at the expense of the Corporation, all as provided in the First Supplemental Agreement.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the First Supplemental Agreement have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Trustee prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the Corporation, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Trustee 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 Corporation shall not redeem such Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

During any period in which ownership of the Bonds is determined by a book-entry at a securities depository, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Corporation and the securities depository.

If the Bonds are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of all Bonds of this Series, if less than all of the Bonds of a maturity or within a mandatory sinking fund redemption are called for prior redemption, the particular Bonds or portions thereof to be redeemed shall be allocated on a pro rata pass-through distribution of principal basis in accordance with DTC procedures, provided that, so long as the Bonds are held in book-entry form, the selection for redemption of such Bonds shall be made in accordance with the operational arrangements of DTC then in effect, and, if the DTC operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, the Bonds will be selected for redemption, in accordance with DTC procedures, by lot or such other method then required by DTC; provided that any such redemption must be performed such that all Bonds remaining outstanding will be in Authorized Denominations. If a Bond is in a denomination in excess of \$5,000, portions of the principal sum in amounts of \$5,000

or any integral multiple thereof may be redeemed, and, if less than all of the principal sum is to be redeemed, there will be issued, without charge to the Registered Owner, upon the surrender of the Bond at the designated office of the Trustee, a new Bond or Bonds of like maturity, series, and interest rate in any Authorized Denominations provided by the Trust Agreement for the then unredeemed balance of the principal amount. If a Bond is selected for redemption, in whole or in part, neither the Corporation nor the Trustee will be required to transfer such Bond to an assignee of the Registered Owner within 45 days of the redemption date; provided, however, that such limitation on transferability will not be applicable to any exchange by the Registered Owner of the unredeemed balance in the event of its redemption in part.

This Bond or any portion or portions hereof in any integral multiple of \$5,000 may be assigned and shall be transferred only in the Registration Books of the Corporation kept by the Trustee acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the First Supplemental Agreement and the Master Trust Agreement. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Trustee, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Trustee, evidencing assignment of this Bond or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The Form of Assignment printed or endorsed on this Bond shall be executed by the Owner, or its duly authorized attorney or representative, to evidence the assignment hereof. A new Bond or Bonds payable to such assignee or assignees (which then will be the new Owner or owners of such new Bond or Bonds), or to the previous Owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Trustee in conversion of and exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the conversion and exchange of other Bonds. The Corporation shall pay the Trustee's standard or customary fees and charges for making such transfer, but the one requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The Trustee shall not be required to make transfers of registration of this Bond or any portion hereof (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 Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date. The Owner of this Bond shall be deemed and treated by the Corporation and the Trustee as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the Corporation and the Trustee shall not be affected by any notice to the contrary.

All Bonds are issuable solely as fully registered obligations, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the First Supplemental Agreement and the Master Trust Agreement, this Bond, or any unredeemed portion hereof, may, at the request of the Owner or the assignee or assignees hereof, be converted into and exchanged for a like aggregate principal amount of fully registered obligations, without interest coupons, payable to the appropriate Owner, assignee, or assignees, as the case may be, having the same maturity date, and bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate Owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Trustee for cancellation, all in

accordance with the form and procedures set forth in the First Supplemental Agreement and the Master Trust Agreement. The Corporation shall pay the Trustee's standard or customary fees and charges for transferring, converting, and exchanging any Bond or any portion thereof, but the one requesting such transfer, conversion, and exchange shall pay any taxes or governmental charges required to be paid with respect thereto as a condition precedent to the exercise of such privilege of conversion and exchange. The Trustee shall not be required to make any such conversion and 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 Bond or portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

It is hereby certified, certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, sold, 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 Bond have been performed, existed, and been done in accordance with law; and that this Bond, along with other outstanding parity revenue obligations, is a special obligation of the Corporation, payable solely from the Trust Estate.

Subject to the terms and conditions provided in the Master Trust Agreement, additional Obligations may be issued by the Corporation (i) to pay Costs of the Light Rail Components and (ii) for refunding of Obligations issued by the Corporation.

The Owner of this Bond shall have no right to enforce the provisions of the Master Trust Agreement or to institute action or enforce the covenants therein, or to take any action with respect to any event of default under the Master Trust Agreement, or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Master Trust Agreement.

Modifications or alterations of the Master Trust Agreement or of any supplement thereto may be made by the Corporation and the Trustee only to the extent and in the circumstances permitted by the Master Trust Agreement.

This Bond is issued under and pursuant to the provisions of the Acts, the Bylaws of the Corporation and other applicable laws, and under and pursuant to the First Supplemental Agreement and the Master Trust Agreement. This Bond constitutes a Senior Lien Obligation under the Master Trust Agreement. The Trust Agreement, in accordance with and as required by the Acts, provides for collecting by the Corporation of revenues to pay the principal of and interest on all obligations issued under the Master Trust Agreement as the same become due and payable, and to create and maintain reserves for such purposes. The Master Trust Agreement provides for the creation of a special fund designated "Senior Lien Debt Service Fund," which special fund is pledged to and charged with the payment of the principal of and interest on all Senior Lien Obligations issued under the Master Trust Agreement.

THIS BOND AND THE INTEREST HEREON DO NOT CONSTITUTE A DEBT OF THE CITY, CAPITAL METRO, OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF TEXAS, THE CITY, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF TEXAS. NONE OF THE CITY, CAPITAL METRO, THE STATE OF TEXAS OR

ANY POLITICAL SUBDIVISION OF THE STATE OF TEXAS ARE OBLIGATED TO PAY THIS BOND OR THE INTEREST ON THIS BOND. THE CORPORATION IS NOT OBLIGATED TO PAY THIS BOND OR INTEREST ON THIS BOND FROM A SOURCE OTHER THAN THE TRUST ESTATE, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF STATE OF TEXAS, THE CITY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE ARE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THIS BOND. THIS BOND IS PAYABLE ONLY FROM THE SOURCES AS PROVIDED IN THE MASTER TRUST AGREEMENT.

NO RECOURSE UNDER THIS BOND SHALL BE HAD AGAINST ANY PAST, PRESENT OR FUTURE OFFICER OF THE CORPORATION OR THE CITY. THE BONDS SHALL NEVER BE PAID IN WHOLE OR IN PART OUT OF ANY REVENUES EXCEPT THOSE REVENUES ASSIGNED BY THE TRUST AGREEMENT. THE CORPORATION HAS NO TAXING AUTHORITY.

By becoming the Registered Owner of this Bond, the Owner thereby acknowledges all of the terms and provisions of the Master Trust Agreement, agrees to be bound by such terms and provisions, acknowledges that the Master Trust Agreement is duly recorded and available for inspection in the official minutes and records of the governing body of the Corporation, and on file with the Trustee, and agrees that the terms and provisions of this Bond and the Master Trust Agreement constitute a contract between the Owner hereof, the Corporation, and the Trustee.

As provided by the Acts, this Bond, its transfer and the income therefrom, including any profit made from the sale thereof, shall at all times be free from taxation with the State of Texas.

In witness whereof, the Corporation has caused this Bond to be signed with the manual or facsimile signature of the Chair of the Corporation and countersigned with the manual or facsimile signature of the Secretary of the Corporation and has caused the official seal of the Corporation to be duly impressed or placed in facsimile on this Bond.

Chair
Austin Transit Partnership Local Government
Corporation

Secretary
Austin Transit Partnership Local Government
Corporation

FORM OF TRUSTEE'S AUTHENTICATION CERTIFICATE
TRUSTEE'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the First Supplemental Agreement described in this Bond.

Dated:

ATP: 1stSuppAgrmnt

_____,
Trustee

II-8

By: _____
Authorized Representative

FORM OF COMPTROLLER'S REGISTRATION CERTIFICATE

COMPTROLLER'S REGISTRATION CERTIFICATE **REGISTER NO.**_____

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

Witness my signature and seal this

(COMPTROLLER'S SEAL)

Comptroller of Public Accounts of
the State of Texas

FORM OF ASSIGNMENT

ASSIGNMENT

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common
TEN ENT -- as tenants by the entireties
JT TEN -- as joint tenants with right
of survivorship and not as
tenants in common

UNIF GIFT MIN ACT - _____Custodian _____
(cust) (minor)
under Uniform Gifts to Minors Act _____
(State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

Please insert Social Security or
Other Identification Number of Assignee

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitutes and appoints _____
to transfer said Bond on the books kept for registration thereof with full power of substitution in
the premises.

Dated: _____

Signature Guaranteed: _____

INSERTIONS FOR THE INITIAL BOND

The Initial Bond shall be in the form set forth in this Section, except that:

A. immediately under the name of the Bond, the headings "INTEREST RATE" and
"MATURITY DATE" shall both be completed with the words "As shown below" and
"CUSIP NO." shall be deleted.

B. the first two paragraphs shall be deleted and the following will be inserted:

"On the maturity dates specified below the Austin Transit Partnership Local Government Corporation (the "Corporation"), created under the laws of the State of Texas, including particularly Chapter 431, Texas Transportation Code, Chapter 394, Texas Local Government Code and Chapter 22, Texas Business Organizations Code, hereby promises to pay to the registered owner specified above, or to the registered assignee hereof (either being hereafter called the "Registered Owner"), the principal installments specified below and to pay interest thereon, from the Initial Date of Delivery, specified above, to the maturity date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified below; with interest being payable semiannually on _____ and _____ of each year, commencing on _____, 20__, except that if the date of the authentication of this Bond is later than the first "Record Date" (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date. It is specifically provided, however, that the below principal and interest are payable solely from the sources and in the manner provided in the Master Trust Agreement (hereinafter defined). Interest on this Bond shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

<u>Due</u> <u>Date</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Initial</u> <u>Yield</u>	<u>Initial</u> <u>Price</u>
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This Bond is issued under and pursuant to a Master Trust Agreement, dated as of _____, 20__ ("Master Trust Agreement"), by and between the Corporation and _____, as trustee, said banking association and any bank or trust company appointed as successor trustee under the Master Trust Agreement being herein called the "Trustee"), as supplemented by the First Supplemental Agreement, dated as of _____, 20__, by and between the Corporation and the Trustee (collectively, the "Trust Agreement"), executed counterparts of which Trust Agreement are on file at the principal office of the Trustee."

C. The initial Bond shall be numbered "T-1."

\$ _____
**AUSTIN TRANSIT PARTNERSHIP LOCAL GOVERNMENT CORPORATION
SENIOR LIEN CONTRACT REVENUE BONDS, SERIES 2024**

PURCHASE CONTRACT

[Date]

Board of Directors
Austin Transit Partnership Local Government Corporation
203 Colorado Street
Austin, Texas 78701

Ladies and Gentlemen:

The undersigned, Wells Fargo Bank, National Association (the “**Representative**”), acting on its own behalf and on behalf of the other underwriters listed on Schedule I hereto (collectively, the “**Underwriters**”), and not acting as a fiduciary or agent for the Austin Transit Partnership Local Government Corporation (the “**Issuer**”), offers to enter into this Purchase Contract (this “**Purchase Contract**”) with the Issuer with respect to its \$ _____ Austin Transit Partnership Local Government Corporation Senior Lien Contract Revenue Bonds, Series 2024 (the “**Bonds**”), which, upon the Issuer’s written acceptance of this offer, shall be binding upon the Issuer and upon the Underwriters. This offer is made subject to the Issuer’s written acceptance on or before 10:00 p.m., Central time, on the date set forth above, and, if not so accepted, will be subject to withdrawal by the Underwriters upon written notice delivered to the Issuer by the Representative at any time before the acceptance by the Issuer. The Underwriters have authorized the Representative to execute this Purchase Contract and act on their behalf with respect to all matters described in this Purchase Contract. Terms used in this Purchase Contract, unless otherwise defined, have the meanings set forth in the Trust Agreement (as defined herein).

1. **Description of Bonds and Issuer Documents.** The Bonds are being issued to pay or reimburse (i) the Costs of the Light Rail Components including planning, designing and engineering costs, and (ii) the costs of issuance of the Bonds, all as set forth in the First Supplemental Agreement and the Award Certificate (as each such term is defined herein).

The terms of the Bonds, including the aggregate principal amount, maturity, interest rate, interest payment dates, optional and mandatory redemption provisions and other details as determined by a Pricing Officer pursuant to the provisions of the First Supplemental Agreement, are set forth in the Pricing Officer’s Award Certificate attached hereto as Exhibit A (the “**Award Certificate**”).

The Bonds are being issued by the Issuer pursuant to the laws of the State of Texas (the “**State**”), particularly the Acts and the resolution adopted by the Board of Directors of the Issuer on February 16, 2024 (the “**Resolution**”). In addition, the Resolution authorized, among other things, the execution and delivery of this Purchase Contract.

The Issuer has entered, or will enter, into one or more of the following documents in connection with the issuance of the Bonds:

- (a) this Purchase Contract;
- (b) the Award Certificate, dated the date hereof and executed by the Pricing Officer on behalf of the Issuer, in substantially the form attached hereto as Exhibit A;
- (c) the Resolution, signed and certified by the appropriate officers of the Issuer;
- (d) the Master Trust Agreement dated as of _____ (the “**Master Trust Agreement**”), between the Issuer and _____, as trustee (the “**Trustee**”);
- (e) the First Supplemental Agreement dated as of _____ (the “**First Supplemental Agreement**”), between the Issuer and the Trustee (the Master Trust Agreement, as amended by the First Supplemental Agreement, is referred to herein as the “**Trust Agreement**”);
- (f) the Amended and Restated Interlocal Cooperation Agreement, effective as of February 16, 2024 (the “**Funding Agreement**”), between the Issuer and the City of Austin, Texas (the “**City**”), relating to the implementation of Project Connect and the payment, subject to Appropriation, of the Proposition A Revenues by the City to the Issuer all as provided and defined in the Funding Agreement;
- (g) the Joint Powers Agreement, effective as of December 17, 2021, as amended by the Supplemental Joint Powers Agreement, effective as of June 6, 2023, and the First Amendment to the Joint Powers Agreement effective as of February 16, 2024 (as amended, the “**Joint Powers Agreement**”), each among the Issuer, the City of Austin, Texas (the “**City**”) and Capital Metro Transportation Authority (“**Cap Metro**”); and
- (h) the Continuing Disclosure Agreement dated as of _____ (the “**City Undertaking**”), between the City and the Issuer.

The documents listed in subparagraphs (a) through (h), above are referred to herein each as an “**Issuer Document**” and collectively as the “**Issuer Documents**.”

2. Purchase and Sale of the Bonds.

(a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth in this Purchase Contract, the Underwriters agree, jointly and severally, to purchase from the Issuer, and the Issuer agrees to sell and deliver to the Underwriters, all (but not less than all) of the Bonds, for a purchase price of \$_____ (representing the original aggregate principal amount thereof, plus an original issue premium of \$_____, and

less an underwriting discount of \$ _____), and no accrued interest, which Bonds shall have the terms and features set forth in the Official Statement (as hereinafter defined) and in the Award Certificate relating to the Bonds. It shall be a condition to the Issuer's obligations to sell and deliver the Bonds and to the Underwriters' obligations to purchase, accept delivery of and pay for the Bonds that the entire principal amount of the Bonds identified in the Award Certificate shall be issued, sold and delivered by the Issuer and purchased, accepted and paid for by the Underwriters on the date of Closing (as defined herein).

(b) **Good Faith Check.** Delivered to the Issuer with this Purchase Contract as a "Good Faith" deposit is a check of the Representative payable to the order of the Issuer in the amount of \$ _____. The Good Faith check may be applied toward any obligation of the Underwriters owing as a result of the failure of the Underwriters to accept delivery of the Bonds as provided in this Purchase Contract. The Issuer agrees to hold the Good Faith check uncashed until the Closing to ensure the performance by the Underwriters of their obligation to purchase, accept delivery of and pay for the Bonds at the Closing. Concurrently with the payment by the Underwriters of the purchase price of the Bonds, the Issuer shall return the Good Faith check to the Representative as provided in Sections 8 and 9 of this Purchase Contract. If the Issuer fails to deliver any of the Bonds at the Closing, or if the Issuer is unable to satisfy the conditions of the obligation of the Underwriters to purchase, accept delivery of and pay for the Bonds, as set forth in this Purchase Contract (unless waived by the Representative), or if such purchase obligation of the Underwriters is terminated for any reason permitted by this Purchase Contract, the Good Faith check shall immediately be returned to the Representative. In the event the Underwriters fail (other than for a reason permitted in this Purchase Contract) to purchase, accept delivery of and pay for the Bonds at the Closing as described in this Purchase Contract, the Good Faith check shall be retained by the Issuer as, and for, full liquidated damages for such failure of the Underwriters and for any defaults under this Purchase Contract on the part of the Underwriters, except as provided in Section 11(b) hereof. The Representative agrees not to stop payment on the Good Faith check, or cause payment on the Good Faith check to be stopped, unless the Issuer has breached any of the terms of this Purchase Contract.

3. **Public Offering.** The Underwriters agree to make a bona fide public offering of all of the Bonds at prices not in excess of the initial offering price or yields set forth in the Official Statement; *provided, however*, but expressly subject to the provisions of Section 4 to this Purchase Contract relating to the establishment of the issue price of the Bonds, that the Underwriters may change such initial offering price or prices as they deem necessary in connection with the offering of the Bonds without any requirement of prior notice, and may offer and sell the Bonds to certain institutions (including dealers depositing the Bonds into investment trusts) at prices lower than those stated in the Official Statement. The Underwriters also reserve the right to: (i) over-allot or effect transactions that stabilize or maintain the market prices of the Bonds at levels above those that might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced, at any time without prior notice; *provided, however*, that no such actions shall affect the certification of original issue price of the Bonds as provided below.

4. **Establishment of Issue Price.** Notwithstanding any provision of this Purchase Contract to the contrary, the following provisions related to the establishment of the issue price for the Bonds apply:

(a) Definitions. For purposes of this Section, the following definitions apply:

(1) “**Public**” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than a Participating Underwriter or a Related Party to a Participating Underwriter.

(2) “**Participating Underwriter**” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the Representative to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public).

(3) “**Related Party**” means any two or more persons who are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interest or profits interest of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(4) “**Sale Date**” means the date of execution of this Purchase Contract by all parties.

(b) Issue Price Certificate. The Representative, on behalf of the Participating Underwriters, agrees to assist the Issuer in establishing the issue price of the Bonds and to execute and deliver to the Issuer at Closing an “Issue Price Certificate” for the Bonds, together with the supporting pricing wire or equivalent communication, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Issuer and McCall, Parkhurst & Horton L.L.P., Austin, Texas (“**Bond Counsel**”), to accurately reflect, as applicable, the initial offering price (the “**Initial Offering Price**”) or prices or the sales price or prices to the Public of the Bonds. As applicable, all actions to be taken by the Issuer under this Section to establish the issue price of the Bonds may be taken on behalf of the Issuer by the Issuer’s financial advisor and any notice or report to be provided to the Issuer may be provided to the Issuer’s financial advisor.

(c) Substantial Amount Test. The Issuer will treat the Initial Offering Price at which at least ten percent (a “**Substantial Amount**”) in principal amount of each maturity of the Bond is sold to the Public as of the Sale Date (the “**Substantial Amount Test**”) as the issue price of that maturity (or each separate CUSIP number within that maturity). Those maturities of the Bonds which do not satisfy the Substantial Amount Test (the “**Hold-the-Price Maturities**”) will be identified in the Issue Price Certificate and will be subject to the Hold-the Price Restriction (as hereinafter defined). At or promptly after the execution of this Purchase Contract, the

Representative will report to the Issuer the price or prices at which the Participating Underwriters have offered and sold to the Public each maturity of the Bonds.

(d) Hold-The-Price Restriction. The Representative agrees, on behalf of the Participating Underwriters, that it will neither offer nor sell any of the Hold-the-Price Maturities to any person at a price that is higher than the applicable Initial Offering Price for such maturity during the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date or (ii) the date on which the Underwriters have sold a Substantial Amount of such Hold-the-Price Maturity to the Public at a price that is no higher than the Initial Offering Price of such Hold-the-Price Maturity (the “***Hold-the-Price Restriction***”). The Initial Offering Price of the Hold-the-Price Maturities shall be the issue price for such maturities:

The Representative shall promptly advise the Issuer when the Participating Underwriters have sold a Substantial Amount of each such Hold-the-Price Maturity to the Public at a price that is no higher than the applicable Initial Offering Price of such Hold-the-Price Maturity, if that occurs prior to the close of the fifth business day after the Sale Date.

The Issuer acknowledges that, in making the representations set forth in this subparagraph (d), the Representative will rely on (A) the agreement of each Participating Underwriter to comply with the Hold-the-Price Restriction, as set forth in an agreement among underwriters and the related pricing wires, (B) in the event a selling group has been created in connection with the sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the Hold-the-Price Restriction, as set forth in a selling group agreement and the related pricing wires, and (C) in the event that a Participating Underwriter is a party to a third-party distribution agreement that was employed in connection with the sale of the Bonds, the agreement of each such underwriter, dealer or broker-dealer that is a party to such agreement to comply with the Hold-the-Price Restriction, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that each Participating Underwriter will be solely liable for its failure to comply with its agreement regarding the Hold-the-Price Restriction and that no Participating Underwriter will be liable for the failure of any other Participating Underwriter to comply with its corresponding agreement regarding the Hold-the-Price Restriction as applicable to the Bonds.

(e) Agreements Among Participating Underwriters. The Representative confirms that:

(1) any agreement among underwriters, any selling group agreement and each third-party distribution agreement to which the Representative is a party relating to the initial sale of the Bonds to the Public, together with the pricing wire, contains or will contain language obligating each Participating Underwriter, each dealer who is a member of any selling group, and each broker-dealer that is a party to any such third-party distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it until it is notified by the Representative that either the Substantial Amount Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (B) comply with the Hold-

the-Price Restriction, if applicable, in each case if and for so long as directed by the Representative and as set forth in the related pricing wires, and

(2) any agreement among underwriters relating to the initial sale of the Bonds to the Public, together with the pricing wire, contains or will contain language obligating each Participating Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each underwriter, dealer or broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the Representative or the applicable Participating Underwriter that either the Substantial Amount Test has been satisfied as to the Bonds of that maturity or all Bonds if that maturity has been sold to the Public and (B) comply with the Hold-the-Price Restriction, if applicable, in each case if and for so long as directed by the Representative or the applicable Participating Underwriter and as set forth in the pricing wire.

(f) Sale to Related Party not a Sale to the Public. The Participating Underwriters acknowledge that sales of any Bonds to any person that is a Related Party to a Participating Underwriter do not constitute sales to the Public for purposes of this Section.

5. The Official Statement.

(a) The Issuer previously has delivered, or caused to be delivered to the Underwriters, copies of the Preliminary Official Statement dated _____ (the “**Preliminary Official Statement**”), in a “designated electronic format,” as defined in Rule G-32 (“**Rule G-32**”) of the Municipal Securities Rulemaking Board (the “**MSRB**”). The Issuer will prepare, or cause to be prepared, a final Official Statement relating to the Bonds, which will be (i) dated the date of this Purchase Contract, (ii) “final” within the meaning of Rule 15c2-12, as amended (the “**Rule**”), of the United States Securities and Exchange Commission (the “**SEC**”), (iii) substantially in the form of the most recent version of the Preliminary Official Statement provided to the Underwriters before the execution of this Purchase Contract with only such changes as have been approved in advance by the Representative and (iv) in both a “designated electronic format” consistent with the requirements of Rule G-32 and in a printed format. For purposes of this Purchase Contract, the final Official Statement, including the cover page, all exhibits, schedules, appendices, maps, charts, pictures, diagrams, reports and statements included or incorporated or attached, and all amendments and supplements that may be authorized for use with respect to the Bonds, is referred to in this Purchase Contract as the “**Official Statement**.” Until the Official Statement has been prepared and is available for distribution, the Issuer shall provide to the Underwriters sufficient quantities of the Preliminary Official Statement (which may be in electronic format, as described above) as the Representative reasonably deems necessary to satisfy the obligations of the Underwriters under the Rule with respect to distribution to each potential customer, upon request, of a copy of the Preliminary Official Statement.

(b) The Preliminary Official Statement has been prepared for use by the Underwriters in connection with the public offering, sale and distribution of the Bonds. The Issuer represents and warrants that the Preliminary Official Statement was “deemed final” by the Issuer as of its date within the meaning of and for purposes of the Rule, except for the omission of such

information that is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of the Rule.

(c) The Issuer represents that it has reviewed and approved the information in the Preliminary Official Statement and the Official Statement and the Issuer authorizes the distribution and use of the Preliminary Official Statement and the Official Statement, and the information contained in the Preliminary Official Statement and the Official Statement, by the Underwriters in connection with the public offering and the sale of the Bonds. The Issuer ratifies and consents to the distribution and use by the Underwriters prior to the date of this Purchase Contract of the Preliminary Official Statement in connection with the public offering and sale of the Bonds. The Issuer shall provide, or cause to be provided, to the Underwriters as soon as practicable after the date of the Issuer's acceptance of this Purchase Contract (but, in any event, not later than seven (7) business days after the Issuer's acceptance of this Purchase Contract or later than two (2) business days prior to Closing) copies of the Official Statement that is complete as of the date of its delivery to the Underwriters (i) in a "designated electronic format" consistent with the requirements of Rule G-32 and (ii) in a printed format in such quantity as the Representative shall reasonably request in order for the Underwriters to comply with Section (b)(4) of the Rule and the rules of the MSRB. The Issuer confirms that it does not object to the distribution of the Preliminary Official Statement or the Official Statement in electronic form. The Issuer is not making any representation regarding the information in the Preliminary Official Statement or the Official Statement provided by The Depository Trust Company, New York, New York ("**DTC**") as set forth in Appendix [H] or regarding the information contained under the caption "OTHER INFORMATION – Underwriting."

(d) If, after the date of this Purchase Contract, to and including the date the Underwriters are no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) ninety (90) days from the "end of the underwriting period" (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from the MSRB, but in no case less than twenty-five (25) days after the "end of the underwriting period" for the Bonds), the Issuer becomes aware of any fact or event that might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact, or to omit to state a material fact required to be stated therein or necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the Issuer will notify the Representative (and for the purposes of this clause provide the Representative with such information as it may from time to time reasonably request), and if, in the reasonable judgment of the Representative, such fact or event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer will forthwith prepare and furnish, at the Issuer's own expense (in a form and manner both acceptable to the Issuer and approved by the Representative), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading and so that the Official Statement will comply with law; *provided, however*, that for all purposes of this Purchase Contract and any representation, warranty or covenant made in this Purchase Contract, or any certificate delivered by the Issuer in accordance

with this Purchase Contract, the Issuer makes no representations with respect to the descriptions in the Preliminary Official Statement or the Official Statement of DTC or its book-entry-only system or regarding the information contained under the caption “OTHER INFORMATION – Underwriting.” If such notification shall be subsequent to the Closing, the Issuer shall furnish such legal opinions, certificates, instruments and other documents as the Representative may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement. The Issuer shall provide any such amendment or supplement, or cause any such amendment or supplement to be provided, (i) in a “designated electronic format” consistent with the requirements of Rule G-32 and (ii) in a printed format in such quantity as the Representative shall reasonably request in order for the Underwriters to comply with Section (b)(4) of the Rule and the rules of the MSRB.

(e) The Representative agrees to timely file, or cause to be filed, the Official Statement (and any amendment or supplement to the Official Statement prepared in accordance with Section 4(d) above) with (i) the MSRB or its designee (including the MSRB’s Electronic Municipal Market Access System (“*EMMA*”)) or (ii) other repositories approved from time to time by the SEC (in addition to the filing referred to in clause (i) above). Unless otherwise notified in writing by the Representative, the Issuer can assume that the “end of the underwriting period” for purposes of the Rule is the date of the Closing.

(f) To the knowledge and belief of the Issuer, the Official Statement contains all information, including financial information or operating data, concerning every entity, enterprise, fund, account or person that is material to an evaluation of the offering of the Bonds, but excepting the descriptions of DTC or its book-entry-only system or regarding the information contained under the caption “OTHER INFORMATION – Underwriting.”

(g) The Continuing Disclosure Agreement (as defined herein) to be entered into by the Issuer with respect to the Bonds is the first continuing disclosure agreement to be entered into by the Issuer pursuant to the requirements of the Rule.

6. **Representations, Warranties and Covenants of the Issuer.** The Issuer represents and warrants to and covenants with the Underwriters that:

(a) The Issuer is a Texas local government corporation and a public non-profit corporation formed under Subchapter D of Chapter 431, Texas Transportation Code, as amended, Chapter 22, Texas Business Organizations Code, as amended, and Chapter 394, Texas Local Government Code, as amended, duly created, organized and existing under the laws of the State and its Certificate of Formation and Bylaws, and has full legal right, power and authority (i) to adopt the Resolution and to enter into, execute and deliver this Purchase Contract and the other Issuer Documents, (ii) to sell, issue and deliver the Bonds to the Underwriters as provided herein, (iii) to carry out and consummate the transactions described by the Issuer Documents, the Preliminary Official Statement and the Official Statement, and (iv) to collect and receive the Pledged Revenues; and the Issuer has complied, and will at the Closing be in compliance in all material respects, with the terms of the Acts and the Issuer Documents as they pertain to such transactions.

(b) By all necessary official action of the Issuer before or concurrently with the acceptance of this Purchase Contract, the Issuer has duly authorized all necessary action to be taken by it for: (i) the adoption of the Resolution, the execution of this Purchase Contract and the other Issuer Documents and the issuance and sale of the Bonds on the terms set forth in this Purchase Contract; (ii) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part contained in, the Bonds and the Issuer Documents; (iii) the approval, distribution and use of the Preliminary Official Statement and the approval, execution, distribution and use of the Official Statement for use by the Underwriters in connection with the public offering of the Bonds; and (iv) the consummation by it of all other transactions described in the Preliminary Official Statement, the Official Statement, the Issuer Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Issuer in order to carry out, give effect to and consummate the transactions described in this Purchase Contract and in the Preliminary Official Statement and the Official Statement.

(c) The Resolution is in full force and effect and constitutes the legal, valid, and binding act of the Issuer; the Issuer Documents, assuming due and valid authorization, execution and delivery by the other parties thereto, if any, constitute, or when executed and delivered will constitute, legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, sovereign immunity of political subdivisions and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights, and the exercise of judicial discretion in accordance with general principles of equity; the Bonds, when issued, delivered and paid for, in accordance with the Resolution, the Trust Agreement, the Award Certificate and this Purchase Contract, will constitute legal, valid and binding obligations of the Issuer entitled to the benefits of the Trust Agreement as Senior Lien Obligations and will be enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium, sovereign immunity of political subdivisions and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights, and the exercise of judicial discretion in accordance with general principles of equity; and upon the issuance, authentication and delivery of the Bonds as aforesaid, the Trust Agreement will provide, for the benefit of the holders, from time to time, of the Bonds, the legally valid and binding pledge of and lien on the Trust Estate it purports to create as set forth therein.

(d) The Issuer is not in breach of or default, in any material respect, under any applicable constitutional provision, law or administrative regulation of the State or the United States relating to the issuance of the Bonds or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, ordinance, agreement or other instrument to which the Issuer is a party or by which it is bound, and no event that would have a material and adverse effect upon the business or financial condition of the Issuer or upon the Trust Estate (which includes the Pledged Revenues) has occurred and is continuing that constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Issuer under any of the foregoing; and the execution and delivery of the Bonds and the Issuer Documents and the adoption of the Resolution and compliance with the provisions on the Issuer's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, applicable law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, ordinance, agreement or other instrument to which the Issuer is a party or to which the Issuer is or to which any of its property or assets are otherwise subject nor will any

such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of part of the Trust Estate (including the Pledged Revenues) pledged to the payment of the Bonds, or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Trust Agreement.

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter that are required for the due authorization of, would constitute a condition precedent to, or the absence of which would materially adversely affect the approval or adoption, as applicable, of the Issuer Documents, the issuance of the Bonds or the due performance by the Issuer of its obligations under the Issuer Documents and the Bonds have been duly obtained, except for the approval of the Bonds by the Texas Attorney General (as defined herein) and the registration of the Bonds by the Comptroller of Public Accounts of the State of Texas (the “**Comptroller**”) and such approvals, consents and orders as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Bonds.

(f) The Bonds, the Trust Agreement and the other Issuer Documents conform to the descriptions contained in the Official Statement under the captions _____; the proceeds of the sale of the Bonds will be applied generally as described in the Official Statement under the captions _____; and the City Undertaking and the continuing disclosure undertaking of the Issuer contained in the First Supplemental Agreement (the “**Issuer Undertaking**” and, together with the City Undertaking, is referred to herein collectively as the “**Undertaking**”) conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement under the caption “CONTINUING DISCLOSURE OF INFORMATION.”

(g) Except to the extent disclosed in the Preliminary Official Statement and the Official Statement, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the knowledge of the Issuer, threatened against the Issuer: (i) affecting the creation or existence of the Issuer or the titles of its officers to their respective offices; (ii) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the pledge, collection or application of Pledged Revenues and other moneys pledged as part of the Trust Estate established pursuant to the Trust Agreement to the payment of principal of and interest on the Bonds; (iii) in any way contesting or affecting the validity or enforceability of the Bonds or the Issuer Documents; (iv) contesting the exclusion from gross income of interest on the Bonds for federal income tax purposes; (v) contesting in any material way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto; (vi) which, if decided adversely to the Issuer, would have a material adverse effect on the financial condition of the Issuer or the Trust Estate; or (vii) contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Resolution or the execution and delivery of the Issuer Documents, nor, to the knowledge of the Issuer, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Issuer Documents; provided, however, that for all purposes of this Purchase Contract, including, without limitation, for purposes of this Section 6(g) and Sections 6(h), 6(i) and 6(j) below, and any certificate delivered by the Issuer in accordance with

this Purchase Contract, the Issuer makes no representation with respect to the descriptions in the Preliminary Official Statement or the Official Statement of DTC or its book-entry-only system in Appendix [H] thereto or the information contained under the caption “OTHER INFORMATION – Underwriting.”

(h) As of its date and as of the date of this Purchase Contract, the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated in the Preliminary Official Statement or necessary to make the statements in the Preliminary Official Statement, in the light of the circumstances under which they were made, not misleading.

(i) At the time of the Issuer’s acceptance of this offer and (unless the Official Statement is amended or supplemented pursuant to Section 5(d) of this Purchase Contract) at all times subsequent thereto during the period up to and including the twenty-fifth (25th) day after the “end of the underwriting period,” the Official Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated in the Official Statement or necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading.

(j) If the Official Statement is supplemented or amended pursuant to Section 5(d) of this Purchase Contract, at the time of each supplement or amendment and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the twenty-fifth (25th) day after the “end of the underwriting period,” the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact required to be stated in the supplement or amendment to the Official Statement or necessary to make the statements in the supplement or amendment to the Official Statement, in the light of the circumstances under which they were made, not misleading.

(k) The Issuer has the legal authority to apply and will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Resolution, the Trust Agreement and the Award Certificate and as described in the Preliminary Official Statement and the Official Statement; and the Issuer will not take or omit to take any action within its control, which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

(l) The Issuer will furnish such information and execute such instruments and take such action in cooperation with the Underwriters as the Representative may reasonably request at no expense to the Issuer (i) to (A) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Representative may designate, and (B) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions; and (ii) to continue such qualifications in effect so long as required for the distribution of the Bonds (*provided, however*, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Representative immediately of receipt by the Issuer of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

(m) The financial statements of, and other financial information regarding, the Issuer in the Official Statement fairly present the financial position and results of the Issuer as of the dates and for the periods set forth in the Official Statement. The financial statements of the Issuer have been prepared in accordance with generally accepted accounting principles consistently applied, and except as noted in the Official Statement, the other historical financial information set forth in the Official Statement has been presented on a basis consistent with that of the Issuer's audited financial statements included in the Official Statement. Before the Closing, the Issuer will not take any action within or under its control that will cause any adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Issuer or that could adversely affect the Trust Estate.

(n) Before the Closing, the Issuer will not offer or issue any bonds, notes or other obligations for borrowed money or take any action to incur any material liabilities (except for the Issuer's obligations incurred in the ordinary course of business), direct or contingent, payable from or secured by the Trust Estate, and without the prior approval of the Representative, which approval shall not be unreasonably withheld.

(o) Any certificate, signed by any official of the Issuer authorized to do so in connection with the transactions described in this Purchase Contract, shall be deemed a representation and warranty by the Issuer to the Underwriters as to the statements made in such certificate.

(p) The Issuer covenants that, between the date of this Purchase Contract and the Closing, it will take no action within its control that will cause the representations and warranties made in this Section to be untrue as of the date of the Closing and, without the prior written consent of the Representative, will not amend, terminate or rescind, and will not agree to any amendment, termination or rescission of the Issuer Documents.

(q) The Issuer, to the extent previously requested by the Representative in writing, has delivered to the Representative true, correct, complete and legible copies of all information, applications, reports or other documents of any nature whatsoever submitted to any rating agency for the purpose of obtaining a rating for the Bonds and, in each instance, true, correct, complete and legible copies of all correspondence or other communications relating to the Bonds.

7. **Closing.** At 10:00 a.m., Central time, on _____, or at such other time and date as shall have been mutually agreed upon by the Issuer and the Representative, the Issuer, subject to the terms and conditions of this Purchase Contract, will deliver to the Trustee, as the entity appointed by the Issuer and agreed to by the Underwriters to make delivery of the Bonds, the initial Bonds registered in the name of the Representative, in temporary form, together with the other documents mentioned below, and will have available for immediate exchange definitive Bonds duly executed and authenticated in the form and manner described below, and the Trustee, as the entity appointed by the Issuer and agreed to by the Underwriters to make delivery of the Bonds, subject to the terms and conditions of this Purchase Contract, will accept such delivery and the Representative will pay the purchase price of the Bonds, as set forth in Section 2 of this Purchase Contract, in immediately available funds by federal funds wire transfer to or for the account of the Issuer (such events being referred to in this Purchase Contract as the "**Closing**").

Payment for the Bonds as aforesaid shall be made at the offices of the Trustee, or such other place as shall have been mutually agreed upon by the Issuer and the Representative.

Delivery of the Bonds in definitive form shall be made through the facilities of DTC's book-entry-only system. The definitive Bonds shall be delivered in fully registered form, bearing CUSIP numbers without coupons, with one Bond for each maturity of the Bonds and registered in the name of Cede & Co., as nominee of DTC, all as provided in the Trust Agreement and the Award Certificate, and, if so requested by the Representative, shall be made available to the Representative at least one business day before the Closing for purposes of inspection. Unless otherwise agreed to by the Representative, the Bonds will be delivered under DTC's FAST delivery system.

8. **Closing Conditions.** The Underwriters have entered into this Purchase Contract in reliance upon the representations, warranties and agreements of the Issuer contained in this Purchase Contract, and in reliance upon the accuracy of the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer of its obligations under this Purchase Contract, both as of the date of this Purchase Contract and as of the date of the Closing. Accordingly, the Underwriters' obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Issuer of its obligations to be performed under this Purchase Contract and under such documents and instruments at or before the Closing, and shall also be subject to the following additional conditions with respect to the Bonds, including the delivery by the Issuer of such documents as are enumerated in this Purchase Contract, in form and substance reasonably satisfactory to the Representative, unless waived in writing by the Representative on behalf of the Underwriters:

(a) The representations and warranties of the Issuer contained in this Purchase Contract shall be true, complete and correct in all material respects on the date of this Purchase Contract and on and as of the date of the Closing, as if made on the date of the Closing.

(b) The Issuer shall have performed and complied with all agreements and conditions required by this Purchase Contract to be performed or complied with by it before or at the Closing.

(c) At the time of the Closing: (i) the Issuer Documents and the Bonds shall have been duly executed, delivered and authenticated, as applicable, shall be in full force and effect and shall not have been amended, modified or supplemented, and the Official Statement shall have been duly delivered and shall not have been supplemented or amended, except in any such case as may have been agreed to by the Representative; and (ii) all actions of the Issuer required to be taken by the Issuer shall be performed in order for Bond Counsel, Disclosure Counsel (as defined herein) and Counsel to the Underwriters (as defined herein) to deliver their respective opinions referred to below.

(d) At the time of the Closing, all official actions of the Issuer relating to the Bonds and the Issuer Documents shall be in full force and effect and shall not have been amended, modified or supplemented.

(e) At, or before, the Closing, the Resolution shall have been duly adopted by the governing body of the Issuer in accordance with law and the Issuer shall have duly executed and delivered and Trustee shall have duly authenticated the definitive Bonds.

(f) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or the operations of the Issuer or in the Trust Estate, from that set forth in the Official Statement that, in the reasonable judgment of the Representative, is material and adverse and that makes it impracticable to market the Bonds on the terms and in the manner described in the Official Statement.

(g) No suit, action, investigation or legal or administrative proceeding shall be threatened or pending before any court or governmental agency that if adversely decided could result in the restraint, prohibition or the obtaining of damages or other relief in connection with the Issuer Documents, the issuance of the Bonds, the payment or receipt of the Contract Revenues under the Funding Agreement, the implementation of Project Connect or the consummation of the transactions described in this Purchase Contract, the Preliminary Official Statement and the Official Statement, and that, in the reasonable judgment of the Representative, would have a materially adverse effect on the transactions described in this Purchase Contract.

(h) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions described in this Purchase Contract shall be reasonably satisfactory in legal form and effect to the Representative, Bond Counsel, Disclosure Counsel and Counsel to the Underwriters.

(i) At or before the Closing, the Representative or Counsel to the Underwriters shall have received one copy of each of the following documents:

(1) The Official Statement, and each supplement or amendment thereto, if any, in a “designated electronic format” that meets the requirements of Rule G-32 and in a printed format;

(2) The Resolution, certified by the Issuer under the Issuer’s seal, with such supplements or amendments as may have been agreed to by the Representative;

(3) An executed counterpart or copy, as applicable, of each Issuer Document;

(4) The Issuer’s organizational documentation indicating its valid creation under the Act and other applicable law, as well as evidence from applicable State agency records as to the Issuer’s valid existence and good standing;

(5) The City Undertaking and the Issuer Undertaking in a form that satisfies the requirements of Section (b)(5)(i) of the Rule;

(6) A copy of the opinion, dated on or before the date of Closing, of the Texas Attorney General approving the Bonds, as required by law and copies of the registration certificates of the Comptroller;

(7) The approving opinion of McCall, Parkhurst & Horton L.L.P. (“**Bond Counsel**”) with respect to the Bonds, in substantially the form attached to the Official Statement;

(8) A supplemental opinion of Bond Counsel, dated as of the date of Closing, addressed to the Issuer and the Underwriters, in substantially the form set forth in Exhibit [] hereto;

(9) A letter of Bond Counsel addressed to the Underwriters, dated the date of Closing, to the effect that Bond Counsel’s opinion referred to in Section 8(i)(7) hereof may be relied upon by the Underwriters to the same extent as if such opinion was addressed to the Underwriters, which letter may be combined with the opinion described in Section 8(i)(8) hereof;

(10) An opinion of Winstead, P.C., counsel to the Issuer, dated as of the date of Closing, addressed to the Issuer and the Underwriters, in substantially the form set forth in Exhibit [] hereto;

(11) An opinion of _____, as counsel to the City, dated as of the date of Closing, addressed to the Issuer, the City and the Underwriters, in substantially the form set forth in Exhibit [] hereto;

(12) A certificate executed by an appropriate official of the City, dated as of the date of Closing, in substantially the form set forth in Exhibit [] hereto;

(13) An opinion of Orrick, Herrington & Sutcliffe LLP (“**Disclosure Counsel**”), dated as of the date of the Closing, and addressed to the Issuer, in a form acceptable to the Issuer;

(14) An opinion of Bracewell LLP (“**Counsel to the Underwriters**”), dated as of the date of the Closing, and addressed to the Underwriters, in a form acceptable to the Underwriters;

(15) A certificate, dated the date of Closing, executed by an appropriate official of the Issuer, in substantially the form set forth in Exhibit [] hereto;

(16) A certificate, dated the date of Closing, executed by an appropriate official of Cap Metro, in substantially the form set forth in Exhibit [] hereto

(17) An opinion of counsel to the Trustee, dated the date of Closing and addressed to the Issuer and the Underwriters, in substantially the form set forth in Exhibit [] hereto;

(18) A certificate of an appropriate official of the Issuer in form and substance satisfactory to Bond Counsel and Counsel to the Underwriters (a) setting forth the facts, estimates and circumstances in existence on the date of the Closing, which facts, estimates and circumstances establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be “arbitrage bonds” or “private activity

bonds” within the meaning of Sections 148 and 141, respectively, of the Internal Revenue Code of 1986, as amended (the “**Code**”), and any applicable regulations (whether final, temporary or proposed) issued pursuant to the Code and (b) certifying that there are no other facts, estimates or circumstances that would materially change the conclusions, representations and expectations contained in such certificate;

(19) Evidence that a Form 8038-G relating to the Bonds will be executed by the Issuer and will be filed with the Internal Revenue Service within the applicable time limit;

(20) Evidence in a form acceptable to the Representative that [_____] and [_____] have assigned ratings of “[_____]” and “[_____]” respectively, to the Bonds, and that all such ratings are in effect as of the date of Closing;

(21) A copy of the Issuer’s executed Blanket Letter of Representation to DTC;

(22) A copy of the acknowledgment from _____, for the inclusion in the Official Statement of certain excerpts of (or the complete) audited financial statements of the Issuer, and their report, for the Issuer’s fiscal year ended _____; and

(23) Such additional legal opinions, certificates, instruments and other documents as the Representative, Bond Counsel, Disclosure Counsel or Counsel to the Underwriters may reasonably request evidence of compliance by the Issuer with legal requirements, the truth and accuracy, as of the date of this Purchase Contract and as of the date of the Closing, of the Issuer’s representations and warranties contained in this Purchase Contract and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Issuer on or before the date of the Closing of all the respective agreements then to be performed and all conditions then to be satisfied by the Issuer.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Contract shall be deemed to be in compliance with the provisions of this Purchase Contract if, but only if, they are in form and substance reasonably satisfactory to the Representative.

If the Issuer is unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Contract, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriters nor the Issuer shall be under any further obligation under this Purchase Contract, except that the obligation of the Issuer to return the Good Faith check to the Representative as described in Section 2(b) and the respective obligations of the Issuer and the Underwriters set forth in Sections 6, 10 and 14 of this Purchase Contract shall continue in full force and effect.

9. **Termination**. The Representative shall have the right to cancel the Underwriters’ obligation to purchase the Bonds and terminate this Purchase Contract (as evidenced by a written notice to the Issuer terminating the obligation of the Underwriters to accept delivery of and pay for the Bonds) if, between the date of this Purchase Contract and the Closing, in the sole and

reasonable judgment of the Representative, any of the following events (each a “**Termination Event**”) occurs:

(a) the market price or marketability of the Bonds, or the ability of the Underwriters to enforce contracts for the sale of the Bonds at the contemplated offering prices, shall be materially adversely affected by any of the following events:

(1) a general suspension of trading in securities on the New York Stock Exchange, the American Stock Exchange or any other major exchange, the establishment of minimum or maximum prices for trading on any such exchange shall have been fixed and be in force, or the establishment of material restrictions (not in force as of the date of this Purchase Contract) upon trading securities generally by any governmental authority or any national securities exchange; or

(2) there shall have occurred any material adverse change in the affairs or financial condition of the Issuer, except for changes that the Official Statement discloses are expected to occur; or

(3) there shall have occurred (whether or not foreseeable) any (i) new outbreak or escalation of hostilities involving the United States (including, without limitation, an act of terrorism), (ii) occurrence or escalation of a national or international emergency, war, calamity or crisis (including, without limitation, a pandemic), or (iii) financial crisis or adverse change in the financial or economic conditions affecting the United States (including, without limitation, an escalation of hostilities or a pandemic that existed prior to the date of this Purchase Contract); or

(4) there shall have occurred any downgrading or published negative credit watch or similar published information from a rating agency that at the date of this Purchase Contract has published a rating (or has been asked by the Issuer to furnish a rating on the Bonds) on any of the Issuer’s debt obligations that are secured in a like manner as the Bonds, which action reflects a downgrade or possible downgrade, in the ratings accorded any such obligations of the Issuer (including any rating to be accorded the Bonds); or

(5) the purchase of and payment for the Bonds by the Underwriters, or the resale of the Bonds by the Underwriters, on the terms and conditions provided in this Purchase Contract shall be prohibited by any applicable law, governmental authority, board, agency or commission and such prohibition shall occur subsequent to the date of this Purchase Contract and is not the result of the malfeasance, misfeasance or nonfeasance of any of the Underwriters; or

(6) legislation shall be enacted by in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or favorably reported for passage to either House of Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice

by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the Bonds, or the interest on the Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of ownership of the Bonds; or

(7) any state blue sky or securities commission or other governmental agency or body in a state in which more than ten percent (10%) of the Bonds have been offered and sold shall have withheld registration, exemption or clearance of the offering of the Bonds as described in this Purchase Contract, or issued a related stop order or similar ruling; provided that such withholding or stop order is not due to the malfeasance, misfeasance or nonfeasance of the Underwriters; or

(8) any amendment to the federal or Texas Constitution or action by any federal or state court, legislative body, regulatory body or other authority adversely affecting the tax status of the Issuer, its property, income, securities (or interest thereon) or the validity or enforceability of the pledge of the Trust Estate to secure the payment of principal of and interest on the Bonds; or

(b) legislation introduced in or enacted (or resolution passed) by Congress or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed), no-action letter or other form of notice issued or made by or on behalf of the SEC, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the federal securities laws, including the 1933 Act, or that the Resolution, the Trust Agreement or any document relating to the issuance, offering or sale of the Bonds, is not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as described in this Purchase Contract or in the Official Statement or otherwise, is or would be in violation of any federal securities laws, including the 1933 Act, the Securities Exchange Act of 1934 and the Trust Indenture Act, as amended and then in effect; or

(c) any event occurring, or information becoming known, that causes the Official Statement, in the reasonable judgment of the Representative, to contain an untrue statement of a material fact or omit to state a material fact required to be stated in the Official Statement or necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading (other than any description of DTC or its book-entry-only system, or the information contained under the caption "OTHER INFORMATION – Underwriting") and, in either such event, the Issuer refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds at the contemplated offering prices; or

(d) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a change to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

(e) a general banking moratorium shall have been declared by federal, State of New York or State officials authorized to do so and be in force; or

(f) a material disruption in securities settlement, payment or clearance services in the United States shall have occurred and be continuing as of the date of the Closing.

With respect to the event described in subparagraph (a)(5) above, the Underwriters are not aware of any current, pending, or proposed law or government inquiry or investigation as of the date of this Purchase Contract which would permit the Underwriters to invoke its termination rights thereunder.

Upon the occurrence of a Termination Event and the subsequent termination of this Purchase Contract by the Underwriters, all obligations of the Issuer and the Underwriters under this Purchase Contract shall terminate, without further liability, except that the respective obligations of the Issuer and the Underwriters set forth in Section 2(b) (with respect to the Good Faith check) and Section 10 (with respect to their respective expenses) shall continue in full force and effect.

10. **Expenses.**

(a) The Underwriters shall be under no obligation to pay, and the Issuer shall pay, any expenses incident to the performance of the Issuer's obligations under this Purchase Contract including, but not limited to: (i) the cost of preparing and printing the Bonds; (ii) the costs of obtaining credit ratings and any municipal bond guaranty insurance policy; (iii) the fees and disbursements of Bond Counsel, Disclosure Counsel, the Issuer's counsel and the Financial Advisor to the Issuer; (iv) the fees and disbursements of any other attorneys, engineers, accountants and other experts, consultants or advisers retained by the Issuer; (v) the costs of preparing, printing and mailing the Preliminary Official Statement and the Official Statement and any amendment or supplement thereto (except as described in Section 10(b) below; (vi) the fees and expenses of the Trustee; (vii) advertising expenses (except any advertising expenses of the Underwriters as set forth below); (viii) the out-of-pocket, miscellaneous and closing expenses, including the cost of travel, of the officers and other representatives of the Issuer; (ix) the Attorney General's transcript review fee; and (ix) any other expenses mutually agreed to by the Issuer and the Representative to be reasonably considered expenses of the Issuer that are incident to the transactions described in this Purchase Contract.

(b) The Issuer has agreed to pay the underwriting discount set forth in Section 2(a) of this Purchase Contract, and inclusive in the expense component of the underwriting discount are expenses incurred or paid for by the Underwriters on behalf of the Issuer in connection with the marketing, issuance, and delivery of the Bonds, including, but not limited to, advertising expenses, fees and expenses of Counsel to the Underwriters, the costs of any preliminary and final Blue Sky

Survey, CUSIP fees, and transportation, lodging, and meals for the Issuer's employees and representatives.

The Underwriters shall pay (i) the cost of preparing and printing this Purchase Contract and the preliminary and final Blue Sky Survey, if any; (ii) all advertising expenses in connection with the public offering of the Bonds; (iii) the costs of preparing, printing and mailing any amendment or supplement to the Preliminary Official Statement and the Official Statement resulting from a change to the information contained under the caption "OTHER INFORMATION – Underwriting"; and (iv) all other expenses incurred by them in connection with the public offering of the Bonds, including the fees and disbursements of Counsel to the Underwriters, all of which costs, expenses, fees and disbursements shall be included in the underwriting discount.

(c) The Issuer and the Representative acknowledge that expenses included in the expense component of the underwriting discount are based upon estimates. The Issuer and the Representative agree that in the event the aggregate estimated expenses exceed the aggregate actual expenses incurred by the Representative in an amount equal to or greater than [\$1,000] (the "**Reimbursement Threshold**"), the Representative shall reimburse to the Issuer the aggregate amount of expenses equal to or greater than the Reimbursement Threshold. For the avoidance of doubt, the Issuer acknowledges and agrees that in the event the aggregate estimated expenses exceed the aggregate actual expenses incurred by the Representative in an amount less than the Reimbursement Threshold, no reimbursement will be made by the Representative. The Issuer acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

(d) The Issuer acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

11. **Underwriter Verifications of Statutory Representations and Covenants.**

(a) Certificate of Interested Parties. _____ and _____ (the "**1295 Underwriters**") each represent that they have submitted, prior to or on the date hereof, a completed Certificate of Interested Parties Form 1295 ("**Form 1295**") generated by the Texas Ethics Commission's (the "**TEC**") electronic filing application in accordance with the provisions of Section 2252.908, Texas Government Code, as amended, and the applicable rules adopted by the TEC (found at 1 Tex. Admin. Code§ 46.1-46.5) in connection with the 1295 Underwriters' entry into this Purchase Contract. The 1295 Underwriters and the Issuer understand that neither the Issuer nor its consultants have the ability to verify the information included in a Form 1295, and neither the Issuer nor its consultants have an obligation, nor have undertaken any responsibility, for advising the 1295 Underwriters with respect to the proper completion of the Form 1295 other than, with respect to the Issuer, providing the identification number and the description of the goods and services required for the completion of the Form 1295.

The Representative and _____ each hereby represent and warrant that they are exempt from the requirements of Section 2252.908, Texas Government Code, as amended, pursuant to subsection (c)(4) thereof.

(b) Verifications of Statutory Representations and Covenants. Each of the Underwriters makes the following representation and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code (the “**Government Code**”), as heretofore amended, in entering into this Purchase Contract. As used herein, “affiliate” means an entity that controls, is controlled by, or is under common control with the Underwriter within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Purchase Contract shall survive until barred by the applicable statute of limitations and shall not be liquidated or otherwise limited by any provision of this Purchase Contract, notwithstanding anything in this Purchase Contract to the contrary.

(1) Not a Sanctioned Company. Each of the Underwriters represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153, Government Code, or Section 2270.0201, Government Code. The foregoing representation excludes each Underwriter and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(2) No Boycott of Israel. Each of the Underwriters hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Purchase Contract. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

(3) No Discrimination Against Firearm Entities. Each of the Underwriters hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Purchase Contract. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

(4) No Boycott of Energy Companies. Each of the Underwriters hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Purchase Contract. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

(c) Representation Regarding Texas Attorney General Standing Letter and Bringdown Verification. Each of the Underwriters represents and verifies that it is aware of the Texas Office of the Attorney General’s (the “**Texas Attorney General**”) All Bond Counsel Letter, dated November 1, 2023, that is available on the website of the Texas Attorney General using the following link: (<https://www.texasattorneygeneral.gov/sites/default/files/files/divisions/public-finance/ABCLetter-11-01-2023.pdf>) and the Texas Attorney General’s supplemental All Bond

Counsel Letter, dated November 16, 2023, that is available on the website of the Texas Attorney General using the following link: (<https://texasattorneygeneral.gov/sites/default/files/files/divisions/public-finance/ABCLetter-11-06-2023.pdf>). Each Underwriter represents and verifies that the Underwriter has (i) on file a standing letter (“*Standing Letter*”) acceptable to the Texas Attorney General addressing the representations and verifications of the Underwriters in Section 11(b)(1) through (4) of this Purchase Contract and (ii) will, upon request of the Issuer or Bond Counsel on behalf of the Issuer, provide the Issuer and Bond Counsel with a copy of its Standing Letter. Each Underwriter further represents and verifies that its Standing Letter remains in effect as of the date of this Purchase Contract and that the Texas Attorney General has not notified the Underwriter that a determination has been made that the Underwriter boycotts energy companies or has a policy that discriminates against firearm entities or firearm trade associations under the laws of the State of Texas. Upon request of the Issuer or Bond Counsel on the Issuer’s behalf, each Underwriter shall provide additional written certifications to the Issuer and Bond Counsel (which may be by email) to the effect that the Texas Attorney General may continue to rely on the Standing Letter and the statutory representations and covenants contained in this Purchase Contract through the date of Closing (the “*Bringdown Verification*”). The Issuer reserves the right, and the Underwriters hereby expressly authorize the Issuer, to provide such Bringdown Verifications to the Texas Attorney General.

12. **No Advisory or Fiduciary Role.** The Issuer acknowledges and agrees that: (i) the primary role of the Underwriters is to purchase securities, for resale to investors, in an arm’s-length commercial transaction between the Issuer and the Underwriters; (ii) the Underwriters have financial and other interests that differ from those of the Issuer; (iii) none of the Underwriters is acting as a municipal advisor, financial advisor or fiduciary to the Issuer and none of the Underwriters has assumed any advisory or fiduciary responsibility to the Issuer with respect to the transactions described in this Purchase Contract and the discussions, undertakings and procedures leading thereto (irrespective of whether any of the Underwriters or their affiliates has provided or is currently providing other services to the Issuer on other matters); (iv) the only obligations the Underwriters have to the Issuer with respect to the transactions described in this Purchase Contract are set forth expressly in this Purchase Contract; and (v) the Issuer has consulted its own financial and/or municipal, legal, accounting, tax and/or other advisors, as applicable, to the extent it deems appropriate. The Issuer acknowledges that each of the Underwriters has provided to the Issuer prior disclosures regarding its role as an underwriter required under MSRB Rule G-17, which disclosures have been received by the Issuer. The Issuer has engaged the services of a municipal advisor in this transaction.

13. **Notices.** Any notice or other communication to be given to the Issuer under this Purchase Contract may be given by delivering the same in writing to the Austin Transit Partnership Local Government Corporation, 203 Colorado Street, Austin, Texas, 78701, Attention: _____, and any notice or other communication to be given to the Underwriters under this Purchase Contract may be given by delivering the same in writing to Wells Fargo Bank, National Association, _____, _____, Attention: _____.

14. **Parties in Interest.** This Purchase Contract shall constitute the entire agreement between us and is made solely for the benefit of the Issuer and the Underwriters (including successors or assigns of the Underwriters) and no other person shall acquire or have any right under or by virtue of this Purchase Contract. This Purchase Contract may not be assigned by the

Issuer or the Underwriters. All of the Issuer's representations, warranties and agreements contained in this Purchase Contract shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of any of the Underwriters, (ii) delivery of and payment for the Bonds pursuant to this Purchase Contract, and (iii) any termination of this Purchase Contract.

15. **Effectiveness.** This Purchase Contract shall become effective upon the acceptance of this offer by the Issuer and shall be valid and enforceable at the time of such acceptance.

16. **Choice of Law.** This Purchase Contract shall be governed by and construed in accordance with the laws of the State of Texas.

17. **Severability.** If any provision of this Purchase Contract shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provision or provisions of any constitution, statute, rule of public policy or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Purchase Contract invalid, inoperative or unenforceable to any extent whatever.

18. **Business Day.** For purposes of this Purchase Contract, "business day" means any day on which the New York Stock Exchange is open for trading.

19. **Section Headings.** Section headings have been inserted in this Purchase Contract as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Purchase Contract and will not be used in the interpretation of any provisions of this Purchase Contract.

20. **Counterparts.** This Purchase Contract may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures were upon the same document) and all of which shall constitute one and the same document. The delivery of copies of this Purchase Contract as executed by Adobe Acrobat PDF or similar electronic form of execution, or by electronic reproduction of a manual signature transmitted by electronic mail or facsimile, shall constitute effective execution and delivery of this Purchase Contract as to the parties and may be used in lieu of originals for all purposes.

21. **No Personal Liability.** None of the members of the Board of Directors of the Issuer, nor any officer, agent or employee of the Issuer, shall be charged personally by the Underwriters with any liability, or be held liable to the Underwriters under any term or provision of this Purchase Contract, or because of execution or attempted execution, or because of any breach or attempted or alleged breach, of this Purchase Contract.

22. **Entire Agreement.** This Purchase Contract represents the entire agreement between the Issuer and the Underwriters with respect to the preparation of the Preliminary Official Statement and the Official Statement, the conduct of the offering and the purchase and sale of the Bonds.

[Execution Pages Follow]

If the Issuer agrees with the foregoing, please sign the enclosed counterpart of this Purchase Contract and return it to the Representative. This Purchase Contract shall become a binding agreement between the Issuer and the Underwriters when at least the counterpart of this Purchase Contract shall have been signed by or on behalf of each of the parties.

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**, as Representative of the
Underwriters Identified on Schedule I

By: _____

Name: _____

Title: _____

ACCEPTED AND AGREED TO ON THE DATE FIRST ABOVE WRITTEN at
__:__ a.m./p.m.: Central Time.

**AUSTIN TRANSIT PARTNERSHIP
LOCAL GOVERNMENT CORPORATION**

By: _____

Name: _____

Title: _____

SCHEDULE I
UNDERWRITERS

Wells Fargo Bank, National Association

[List additional syndicate members]

EXHIBIT A
AWARD CERTIFICATE

EXHIBIT B
FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Wells Fargo Bank, National Association (the “**Representative**”), on behalf of itself and the other underwriters listed in the Purchase Contract, defined below (collectively, the “**Syndicate**”), with respect to the Senior Lien Contract Revenue Bonds, Series 2024 issued by the Austin Transit Partnership Local Government Corporation (the “**Issuer**”) in the principal amount of \$_____ (the “**Bonds**”) hereby certifies, based on its records and information, as follows:

(a) [Other than the Bonds maturing in _____ (the “**Hold-the-Price Maturities**”) the][The first price at which at least ten percent (“**Substantial Amount**”) of the principal amount of each maturity of the Bonds having the same credit and payment terms (a “**Maturity**”) was sold to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter (the “**Public**”) is set forth in the final Official Statement relating to the Bonds.

(Add (b) and (c) only if there are Hold-the-Price Maturities)

(b) On or before the first day on which there is a binding contract (“**Purchase Contract**”) in writing for the sale of the Bonds (the “**Sale Date**”), the Syndicate offered to the Public each Maturity of the Hold-the-Price Maturities at their respective initial offering prices (the “**Initial Offering Prices**”), as listed in the final Official Statement relating to the Bonds.

(c) As set forth in the Purchase Contract, the Representative represents that each member of the Syndicate agreed in writing to neither offer nor sell any of the Hold-the-Price Maturities to any person at any higher price than the respective Initial Offering Price for such Hold-the-Price Maturities until a date that is the earlier of the close of the fifth business day after the Sale Date or the date on which the Syndicate sells a Substantial Amount of a Hold-the-Price Maturities of the Bonds to the Public at no higher price than the Initial Offering Price for such Hold-the-Price Maturity.

A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as **Schedule A**.

For purposes of this Issue Price Certificate, the term “**Underwriter**” means (1) (i) a person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public) to participate in the initial sale of the Bonds to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

[EXECUTION PAGE FOLLOWS]

EXECUTED and DELIVERED as of this [_____ ISSUE DATE].

WELLS FARGO BANK, NATIONAL
ASSOCIATION,
as Representative of the Syndicate

By:_____

Name:_____

Title:_____

[Insert additional Exhibits as necessary]



Austin Transit Partnership Board of Directors Resolution

Meeting Date: 2/16/2024

ATP-2024-007

**Resolution for approval to negotiate and execute
contract awards for bond underwriting and related services**

Subject: Approval of a resolution authorizing the negotiation and execution of contracts with a pool of investment banking firms for professional underwriting and investment banking services for negotiated bond sales.

Fiscal Impact: Expenditures, which are contingent on future bond sales, incurred for these services will be funded from future bond sale proceeds.

Executive Summary: The proposed contracts, managed by ATP's Financial Services department, will provide ATP with underwriting and investment banking services for the marketing and sale of ATP's obligations in future municipal bond financing transactions. Specifically, responsibilities of the underwriting firms will be to prepare marketing plans, assess bond market condition and strategies for local, regional, and national markets, assist with the preparation of the preliminary and final official statement to fully comply with all disclosure rules and requirements; assist with evaluation and preparation of ATP's master trust agreement and other agreements; and ultimately enter into purchase contracts with ATP for the purchase of ATP's obligations in compliance with applicable law. Selected underwriters will not provide financial advisory services.

Procurement Summary: On November 16, 2023, PFM Financial Advisors LLC ("PFM"), ATP's financial advisory services provider, issued a request for proposals for bond underwriting and related services on behalf of ATP. PFM is a national leading financial advisory firm in the municipal finance field. ATP determined it was in the best interest of the organization to allow PFM to issue the RFP on ATP's behalf given their extensive municipal finance expertise. An RFP was utilized because factors other than cost were needed for selection of award. The RFP was submitted to 32 firms by PFM. 31 proposals were received and evaluated by a team of ATP subject matter experts and representatives from PFM who evaluated the proposals based on the following criteria: (i) overview of firm and proposed team, (ii) underwriting experience and structuring issues, (iii) approach to marketing and distribution, and (iv) references. ATP's Financial Services department has recommended the following 10 investment banking firms for the award, having scored within the competitive range in comparison to other proposals received.

Wells Fargo Bank, N.A.
Morgan Stanley & Co. LLC
Jefferies LLC
BofA Securities, Inc.
Piper Sandler & Co

J.P. Morgan Securities LLC
Ramirez & Co., Inc.
Cabrera Capital Markets, LLC
Stifel, Nicolaus & Company, Inc.
Siebert Williams Shank & Co., LLC

Disadvantaged Business Enterprise Program Summary: No federal funding will be used in these contracts. The disadvantaged business enterprise program applies to federally funded contracts only.



RESOLUTION OF THE AUSTIN TRANSIT PARTNERSHIP

BOARD OF DIRECTORS

STATE OF TEXAS
COUNTY OF TRAVIS

Resolution ID: ATP-2024-007

**Resolution for approval to negotiate and execute contract
awards for bond underwriting and related services**

WHEREAS, on November 16, 2023, PFM Financial Advisors LLC ("PFM"), ATP's financial advisory services provider, issued a request for proposals for bond underwriting and related services; and

WHEREAS, a team of ATP subject matter experts and representatives from PFM evaluated the proposals; and

WHEREAS, ATP's Financial Services department has recommended the top ten respondents, having scored within the competitive range in comparison to other proposals received.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of ATP hereby authorizes the negotiation and execution of contracts with the following investment banking firms for underwriting and investment banking services for negotiated bond sales, including contracts for the purchase of bonds and other obligations authorized to be issued by ATP:

Wells Fargo Bank, N.A.
Morgan Stanley & Co. LLC
Jefferies LLC
BofA Securities, Inc.
Piper Sandler & Co

J.P. Morgan Securities LLC
Ramirez & Co., Inc.
Cabrera Capital Markets, LLC
Stifel, Nicolaus & Company, Inc.
Siebert Williams Shank & Co., LLC

BE IT FURTHER RESOLVED That the Executive Director, the General Counsel, and the ATP Board Chair (or their respective designees) are authorized to take all other actions as are necessary and appropriate to carry out the purposes of this Resolution.

Brandon Carr
Secretary of the Board

Date