
TRANSCRIPT OF PROCEEDINGS

RELATING TO

\$2,040,000

Trinity River Authority of Texas
Contract Revenue Refunding Bond, Series 2021
(Livingston Regional Water Supply System Project)

DATE OF DELIVERY

April 8, 2021

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Transcript of Proceedings

\$2,040,000 Trinity River Authority of Texas
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(Livingston Regional Water Supply System Project)

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CERTIFICATE FOR RESOLUTION NO. R-1565

THE STATE OF TEXAS
TRINITY RIVER AUTHORITY OF TEXAS

I, the undersigned, Secretary of the Board of Directors of Trinity River Authority of Texas, being the official keeper of the minutes and records of said Authority, hereby certify as follows:

1. The Board of Directors of said Authority convened in regular meeting on February 24, 2021, at the designated meeting place, and the roll was called of the duly constituted officers and members of the Board, as follows:

Kevin Maxwell, President	Dennis "Joe" McCleskey
Howard S. Slobodin, Secretary	Lewis H. McMahan
Cathy Altman	Robert F. McFarlane, M.D.
Whitney D. Beckworth	Manny Rachal
Henry Borbolla III	Steven L. Roberts
Cary Cole Camp	William O. Rodgers
Megan W. Deen	Amir A. Rupani
Tommy G. Fordyce	Kathryn L. Sanders
Jerry F. House	C. Dwayne Somerville
Lisa Hembry	Frank H. Steed, Jr.
John W. Jenkins	David G. Ward
David B. Leonard	Brenda K. Walker
Victoria K. Lucas	Edward C. Williams III

and, at the time of adoption of the resolution hereinafter described, all of said persons were present and voted, except the following absentees: David B. Leonard. Whereupon, a quorum being present, the following was transacted at said Meeting: a written

RESOLUTION NO. R-1565 AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF TRINITY RIVER AUTHORITY OF TEXAS CONTRACT REVENUE BONDS (LIVINGSTON REGIONAL WATER SUPPLY SYSTEM PROJECT), AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

was duly introduced for the consideration of said Board and duly read. It was then duly moved and seconded that said Resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of said resolution, prevailed and carried with all members present voting "AYE" except the following:

NAY: 0

ABSTAIN: 0

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

SIGNED AND SEALED ON FEBRUARY 24, 2021.



Secretary, Board of Directors,
Trinity River Authority of Texas

(AUTHORITY SEAL)



RESOLUTION NO. R-1565

RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF TRINITY RIVER AUTHORITY OF TEXAS CONTRACT REVENUE BONDS (LIVINGSTON REGIONAL WATER SUPPLY SYSTEM PROJECT), AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

THE STATE OF TEXAS
TRINITY RIVER AUTHORITY OF TEXAS

WHEREAS, the "Trinity River Authority of Texas-City of Livingston Water System Services Contract" entered into as of February 22, 1978, and amended by the "Trinity River Authority of Texas - City of Livingston Water System Services Amendatory Contract", entered into as of June 26, 1991 (collectively the "Contract") between the Trinity River Authority of Texas (the "Issuer" or "Authority") and the City of Livingston, Texas (the "City") has been duly executed and is hereby adopted by reference for all purposes, the same as if it had been attached as an exhibit to this Resolution; and

WHEREAS, the Contract relates to the financing of the acquisition of the Project (as defined therein, and including certain improvements and extensions thereto), being a water supply and treatment system serving the City; and

WHEREAS, pursuant to the Contract and appropriate bond resolutions the following Series of bonds were duly issued and delivered by the Authority and are presently outstanding, to wit:

Trinity River Authority of Texas Contract Revenue Bonds, Series 2010 (Livingston Regional Water Supply System Project) (the "Series 2010 Bonds"); and

Trinity River Authority of Texas Contract Revenue Bonds, Series 2013 (Livingston Regional Water Supply System Project) (the "Series 2013 Bonds"); and

WHEREAS, pursuant to the provisions of the Contract and the resolution authorizing the issuance of the Series 2010 Bonds, it has been determined to be advisable for the Issuer to issue additional bonds for the purpose of refunding certain maturities of the Series 2010 Bonds (the "Refunded Bonds") and to pay costs of issuance of the Bonds; and

WHEREAS, the Bonds authorized to be issued by this resolution (the "Bond Resolution" or "Resolution") are to be issued and delivered pursuant to the Authority Act, Chapter 30, Texas Water Code, as amended, Chapter 1207, Texas Government Code, as amended, and other applicable laws;

WHEREAS, a substantial draft of this bond resolution has been delivered to and approved by resolution duly adopted by the City Council of the City.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TRINITY RIVER AUTHORITY OF TEXAS THAT:

Section 1. RECITALS, AMOUNT AND PURPOSE OF THE BONDS.

(a) The Board of Directors hereby incorporates the recitals set forth in the preamble hereto as if set forth in full at this place and further finds and determines that said recitals are true and correct. To obtain funds to refund certain maturities of the Refunded Bonds, the Board of Directors hereby authorizes and directs the issuance of revenue bonds of the Issuer in the aggregate principal amount of not to exceed \$2,155,000.

(b) In establishing the aggregate principal amount of the Bonds, the Authorized Officer shall establish an amount within the amount authorized in Section 1 hereof, which amount shall be sufficient to provide for (i) the funding of the Reserve Fund, if any, as hereinafter required, (ii) the payment of the costs of issuance of the Bonds and (iii) the refunding of the Refunded Bonds in a manner that will achieve a target present value savings with respect to the Refunded Bonds of at least two percent (2.00%).

Section 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, MATURITIES AND SALE OF BONDS.

(a) Each Bond issued pursuant to this Resolution shall be designated: "TRINITY RIVER AUTHORITY OF TEXAS CONTRACT REVENUE REFUNDING BOND, SERIES 2021 (LIVINGSTON REGIONAL WATER SUPPLY SYSTEM PROJECT)", subject to paragraph (b) of this section.

(b) As authorized by Chapter 1207, Texas Government Code, as amended, the General Manager of the Issuer is hereby designated as the "Authorized Officer" of the Issuer, and is hereby authorized, appointed, and designated as the officer or employee of the Issuer authorized to act on behalf of the Issuer in the selling and delivering of the Bonds and carrying out the other procedures specified in this Resolution, including the use of a book-entry-only system with respect to the Bonds and the execution of an appropriate letter of representations if deemed appropriate, the determining and fixing of the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the aggregate principal amount of the Bonds and the amount of each maturity of principal thereof, the due date of each such maturity (not exceeding forty years from the date of the Bonds), the rate of interest to be borne by each such maturity, the interest payment dates and periods, the dates, price and terms upon and at which the Bonds shall be subject to redemption prior to due date or maturity at the option of the Issuer, any mandatory sinking fund redemption provisions, procuring municipal bond insurance, including the execution of any commitment agreements, membership agreements in mutual insurance companies, and other similar agreements, and approving modifications to this Resolution and executing such instruments, documents and agreements as may be necessary with respect thereto, if it is determined that such insurance would be financially desirable and advantageous, and all other matters relating to the issuance, sale and delivery of the Bonds. The Authorized Officer, acting for and on behalf of the Issuer, is authorized to arrange for the Bonds to be sold at a private placement, negotiated or competitive sale, at such price, in the aggregate principal amount not exceeding the maximum amount set forth in Section 1 hereof, with such maturities of principal, with such interest rates, and with such optional and mandatory sinking fund redemption provisions, if any, and other matters, as shall be set forth in a certification by the Authorized Officer. The Authorized Officer shall determine if the provisions of Rule 15c2-12 of the United States Securities and Exchange Commission relating to continuing disclosure of

information shall be required to be complied with and, if required, what disclosure will be required to be complied with by the Issuer.

(c) If the Authorized Officer determines that the Bonds should be sold by private placement, the Authorized Officer shall select the purchaser which, after due consideration and investigation, is willing to buy the Bonds on the most advantageous terms to the Issuer as determined by the Authorized Officer.

(d) If the Authorized Officer determines that the Bonds should be sold by a negotiated sale, the Authorized Officer shall designate the senior managing underwriter for the Bonds and such additional investment banking firms as deemed appropriate to assure that the Bonds are sold on the most advantageous terms to the Issuer. The Authorized Officer, acting for and on behalf of the Issuer, is authorized to enter into and carry out the terms of a Bond Purchase Contract for the Bonds to be sold by negotiated sale, with the underwriter(s) thereof at such price, with and subject to such terms as determined by the Authorized Officer subject to the parameters set forth in this Resolution. Any such Bond Purchase Contract shall be substantially in a form and substance previously approved by the Board in connection with the authorization of bonds by the Issuer with such changes as are acceptable to the Authorized Officer. The Authorized Officer shall cause to be prepared an official statement in such manner as the Authorized Officer deems appropriate.

(e) If the Authorized Officer determines that the Bonds should be sold at a competitive sale, the Authorized Officer shall cause to be prepared a notice of sale and official statement in such manner as the Authorized Officer deems appropriate, to make the notice of sale and official statement available to those institutions and firms wishing to submit a bid for the Bonds, to receive such bids, and to award the sale of the Bonds to the bidder submitting the best bid in accordance with the provisions of the notice of sale.

(f) It is hereby found and determined that the refunding of the Refunded Bonds is advisable and necessary in order to restructure the debt service requirements and procedures of the Issuer, and that the debt service requirements on the Bonds issued for refunding purposes will be less than those on the Refunded Bonds, resulting in a reduction in the amount of principal and interest which otherwise would be payable. The Refunded Bonds are subject to redemption, at the option of the Issuer, and the Authorized Officer is hereby authorized to cause all of the Refunded Bonds being refunded to be called for redemption on the respective date or dates, and the proper notices of such redemption to be given, and in each case at a redemption price of par, plus accrued interest to the date fixed for redemption. In furtherance of authority granted by Section 1207.007(b), Texas Government Code, the Authorized Officer is further authorized, if deemed appropriate or necessary, to enter into and execute on behalf of the Issuer with the escrow agent or deposit agent named therein, an escrow agreement or deposit agreement, in the form and substance as shall be approved by the Authorized Officer, which escrow agreement or deposit agreement will provide for the payment in full of the Refunded Bonds. In addition, the Authorized Officer is authorized to purchase such securities with proceeds of the Bonds, to execute such subscriptions for the purchase of the United States Treasury Securities, State and Local Government Series and to transfer and deposit such cash from available funds, as may be necessary for the escrow fund described in such escrow or deposit agreement.

(g) The authority of the Authorized Officer to sell the Bonds as described herein shall expire on the six-month anniversary date of the adoption of this Resolution by the Board.

Section 3. CHARACTERISTICS OF THE BONDS.

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

Except as provided in Section 3(c) hereof, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign said Bond, and no such Bond shall be deemed to be issued or outstanding unless such Bond is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for conversion and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein, and said Bonds shall be of type composition printed on paper with lithographed or steel engraved borders of customary weight and strength. Pursuant to Subchapter D, Chapter 1201, Texas Government Code, the duty of conversion and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which initially were issued and delivered pursuant to this Resolution, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(b) Payment of Bonds and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, all as provided in this Resolution. The Paying Agent/Registrar shall keep proper records of all

payments made by the Issuer and the Paying Agent/Registrar with respect to the Bonds, and of all conversions and exchanges of Bonds, and all replacements of Bonds, as provided in this Resolution. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each registered owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(c) In General. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the registered owners thereof, (ii) may or shall be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the Issuer at least 50 days prior to any such redemption date), (iii) transferred and assigned, (iv) may be converted and exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Bonds shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND set forth in this Resolution. The Bonds initially issued and delivered pursuant to this Resolution are not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for any Bond or Bonds issued under this Resolution the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF BOND.

(d) Substitute Paying Agent/Registrar. The Issuer covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Resolution, and that the Paying Agent/Registrar will be one entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Resolution. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such,

each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Resolution, and a certified copy of this Resolution shall be delivered to each Paying Agent/Registrar.

(e) Book-Entry Only System. At the discretion of the Authorized Officer, Bonds may be issued in exchange for the Bonds initially issued to the purchaser specified herein shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("DTC"), and except as provided in subsection (f) hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of Bonds, as shown on the Registration Books, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of Bonds, as shown in the Registration Books of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Resolution to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the registered owners, as shown in the Registration Books as provided in this Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the obligation of the Issuer to make payments of principal and interest pursuant to this Resolution. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Resolution with respect to interest checks being mailed to the registered owner at the close of business on the Record date, the words "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

(f) Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the Issuer to DTC or that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the

appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names registered owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Resolution.

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

(h) Notice of Redemption.

(i) In addition to the notice of redemption set forth in the FORM OF BOND, the Paying Agent/Registrar shall give notice of redemption of the Bonds by first class mail, postage prepaid at least thirty (30) days prior to a redemption date to each registered securities depository and to any national information service that disseminates redemption notices. In addition, in the event of a redemption caused by an advance refunding of the Bonds, the Paying Agent/Registrar shall send a second notice of redemption to the persons specified in the immediately preceding sentence at least thirty (30) days but not more than ninety (90) days prior to the actual redemption date. Any notice sent to the registered securities depositories or such national information services shall be sent so that they are received at least two (2) days prior to the general mailing or publication date of such notice. The Paying Agent/Registrar shall also send a notice of prepayment or redemption to the Registered Owner of any Bond who has not sent the Bonds in for redemption sixty (60) days after the redemption date.

(ii) Each notice of redemption given by the Paying Agent/Registrar, whether required in the FORM OF BOND or in this Section, shall contain a description of the Bonds to be redeemed including the complete name of the Bonds, the Series, the date of issue, the interest rate, the maturity date, the CUSIP number, the certificate numbers, the amounts called of each certificate, the publications and mailing date for the notice, the date of redemption, the redemption price, the name of the Paying Agent/Registrar and the address at which the Bonds may be redeemed, including a contact person and telephone number.

(iii) All redemption payments made by the Paying Agent/Registrar to the Registered Owners shall include a CUSIP number relating to each amount paid to such Registered Owner.

Section 4. FORM OF BONDS. The form of the Bonds, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Bonds initially issued and delivered pursuant to this Resolution, shall be, respectively, substantially as

follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution.

FORM OF BOND

NO. R-	UNITED STATES OF AMERICA STATE OF TEXAS	PRINCIPAL AMOUNT \$
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TRINITY RIVER AUTHORITY OF TEXAS
CONTRACT REVENUE REFUNDING BOND, SERIES 2021
(LIVINGSTON REGIONAL WATER SUPPLY SYSTEM PROJECT)

<u>INTEREST RATE</u>	<u>[DATED DATE / DELIVERY DATE]</u>	<u>MATURITY DATE</u>	<u>CUSIP NO.</u>
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REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

ON THE MATURITY DATE specified above, the TRINITY RIVER AUTHORITY OF TEXAS (the "Issuer"), being a governmental agency, and body corporate and politic of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "registered owner") the principal amount set forth above, and to pay interest thereon from the [Dated Date / Delivery Date] as set forth above, on _____, ____ and semiannually thereafter on each _____ and _____ to the maturity date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; except that if this Bond is required to be authenticated and the date of its authentication 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; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged or converted from is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.

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 registered owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of BOKF, NA, Dallas, Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the Resolution authorizing the issuance of this Bond (the "Bond Resolution") to be on deposit with the

Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the fifteenth calendar day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a 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.

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

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 principal corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day 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 a Series of Bonds dated [], 2021, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$_____, in order to refund certain outstanding bonds of the Issuer and pay costs of issuance of the Bonds.

ON _____, _____, or on any date thereafter, the Bonds of this Series may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds to be redeemed shall be selected and designated by the Issuer, at the redemption price of the principal amount, plus accrued interest to the date fixed for redemption.

The Bonds maturing in the year _____ are subject to mandatory redemption prior to maturity in part, at random, by lot or other customary method selected by the Paying Agent/Registrar, at par plus accrued interest to the redemption date, in amounts sufficient to redeem said Bonds on _____ in the years and principal amounts shown on the following schedule:

<u>Year</u>	<u>Maturity</u>	<u>Principal Amount (\$)</u>
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The principal amount of said Bonds required to be redeemed pursuant to the operation of such mandatory redemption provision shall be reduced, at the option of the Issuer, by the principal amount of said Bonds of the respective maturity which, at least 50 days prior to the mandatory redemption date (1) shall have been acquired by the Issuer at a price not exceeding the principal amount of such Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Issuer at a price not exceeding the principal amount of such Bonds plus accrued interest to the date of purchase, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

AT LEAST THIRTY days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the registered owner of each Bond to be redeemed at its address as it appeared on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice of redemption and to major securities depositories, national bond rating agencies and bond information services; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the 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 registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any 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 registered owner, and in aggregate amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Resolution.

IF AT THE TIME OF MAILING of notice of optional redemption there shall not have either been deposited with the Paying Agent/Registrar or legally authorized escrow agent immediately available funds sufficient to redeem all the Bonds called for redemption, such notice must state that it is conditional, and is subject to the deposit of the redemption moneys with the Paying Agent/Registrar or legally authorized escrow agent at or prior to the redemption date, and such notice shall be of no effect unless such moneys are so deposited on or prior to the redemption date. If such redemption is not effectuated, the Paying Agent/Registrar shall, within 5 days

thereafter, give notice in the manner in which the notice of redemption was given that such moneys were not so received and shall rescind the redemption.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Bond Resolution, this Bond, or any unredeemed portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this 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 registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Bond or portion thereof will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

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

IT IS HEREBY 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; that this Bond is a special obligation of the Issuer which are secured by and payable from a first lien on and pledge of the Issuer's "Net Revenues" (as defined in the Bond Resolution) from the "Trinity River Authority of Texas - City of Livingston Water System Services Contract", entered into as of February 22, 1978, as amended by the "Trinity River Authority of Texas - City of Livingston Water System Services Amendatory Contract", entered into as of June 26, 1991, between the Issuer and the City

of Livingston, Texas, with respect to the Issuer's water supply and treatment system serving said City.

THE ISSUER has reserved the right, subject to the restrictions stated or referred to in the Bond Resolution, to issue additional parity revenue bonds which also may be made payable from and secured by a first lien on and pledge of the aforesaid Net Revenues.

THE ISSUER also has reserved the right to amend the Bond Resolution with the approval of the owners of two-thirds in principal amount of all outstanding bonds secured by and payable from a first lien on and pledge of the aforesaid Net Revenues, subject to the restrictions stated in the Bond Resolution.

THE REGISTERED OWNER hereof shall never have the right to demand payment of this Bond or the interest hereon from taxes or from any source whatsoever other than specified in the Bond Resolution.

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

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the President of the Board of Directors of the Issuer and countersigned with the manual or facsimile signature of the Secretary of the Board of Directors of the Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

Secretary, Board of Directors
Trinity River Authority of Texas

President, Board of Directors,
Trinity River Authority of Texas

(SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

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

It is hereby certified that this Bond has been issued under the provisions of the Bond Resolution described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a bond, bonds, or a portion of a bond or bonds of a Series which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____.

BOKF, NA
Paying Agent/Registrar

By: _____
Authorized Representative

FORM OF ASSIGNMENT

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto:

Please insert Social Security or Taxpayer Identification Number of Transferee

Please print or type name and address, including zip code of Transferee

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

Dated: _____.

Signature Guaranteed:

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

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

FORM OF REGISTRATION CERTIFICATE OF
THE TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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 of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

(b) Insertions for the Initial Bond:

The initial Bond shall be in the form set forth in paragraph (a) of this Section, except that:

(i) 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.

(ii) the first paragraph shall be deleted and the following will be inserted:

"TRINITY RIVER AUTHORITY OF TEXAS (the "Issuer"), being a governmental agency, and body corporate and politic of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on the Maturity Dates, in the Principal Amounts and bearing interest at the per annum rates set forth in the following schedule:

<u>Maturity Dates</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
(Information for the Bonds from the Pricing Certificate to be inserted)		

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the [Dated Date / Delivery Date] at the respective Interest Rate per annum specified above. Interest is payable on [], and on each [] and [] thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that if this Bond is required to be authenticated and the date of its authentication 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; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full."

(iii) The initial Bond shall be numbered "TR-1" unless a different numbering is specified in the Pricing Certificate.

Section 5. ADDITIONAL DEFINITIONS AND PLEDGE.

(a) As used in this Resolution the term "Bonds" means collectively the Bonds as described and defined in Sections 1 and 2 of this Resolution, and all substitute bonds exchanged therefor, and all other substitute and replacement bonds, issued as provided in this Resolution. The term "Parity Bonds" shall mean the Series 2010 Bonds, the Series 2013 Bonds, the Bonds, and any other

bonds hereafter issued by the Issuer on a parity therewith as permitted by the Contract or bonds issued to refund such bonds.

(b) The Contract provides for the monthly payment by the City to the Issuer of all Operation and Maintenance Expenses of the Project, and the principal of and the interest on all "Bonds", as defined in the Contract, issued by the Issuer pursuant to the Contract, as such principal and interest come due, plus the fees and charges of the Paying Agent for such "Bonds", and other amounts as required by each resolution authorizing the issuance of such "Bonds". The term "Net Revenues", as used in this Resolution, shall mean and be defined as all of the gross revenues or payments received by the Issuer from the City under the Contract, after deducting therefrom the amounts required to pay the Operation and Maintenance Expenses of the Project, as defined in the Contract, with the result that the Net Revenues shall consist of the amounts necessary to pay all principal and/or interest coming due on all Parity Bonds on each principal and/or interest payment date plus the fees and charges of the Paying Agent for the Parity Bonds, including its charges as Registrar for the Bonds. All Parity Bonds, including the Bonds authorized by this Resolution and the interest thereon, are and shall be payable from and secured by an irrevocable first lien on and pledge of said Net Revenues, and said Net Revenues are further pledged irrevocably to the establishment and maintenance of the Funds hereinafter provided for. The City has contracted to make all of its payments under the Contract from the revenues of the City's combined waterworks and sanitary sewer system as an operating expense of such combined waterworks and sanitary sewer system.

Section 6. SPECIAL FUNDS. That all gross revenues or payments received by the Issuer under the Contract shall be kept separate and apart from all other funds of the Issuer and the following special Funds have been created and are hereby confirmed, and shall be established and maintained so long as any of the Parity Bonds, or interest appertaining thereto, are outstanding and unpaid:

- (a) the Revenue Fund, which shall be maintained in an official depository bank of the Issuer;
- (b) the Interest and Sinking Fund, which shall be maintained in an official depository bank of the Issuer; and
- (c) the Reserve Fund, which shall be maintained in an official depository bank of the Issuer.

Section 7. REVENUE FUND. All gross revenues or payments received by the Issuer under the Contract shall be deposited as received by the Issuer into the Revenue Fund, and shall be deposited from the Revenue Fund, as hereinafter provided.

Section 8. INTEREST AND SINKING FUND. There shall be deposited into the Interest and Sinking Fund the following:

- (a) immediately after the delivery of the Bonds, there shall be deposited into the Interest and Sinking Fund any accrued interest received as proceeds from the sale of the Bonds.

(b) on or before each principal and interest payment date, an amount sufficient, together with any other amounts on deposit therein and available for such purpose, to pay the interest and principal, if any, coming due on all Parity Bonds on the next succeeding interest payment date.

Section 9. USE OF INTEREST AND SINKING FUND. The Interest and Sinking Fund shall be used solely to pay the principal of and interest on the Parity Bonds as such principal matures and such interest comes due.

Section 10. RESERVE FUND.

(a) In addition to words and terms otherwise defined in this Resolution, the following definitions shall apply to words and terms used in this section:

"Bond Insurance Policy" means an insurance policy issued by a Bond Insurer insuring or guaranteeing the payment of principal of and interest on any Parity Bonds.

"Bond Insurer" means an entity that insures or guarantees the payment of principal of and interest on any of the Parity Bonds.

"Credit Facility" means a Bond Insurance Policy, a surety bond (including any supporting Insurance Agreement), or a letter or line of credit issued in support of any Parity Bonds by a Credit Facility Provider at the request of the Issuer.

"Credit Facility Provider" means (i) with respect to any Credit Facility consisting of a policy of municipal bond insurance or a surety bond, an issuer of policies of insurance insuring the timely payment of debt service on governmental obligations such as the Parity Bonds, provided that a Rating Agency having an outstanding rating on the Parity Bonds would rate the Parity Bonds upon delivery of the Parity Bonds fully insured by a standard policy issued by the issuer in its highest generic rating category for such obligations; and (ii) with respect to any Credit Facility consisting of a letter or line of credit, any financial institution, provided that a Rating Agency having an outstanding rating on the Parity Bonds would rate the Parity Bonds in one of its two highest generic rating categories for such obligations if the letter or line of credit proposed to be issued by such financial institution secured the timely payment of the entire principal amount of the series of Parity Bonds and the interest thereon.

"Fitch" means Fitch Ratings, Ltd., its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Fitch shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

"Insurance Agreement" means an agreement between the Issuer and the Bond Insurer respecting a municipal bond debt service reserve insurance policy constituting a Reserve Fund Obligation.

"Moody's" means Moody's Investors Service, Inc., its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the

functions of a securities rating agency, Moody's shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

"Rating Agencies" means S&P, Moody's and/or Fitch according to which of such rating agencies then rates the Parity Bonds of the applicable series; and provided that if neither of such rating agencies then rates the Parity Bonds of such series, the term "Rating Agencies" shall refer to any national rating agency (if any) which provides such rating.

"Required Reserve" means an amount equal to the lesser of (i) the average annual principal and interest requirements on the Parity Bonds or (ii) the amount determined by the Internal Revenue Code of 1986, as amended, and the regulations thereunder, as of the date of issuance of any hereafter issued Parity Bonds issued with the intent that interest thereon will be excludable from the gross income of the registered owners thereof for federal income tax purposes, to be a reasonably required reserve or replacement fund.

"Reserve Fund Obligation" means a Credit Facility satisfying the requirements of this section which is deposited in the Reserve Fund to meet all or part of the Required Reserve as provided in section.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, S&P shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

(b) Initially, immediately following delivery of the Bonds, the Required Reserve shall be funded by either a deposit of bond proceeds or the purchase of a Reserve Fund Obligation. Thereafter, no further deposits shall be made into the Reserve Fund as long as the money and investments, together with any Reserve Fund Obligation, in the Reserve Fund are at least equal in market value to the Required Reserve; but if and whenever the market value of money and investments, together with any Reserve Fund Obligation, in the Reserve Fund is reduced below said Required Reserve because of a decrease in market value of investments, then the Issuer shall require the City to increase payments under the Contract as soon as practicable, and in all events by the end of the next Fiscal Year, in an amount sufficient to restore the Reserve Fund to the Required Reserve; and in the event the Reserve Fund is used to pay the principal of or interest on the Parity Bonds because of insufficient amounts being available in the Interest and Sinking Fund, then the Issuer shall require the City to increase payments under the Contract in an amount sufficient to restore the Reserve Fund to the Required Reserve in market value, and from such increased payments the Issuer shall deposit in the Reserve Fund, in approximately equal periodic installments, not less than annual, such amounts as are required to restore the Reserve Fund to the Required Reserve in market value as soon as practicable, but in any case, within one year from any date of the use of the Reserve Fund to pay such principal or interest. For purposes of calculating the amount on hand in the Reserve Fund, an amount equal to the maximum available amount which may be drawn under any qualifying Reserve Fund Obligation, as described in (f) below, will be deemed on deposit in the Reserve Fund. During any period in which the money and investments credited to the Reserve Fund, taking into account any qualifying Reserve Fund Obligation, are equal to or exceed the Required Reserve in market value then during such period

all investment earnings and income from the Reserve Fund shall be deposited upon receipt to the credit of the Interest and Sinking Fund.

(c) The Reserve Fund shall be used only for the purpose of paying principal of or interest on the Parity Bonds when there is not sufficient money available in the Interest and Sinking Fund for such payments, and shall be used finally to pay, redeem or retire the last of the outstanding Parity Bonds.

(d) The Reserve Fund shall secure and be used to pay all Parity Bonds, in the manner and to the extent provided herein. However, each resolution pursuant to which Additional Bonds are issued shall provide and require that (i) the aggregate amount to be accumulated and maintained in the Reserve Fund shall be increased (if and to the extent necessary) to the Required Reserve required after the issuance of such Additional Bonds; and (ii) the required additional amount, if any, shall be so accumulated by (A) the deposit in the Reserve Fund of all of said required additional amount in cash from proceeds from the sale of the Additional Bonds or a Reserve Fund Obligation immediately after the delivery of the then proposed Additional Bonds or (B) at the option of the Issuer, by the deposit of said required additional amount (or any balance of said required additional amount not deposited in cash as permitted above) in five approximately equal annual installments, made on or before the 1st day of February of each year following the delivery of the then proposed Additional Bonds.

(e) Notwithstanding any other provisions of this Resolution, an equivalent Reserve Fund Obligation may be substituted by the Issuer at any time and from time to time for all or any part of the money and/or investments held for the credit of the Reserve Fund, and such money and/or investments may be withdrawn and used for any lawful purpose, provided, however, that to the extent such funds were derived from the proceeds of Parity Bonds, such funds may only be withdrawn and either (i) deposited into the Interest and Sinking Fund or (ii) applied for a purpose for which such Parity Bonds were originally issued. If a Reserve Fund Obligation is used as provided above, any reimbursements required thereunder to be paid to a Credit Facility Provider as a result of a draw or demand thereunder and any interest thereon and expenses payable thereunder shall be made, as provided in the Reserve Fund Obligation, from moneys deposited into the Reserve Fund until fully paid. If it becomes necessary to pay interest on or principal of any Bonds from the Reserve Fund, money and investments held for the credit of the Reserve Fund shall be utilized first for such purpose, before any demand or draw is made on a Reserve Fund Obligation.

(f) A Reserve Fund Obligation permitted under (b), above, must be a Credit Facility in the form of a surety bond, insurance policy, or letter of credit meeting the requirements described below.

(1) A surety bond or insurance policy issued to the Issuer or other party, as agent of the registered owners, by a company licensed to issue an insurance policy guaranteeing the timely payment of debt service on the Bonds (a "municipal bond insurer") if the claims paying ability of the issuer thereof shall, at the time of issuance, be rated by at least two of the following rating agencies in the indicated rating categories, to-wit, "AAA" by S&P or Fitch or "Aaa" by Moody's.

(2) A surety bond or insurance policy issued to the Issuer or other party, as agent of the registered owners, by an entity other than a municipal bond insurer, if the form and substance of such instrument and the issuer thereof shall be approved in writing by each Bond Insurer of record.

(3) An unconditional irrevocable letter of credit issued to the Issuer or other party, as agent of the registered owners, by a bank if the issuer thereof, at the time of issuance, is rated by at least two of the following rating agencies in the indicated rating categories, to-wit, at least "AA" by S&P or Fitch or "Aa" by Moody's. The letter of credit shall be payable in one or more draws upon presentation by the Issuer or other party of a sight draft accompanied by its certificate (which must be satisfactory in form and substance to the Issuer or other party and the issuer of the letter of credit) that the Issuer then holds insufficient funds to make a required payment of principal or interest on the Parity Bonds. The draws shall be payable within two days of presentation of the sight draft. The letter of credit shall be for a term of not less than three years and shall be subject to an "evergreening" feature so as to provide the Issuer with at least 30 months notice of termination. The issuer of the letter of credit shall be required to notify the Issuer not later than 30 months prior to the stated expiration date of the letter of credit, as to whether such expiration date shall be extended, and if so, shall indicate the new expiration date. If such notice indicates that the expiration date shall not be extended, the Issuer shall deposit in the Reserve Fund, in accordance with this section, an amount sufficient to cause the money or investments on deposit in the Reserve Fund, together with any other qualifying Reserve Fund Obligations, to accumulate to the Required Reserve, unless the expired Reserve Fund Obligation is replaced by a Reserve Fund Obligation meeting the requirements in any of 1 through 3, above. The letter of credit shall permit a draw in full prior to the expiration or termination of such letter of credit if the letter of credit has not been replaced or renewed. The Issuer or other party shall draw upon the letter of credit prior to its expiration or termination unless an acceptable replacement is in place or the Reserve Fund is fully funded to the Required Reserve.

(4) The obligation to reimburse the issuer of a Reserve Fund Obligation for any expenses, claims, or draws upon such Reserve Fund Obligation, including interest thereon, shall be made from the deposits made to the Reserve Fund as provided in this section and in accordance with the provisions of the Reserve Fund Obligation. The Reserve Fund Obligation shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the issuer of the Reserve Fund Obligation to reimbursement will be subordinated to the cash replenishment of the Reserve Fund to an amount equal to the difference between the full original amount available under the Reserve Fund Obligation and the amount then available for further draws or claims. In the event (a) the issuer of a Reserve Fund Obligation becomes insolvent, or (b) the issuer of a Reserve Fund Obligation defaults in its payment obligations thereunder, or (c) the claims paying ability of the issuer of the insurance policy or surety bond falls below "AAA" by S&P or Fitch or "Aaa" by Moody's, or (d) the rating of the issuer of the letter of credit falls below the "AA" category by S&P or Fitch or the "Aa" category by Moody's, the obligation to reimburse the issuer of the

Reserve Fund Obligation shall be subordinate to the cash replenishment of the Reserve Fund.

(5) In the event (a) the issuer of the Reserve Fund Obligation defaults in its payment obligations hereunder, or (b) the issuer of the Reserve Fund Obligation becomes insolvent, the Issuer shall either (i) deposit into the Reserve Fund, in accordance with this section, amounts sufficient to cause the money or investments on deposit in the Reserve Fund to accumulate to the Required Reserve within twelve months of such occurrence, or (ii) replace such instrument with a surety bond, insurance policy, or letter of credit meeting the requirements in any of 1 through 3 above within twelve months of such occurrence.

(6) Where applicable, the amount available for draws or claims under a Reserve Fund Obligation may be reduced by the amount of money or investments deposited in the Reserve Fund pursuant to clause (i) of the preceding subparagraph 5.

(7) The Issuer shall ascertain the necessity for a claim or draw upon any Reserve Fund Obligation and provide notice to the issuer of the Reserve Fund Obligation in accordance with its terms not later than three days (or such appropriate time period as will, when combined with the timing of required payment under the Reserve Fund Obligation, ensure payment under the Reserve Fund Obligation on or before the interest payment date) prior to each interest payment date.

(8) Cash on deposit in the Reserve Fund shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on any Reserve Fund Obligation. If and to the extent that more than one Reserve Fund Obligation is deposited in the Reserve Fund, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

(g) Any excess in the Reserve Fund over the Required Reserve in effect at any time shall be deposited to the credit of the Interest and Sinking Fund."

Section 11. ISSUER'S EXPENSES AND COSTS. The Issuer shall pay the Operation and Maintenance Expenses of the Project from the payments made by the City under the Contract specifically for such purpose, and in no event from the pledged Net Revenues.

Section 12. INVESTMENTS. Money in any Fund maintained pursuant to this Resolution may, at the option of the Issuer, be invested as permitted by the Public Funds Investment Act, Chapter 2256, Texas Government Code, and the investment policy of the Issuer. Such deposits and investments shall be made consistent with the estimated requirements of such Funds, and any obligation in which money is so invested shall be kept and held for the benefit of the owners of the Bonds, and shall be promptly sold and the proceeds of sale applied to the making of all payments required to be made from the Fund from which the investment was made. All earnings from the deposit or investment of any such Fund shall be credited to such Fund. All investment earnings on deposit in the Interest and Sinking Fund shall reduce the amounts which otherwise would be required to be deposited therein, with the result that the City's principal and/or interest payments under the Contract shall be reduced accordingly.

Section 13. DEFICIENCIES IN FUNDS. If the Issuer should fail at any time to deposit into any Fund created by this Resolution the full amounts required, amounts equivalent to such deficiencies shall be set apart and paid into said Funds from the first available Net Revenues, and such payments shall be in addition to the amounts otherwise required to be deposited into said Funds.

Section 14. SECURITY FOR FUNDS. All Funds created by this Resolution shall be secured in the manner and to the fullest extent permitted or required by law for the security of the Issuer's funds, and such Funds shall be used only for the purposes and in the manner permitted or required by this Resolution.

Section 15. ADDITIONAL PARITY BONDS. The Issuer reserves the right to issue additional parity revenue bonds in such amounts as are required for the purpose of improving or extending the Project, or for the purpose of refunding any outstanding Parity Bonds. Such additional parity revenue bonds shall be considered, constitute, and be defined as "Parity Bonds" for all purposes of this Resolution and the Contract, and when issued and delivered they shall be payable from and secured by a first lien on and pledge of the Net Revenues, in the same manner and to the same extent as the other Parity Bonds; and all of the Parity Bonds shall in all respects be on a parity and of equal dignity. The additional parity revenue Parity Bonds may be issued in one or more installments or series, provided, however, that no such installment or series shall be issued unless:

(a) a certificate is executed by the President and Secretary of the Board of Directors of the Issuer to the effect that no default exists in connection with any of the covenants or requirements of the resolution or resolutions authorizing the issuance of all then outstanding Parity Bonds, and that the Interest and Sinking Fund and Reserve Fund contain the amounts then required to be on deposit therein;

(b) the resolution authorizing the issuance of such installment or series of Parity Bonds shall provide for the payment of the principal of and interest on such Parity Bonds from Net Revenues; and

(c) the governing body of the City passes an ordinance or adopts a resolution approving a substantial draft of the resolution authorizing the issuance of such installment or series of Parity Bonds.

Section 16. ACCOUNTS AND RECORDS. The Issuer shall keep proper books of records and accounts, separate from all other records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the Project and payments under the Contract. The Issuer shall have said books audited once each Issuer fiscal year by an independent Certified Public Accountant.

Section 17. ACCOUNTING REPORTS. Within one hundred thirty-five (135) days after the close of each Issuer fiscal year hereafter, the Issuer shall forward to any holder or owner of any of the Parity Bonds who shall so request in writing, and to the City, a signed or certified copy of a report by a Certified Public Accountant, covering the next preceding fiscal year, showing the following information:

(a) A detailed statement of all payments under the Contract, and the Issuer's disbursements thereof;

(b) Balance sheet as of the end of said fiscal year;

(c) Accountant's comment regarding the manner in which the Issuer has complied with the requirements of this Resolution and his recommendations, if any, for any changes or improvements.

Section 18. INSPECTION. Any holder or owner of any Parity Bonds shall have the right at all reasonable times to inspect all records, accounts and data of the Issuer relating to the Contract and the Funds created by this Resolution.

Section 19. SPECIAL COVENANTS. The Authority further covenants as follows:

(a) that other than for the payment of the Parity Bonds the Net Revenues have not in any manner been pledged to the payment of any debt or obligation of the Issuer;

(b) that while any of the Parity Bonds are outstanding, the Issuer will not, with the exception of the additional parity revenue Parity Bonds expressly permitted by this Resolution to be issued, additionally encumber the Net Revenues;

(c) that the Issuer will carry out all of its obligations under the Contract; and when or if necessary will promptly enforce and cause the City to carry out its obligations under the Contract and any other pertinent agreements or contracts, for the benefit of the Issuer and the holders of the Parity Bonds, by all legal and equitable means, including the use of mandamus proceedings against the City.

Section 20. PARITY BONDS ARE SPECIAL OBLIGATIONS. The Parity Bonds shall be special obligations of the Issuer payable solely from the pledged Net Revenues, and the holders or owners of the Parity Bonds shall never have the right to demand payment thereof out of funds raised or to be raised by the levy of taxes.

Section 21. AMENDMENT OF RESOLUTION.

(a) The holders and owners of Parity Bonds aggregating in principal amount two-thirds of the aggregate principal amount of then outstanding Parity Bonds (for purposes of this sentence only, 100% of the aggregate principal amount of Parity Bonds which are insured by a bond insurance provider at the time that the Issuer seeks approval of an amendment shall be deemed to be owned by such bond insurance provider) shall have the right from time to time to approve any amendment to this Resolution which may be deemed necessary or desirable by the Issuer, provided, however, that nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions in this Resolution or in the Parity Bonds so as to:

(1) Make any change in the maturity of the outstanding Parity Bonds;

(2) Reduce the rate of interest borne by any of the outstanding Parity Bonds;

(3) Reduce the amount of the principal payable on the outstanding Parity Bonds;

(4) Modify the terms of payment of principal of or interest on the outstanding Parity Bonds, or impose any conditions with respect to such payment;

(5) Affect the rights of the holders or owners of less than all of the Parity Bonds then outstanding; or

(6) Change the minimum percentage of the principal amount of Parity Bonds necessary for consent to such amendment.

(b) If at any time the Issuer shall desire to amend the Resolution under this Section, the Issuer shall cause notice of the proposed amendment to be published one time in a financial newspaper or journal published in the State of Texas. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Paying Agent for inspection by all holders of Parity Bonds. Such publication is not required, however, if notice in writing is given to each holder of Parity Bonds.

(c) Whenever at any time not less than thirty days, and within one year, from the date of the first publication of said notice or other service of written notice the Issuer shall receive an instrument or instruments executed by the holders and owners of at least two-thirds in aggregate principal amount of all Parity Bonds then outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file with the Paying Agent, the Issuer may adopt the amendatory resolution in substantially the same form.

(d) Upon the adoption of any amendatory resolution pursuant to the provisions of this Section, the Resolution shall be deemed to be amended in accordance with such amendatory resolution, and the respective rights, duties, and obligations under the Resolution of the Issuer and all the holders of then outstanding Bonds shall thereafter be determined, exercised, and enforced hereunder, subject in all respects to such amendments.

(e) Any consent given by the holder or owner of a Parity Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication of the notice provided for in this Section, and shall be conclusive and binding upon all future holders or owners of the same Bond during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the holder or owner who gave such consent, or by a successor in title, by filing notice thereof with the Paying Agent and the Issuer, but such revocation shall not be effective if the holders or owners of two-thirds aggregate principal amount of the then outstanding Parity Bonds as in this Section defined have, prior to the attempted revocation, consented to and approved the amendment.

(f) For the purpose of this Section, the fact of the holding of Parity Bonds which have interest coupons attached thereto and are payable to bearer by any Bondholder and the amount and numbers of such Bonds, and the date of their holding same, may be proved by the affidavit of the person claiming to be such holder, or by a certificate executed by any trust company, bank, banker, or any other depository wherever situated showing that at the date therein mentioned such person

had on deposit with such trust company, bank, banker, or other depository, the Parity Bonds described in such certificate. The Issuer may conclusively assume that such ownership continues until written notice to the contrary is served upon the Issuer. The fact of owning Parity Bonds which are payable only to the registered owner thereof shall be ascertained from the registration books of the Paying Agent/Registrar for such Parity Bonds.

Section 22. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.

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

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the registered owner applying for a replacement bond shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the registered owner shall furnish to the Issuer and to the Paying Agent/Registrar 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 registered owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) No Default Occurred. 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 of, redemption premium, if any, or interest on the Bond, the Issuer 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.

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the registered 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 Issuer 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 Resolution equally and proportionately with any and all other Bonds duly issued under this Resolution.

(e) Authority for Issuing Replacement Bonds. In accordance with Subchapter B, Chapter 1206, Texas Government Code, this Section shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 3 for Bonds issued in conversion and exchange for other Bonds.

Section 23. DEFEASANCE OF BONDS.

(a) Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Bond") within the meaning of this Resolution, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the Net Revenues as provided in this Resolution, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Resolution to the contrary, it is hereby provided that any determination not to redeem Defeased Bonds that is made in conjunction with the payment arrangements specified in subsection 23(a)(i) or (ii) shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Bonds immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer also be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection 23(a)(i) or (ii). All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Bonds, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

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

(d) Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the

same as if they had not been defeased, and the Issuer shall make proper arrangements to provide and pay for such services as required by this Resolution.

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

Section 24. COVENANTS REGARDING TAX-EXEMPTION.

(a) General Tax Covenants Regarding Tax Exemption of Interest on the Bonds. The Issuer covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

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

(ii) to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds 5 percent of the proceeds of the Bonds (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;

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

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

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

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

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

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

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

(vii) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings);

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

In order to facilitate compliance with the above covenant (viii), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such Fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

The Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the Issuer 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 Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such modification or expansion, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the General Manager of the Issuer to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds. This Resolution is intended to satisfy the official intent requirements set forth in section 1.150-2 of the Treasury Regulations.

(b) Interest Earnings on Bond Proceeds. Interest earnings derived from the investment of proceeds from the sale of the Bonds shall be used along with other bond proceeds for the purpose for which the Bonds are issued, as set forth in Section 1 hereof; provided that after completion of such purpose, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Redemption Fund. It is further provided, however, that any interest earnings on bond proceeds which are required to be rebated to the United States of America pursuant to Section 24(a) hereof in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 25. **DISPOSITION OF PROJECT.** The Issuer covenants that the property constituting the Project financed with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 26. **ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR THE PROJECT.** The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Resolution (the "Project") on its books and records in accordance with the requirements of the Internal Revenue Code. The Issuer recognizes that in order for the proceeds 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 Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Issuer recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired. The Issuer 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 Bonds. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 27. **CUSTODY, APPROVAL, BOND COUNSEL'S OPINION, CUSIP NUMBERS AND INSURANCE.** The President of the Board of Directors and the General Manager of the Issuer are hereby authorized to have control of the Bonds issued hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and the approval of the Bonds by the Attorney General of the State of Texas. The Comptroller of Public Accounts is requested to cause the Bonds to be registered in accordance with law. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Bonds or on any Bonds issued and delivered in conversion of and exchange or replacement of any Bond, but neither shall have any legal effect, and shall be solely

for the convenience and information of the registered owners of the Bonds. If insurance is obtained on any of the Bonds, the Bonds shall bear, as appropriate and applicable, a legend concerning insurance as provided by the Insurer.

Section 28. FURTHER PROCEDURES. The President, Vice President and Secretary of the Board of Directors of the Issuer, the General Manager and Chief Financial Officer (as the "Authorized Officer" of the Issuer) and all other officers, employees and agents of the Issuer, and each of them, 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 corporate seal and on behalf of the Issuer a Letter of Representation with DTC regarding the Book-Entry Only System, the Paying Agent/Registrar Agreement with the Paying Agent/Registrar and all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the Letter of Representation, the Bonds, the sale of the Bonds and the Official Statement. Notwithstanding anything to the contrary contained herein, while the Bonds are subject to DTC's Book-Entry Only System and to the extent permitted by law, the Letter of Representation is hereby incorporated herein and its provisions shall prevail over any other provisions of this Resolution in the event of conflict. 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.

Section 29. CONTINUING DISCLOSURE OF INFORMATION.

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

"Financial Obligation" means a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of the foregoing (a) and (b). The term Financial Obligation does not include any municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

(b) Pursuant to a Continuing Disclosure Agreement by and between the Issuer and the Contracting Parties, the Issuer and the Contracting Parties have undertaken for the benefit of the beneficial owners of the Bonds, to the extent set forth therein, to provide continuing disclosure of financial information and operating data with respect to the Contracting Parties in accordance with the Rule as promulgated by the SEC.

(c) Annual Reports.

The Authority will provide its audited financial statements with the MSRB through its EMMA system within six months after the end of the Authority's fiscal year. If audited financial statements are not available by the required time, the Authority will provide unaudited financial statements within the required time and audited financial statements when and if such audited financial statements become available. Any such financial statements will be prepared in accordance with generally accepted accounting principles in effect at the time or that the Authority may be required to employ from time to time pursuant to State law or regulation.

The Authority's fiscal year end is November 30. Accordingly, the Authority must provide updated information by May 31 in each year beginning with the fiscal year ending in 2021. If the Authority changes its fiscal year, the Authority 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 Authority otherwise would be required to provide financial statements pursuant to this Section.

(d) The Issuer shall notify 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:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect Bondholders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

As used in clause 12 above, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court of governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if jurisdiction has been assumed by leaving the Board and officials or officers of the Issuer 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 Issuer.

(e) The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide information in accordance with subsections (c) and (d) of this Section by the time required by such subsection.

(f) The financial statements 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 website or filed with the SEC. All financial statements and notices required to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB.

(g) This section shall not apply if the Bonds are sold by private placement and it is so specified in the Pricing Certificate that this section does not apply to the Bonds.

Section 30. SECURITY INTEREST. Chapter 1208, Government Code, applies to the issuance of the Bonds and the pledge of the Net Revenues granted by the Issuer under Section 5 of this Resolution, and is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the Net Revenues granted by the Issuer under Section 5 of this Resolution is to be subject to the filing requirements of Chapter

9, Business & Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 31. REPEAL OF CONFLICTING RESOLUTIONS. All resolutions and all parts of any resolutions which are in conflict or inconsistent with this Resolution are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency.

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS
COUNTY OF POLK
CITY OF LIVINGSTON

We, the undersigned officers of the City of Livingston, Texas, hereby certify as follows:

1. The City Council of said City convened in regular meeting on February 9, 2021 and the roll was called of the duly constituted officers and members of said City Council as follows:

Judy B. Cochran, Mayor
Dr. Ray Luna, Alderman
Marion 'Bid' Smith, Alderman

Alan Cook, Mayor Pro-Tem
Elgin Davis, Alderman
Clarke Evans, Alderman

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

RESOLUTION APPROVING A RESOLUTION PROPOSED TO BE ADOPTED BY THE BOARD OF DIRECTORS OF TRINITY RIVER AUTHORITY OF TEXAS AUTHORIZING THE TRINITY RIVER AUTHORITY OF TEXAS CONTRACT REVENUE REFUNDING BOND, SERIES 2021 (LIVINGSTON REGIONAL WATER SUPPLY SYSTEM PROJECT), AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

was duly introduced for the consideration of said City Council. It was then duly moved and seconded that said Resolution be passed on first reading; and, after due discussion, said motion, carrying with it the passage of said Resolution on first reading, prevailed and carried by the following vote:

AYES: 5

NAYS: 0

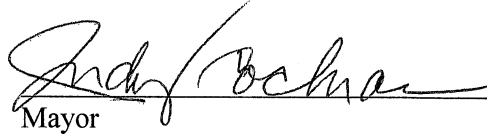
ABSTENTIONS: 0

2. A true, full, and correct copy of the aforesaid Resolution passed on first reading at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that the above and foregoing paragraph is a true, full, and correct excerpt from said City Council's minutes of said Meeting pertaining to the passage of said Resolution on first reading; that the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of said City Council as indicated therein; and that each of the officers and members of said City Council was duly and sufficiently notified officially, in advance, of the time, place, and purpose of the aforesaid Meeting; and that said Meeting was open to the public, and public notice of the time, place, and purpose of said Meeting was given, all as required by Chapter 551, Texas Government Code.

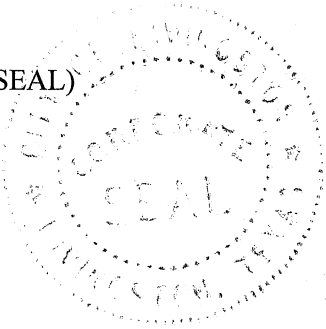
3. The Mayor of said City has approved, and hereby approves, the aforesaid Resolution; that the Mayor and the City Secretary of said City have duly signed said Resolution; and that the Mayor and the City Secretary of said City hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of said Resolution for all purposes.

SIGNED AND SEALED the 9th day of February, 2021.


City Secretary


Mayor

(SEAL)



Certificate for Resolution approving a resolution proposed to be adopted by the Board of Directors of Trinity River Authority of Texas authorizing the Trinity River Authority of Texas Contract Revenue Refunding Bond, Series 2021 (Livingston Regional Water Supply System Project)

RESOLUTION NO. 588

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIVINGSTON, TEXAS, APPROVING A RESOLUTION PROPOSED TO BE ADOPTED BY THE BOARD OF DIRECTORS OF TRINITY RIVER AUTHORITY OF TEXAS AUTHORIZING THE TRINITY RIVER AUTHORITY OF TEXAS CONTRACT REVENUE REFUNDING BOND, SERIES 2021 (LIVINGSTON REGIONAL WATER SUPPLY SYSTEM PROJECT), AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO.

WHEREAS, the "Trinity River Authority of Texas-City of Livingston Water System Services Contract" entered into as of February 22, 1978, and amended by the "Trinity River Authority of Texas - City of Livingston Water System Services Amendatory Contract", entered into as of June 26, 1991 (collectively the "Contract") between the Trinity River Authority of Texas (the "Authority") and the City of Livingston, Texas (the "City") has been duly executed and remains outstanding in full force and effect; and

WHEREAS, the Contract was entered into to finance, for the benefit of the City, a water supply and treatment system (the "Project") to render water supply and treatment services to the inhabitants of the City; and

WHEREAS, the Authority has previously issued and there remains outstanding its Trinity River Authority of Texas Contract Revenue Bonds, Series 2010 (Livingston Regional Water Supply System Project), all or a portion of which may be selected by the Authority to be refinanced (being the "Refunded Bonds"); and

WHEREAS, it is necessary that this City Council approve a substantial draft of a bond resolution proposed to be adopted by the Board of Directors of the Authority on February 24, 2021 with respect to the issuance of bonds by the Authority for the purpose of refunding the Refunded Bonds for debt service savings and to lower the payments made by the City under the Contract; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LIVINGSTON, TEXAS:

SECTION 1. That a substantial draft of a "RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF TRINITY RIVER AUTHORITY OF TEXAS CONTRACT REVENUE BONDS (LIVINGSTON REGIONAL WATER SUPPLY SYSTEM PROJECT), AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO" (the "Bond Resolution") proposed to be adopted by the Board of Directors of the Authority has been submitted to the City in the form attached hereto, and made a part hereof for all purposes. The Bond Resolution is hereby approved by the City as to form and substance, and the bonds described therein (the "Bonds") may be issued by the Authority in accordance with the terms and provisions set forth therein, and in this Resolution.


SECTION 2. That the principal amount and maturities of the Bonds, the interest rates for the Bonds, the purchaser of the Bonds, the method of the sale of the Bonds, and other details and provisions for the Bonds, shall be determined by the General Manager of the Authority in accordance with the procedures and parameters set forth in the Bond Resolution.

SECTION 3. That it is acknowledged and agreed by the City that the Bonds authorized, issued, sold, and delivered pursuant to said Bond Resolution will be issued in strict conformance and compliance with the "Trinity River Authority of Texas - City of Livingston Water System Services Contract" executed as of February 22, 1978, between the Authority and the City, and the amendment thereto by the "Trinity River Authority of Texas - City of Livingston Water System Services Amendatory Contract" executed as of June 26, 1991, between the Authority and the City, relating to the Project as defined in said Contract, as amended, and described in said Bond Resolution, and that the City will be obligated to make the payments with respect to said Bonds and the Project as required by the Contract, as amended, and the Bond Resolution.

SECTION 4. That this Resolution shall take effect and be in full force and effect from and after the date of its adoption, and it is so resolved; and all ordinances and resolutions of the City, and all contracts or agreements or parts thereof executed pursuant thereto which are in conflict or inconsistent herewith, are hereby modified and clarified to the extent of such conflict or inconsistency.

RESOLVED AND ADOPTED this the 9th day of February, 2021.

SIGNED:

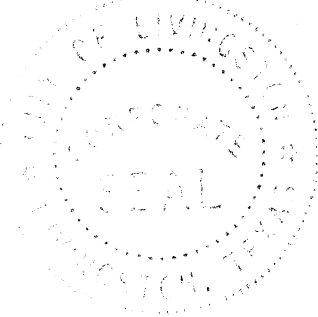


Judy B. Cochran, Mayor

ATTEST:



**Ellie Monteaux, TRMC, MMC, CPM
City Secretary/Assistant City Manager**



RESOLUTION NO. R-1565

RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF TRINITY RIVER AUTHORITY OF TEXAS CONTRACT REVENUE BONDS (LIVINGSTON REGIONAL WATER SUPPLY SYSTEM PROJECT), AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

THE STATE OF TEXAS
TRINITY RIVER AUTHORITY OF TEXAS

WHEREAS, the "Trinity River Authority of Texas-City of Livingston Water System Services Contract" entered into as of February 22, 1978, and amended by the "Trinity River Authority of Texas - City of Livingston Water System Services Amendatory Contract", entered into as of June 26, 1991 (collectively the "Contract") between the Trinity River Authority of Texas (the "Issuer" or "Authority") and the City of Livingston, Texas (the "City") has been duly executed and is hereby adopted by reference for all purposes, the same as if it had been attached as an exhibit to this Resolution; and

WHEREAS, the Contract relates to the financing of the acquisition of the Project (as defined therein, and including certain improvements and extensions thereto), being a water supply and treatment system serving the City; and

WHEREAS, pursuant to the Contract and appropriate bond resolutions the following Series of bonds were duly issued and delivered by the Authority and are presently outstanding, to wit:

Trinity River Authority of Texas Contract Revenue Bonds, Series 2010 (Livingston Regional Water Supply System Project) (the "Series 2010 Bonds"); and

Trinity River Authority of Texas Contract Revenue Bonds, Series 2013 (Livingston Regional Water Supply System Project) (the "Series 2013 Bonds"); and

WHEREAS, pursuant to the provisions of the Contract and the resolution authorizing the issuance of the Series 2010 Bonds, it has been determined to be advisable for the Issuer to issue additional bonds for the purpose of refunding certain maturities of the Series 2010 Bonds (the "Refunded Bonds") and to pay costs of issuance of the Bonds; and

WHEREAS, the Bonds authorized to be issued by this resolution (the "Bond Resolution" or "Resolution") are to be issued and delivered pursuant to the Authority Act, Chapter 30, Texas Water Code, as amended, Chapter 1207, Texas Government Code, as amended, and other applicable laws;

WHEREAS, a substantial draft of this bond resolution has been delivered to and approved by resolution duly adopted by the City Council of the City.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TRINITY RIVER AUTHORITY OF TEXAS THAT:

Section 1. RECITALS, AMOUNT AND PURPOSE OF THE BONDS.

(a) The Board of Directors hereby incorporates the recitals set forth in the preamble hereto as if set forth in full at this place and further finds and determines that said recitals are true and correct. To obtain funds to refund certain maturities of the Refunded Bonds, the Board of Directors hereby authorizes

and directs the issuance of revenue bonds of the Issuer in the aggregate principal amount of not to exceed \$2,155,000.

(b) In establishing the aggregate principal amount of the Bonds, the Authorized Officer shall establish an amount within the amount authorized in Section 1 hereof, which amount shall be sufficient to provide for (i) the funding of the Reserve Fund, if any, as hereinafter required, (ii) the payment of the costs of issuance of the Bonds and (iii) the refunding of the Refunded Bonds in a manner that will achieve a target present value savings with respect to the Refunded Bonds of at least two percent (2.00%).

Section 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, MATURITIES AND SALE OF BONDS.

(a) Each Bond issued pursuant to this Resolution shall be designated: "TRINITY RIVER AUTHORITY OF TEXAS CONTRACT REVENUE REFUNDING BOND, SERIES 2021 (LIVINGSTON REGIONAL WATER SUPPLY SYSTEM PROJECT)", subject to paragraph (b) of this section.

(b) As authorized by Chapter 1207, Texas Government Code, as amended, the General Manager of the Issuer is hereby designated as the "Authorized Officer" of the Issuer, and is hereby authorized, appointed, and designated as the officer or employee of the Issuer authorized to act on behalf of the Issuer in the selling and delivering of the Bonds and carrying out the other procedures specified in this Resolution, including the use of a book-entry-only system with respect to the Bonds and the execution of an appropriate letter of representations if deemed appropriate, the determining and fixing of the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the aggregate principal amount of the Bonds and the amount of each maturity of principal thereof, the due date of each such maturity (not exceeding forty years from the date of the Bonds), the rate of interest to be borne by each such maturity, the interest payment dates and periods, the dates, price and terms upon and at which the Bonds shall be subject to redemption prior to due date or maturity at the option of the Issuer, any mandatory sinking fund redemption provisions, procuring municipal bond insurance, including the execution of any commitment agreements, membership agreements in mutual insurance companies, and other similar agreements, and approving modifications to this Resolution and executing such instruments, documents and agreements as may be necessary with respect thereto, if it is determined that such insurance would be financially desirable and advantageous, and all other matters relating to the issuance, sale and delivery of the Bonds. The Authorized Officer, acting for and on behalf of the Issuer, is authorized to arrange for the Bonds to be sold at a private placement, negotiated or competitive sale, at such price, in the aggregate principal amount not exceeding the maximum amount set forth in Section 1 hereof, with such maturities of principal, with such interest rates, and with such optional and mandatory sinking fund redemption provisions, if any, and other matters, as shall be set forth in a certification by the Authorized Officer. The Authorized Officer shall determine if the provisions of Rule 15c2-12 of the United States Securities and Exchange Commission relating to continuing disclosure of information shall be required to be complied with and, if required, what disclosure will be required to be complied with by the Issuer.

(c) If the Authorized Officer determines that the Bonds should be sold by private placement, the Authorized Officer shall select the purchaser which, after due consideration and investigation, is willing to buy the Bonds on the most advantageous terms to the Issuer as determined by the Authorized Officer.

(d) If the Authorized Officer determines that the Bonds should be sold by a negotiated sale, the Authorized Officer shall designate the senior managing underwriter for the Bonds and such additional investment banking firms as deemed appropriate to assure that the Bonds are sold on the most advantageous

terms to the Issuer. The Authorized Officer, acting for and on behalf of the Issuer, is authorized to enter into and carry out the terms of a Bond Purchase Contract for the Bonds to be sold by negotiated sale, with the underwriter(s) thereof at such price, with and subject to such terms as determined by the Authorized Officer subject to the parameters set forth in this Resolution. Any such Bond Purchase Contract shall be substantially in a form and substance previously approved by the Board in connection with the authorization of bonds by the Issuer with such changes as are acceptable to the Authorized Officer. The Authorized Officer shall cause to be prepared an official statement in such manner as the Authorized Officer deems appropriate.

(e) If the Authorized Officer determines that the Bonds should be sold at a competitive sale, the Authorized Officer shall cause to be prepared a notice of sale and official statement in such manner as the Authorized Officer deems appropriate, to make the notice of sale and official statement available to those institutions and firms wishing to submit a bid for the Bonds, to receive such bids, and to award the sale of the Bonds to the bidder submitting the best bid in accordance with the provisions of the notice of sale.

(f) It is hereby found and determined that the refunding of the Refunded Bonds is advisable and necessary in order to restructure the debt service requirements and procedures of the Issuer, and that the debt service requirements on the Bonds issued for refunding purposes will be less than those on the Refunded Bonds, resulting in a reduction in the amount of principal and interest which otherwise would be payable. The Refunded Bonds are subject to redemption, at the option of the Issuer, and the Authorized Officer is hereby authorized to cause all of the Refunded Bonds being refunded to be called for redemption on the respective date or dates, and the proper notices of such redemption to be given, and in each case at a redemption price of par, plus accrued interest to the date fixed for redemption. In furtherance of authority granted by Section 1207.007(b), Texas Government Code, the Authorized Officer is further authorized, if deemed appropriate or necessary, to enter into and execute on behalf of the Issuer with the escrow agent or deposit agent named therein, an escrow agreement or deposit agreement, in the form and substance as shall be approved by the Authorized Officer, which escrow agreement or deposit agreement will provide for the payment in full of the Refunded Bonds. In addition, the Authorized Officer is authorized to purchase such securities with proceeds of the Bonds, to execute such subscriptions for the purchase of the United States Treasury Securities, State and Local Government Series and to transfer and deposit such cash from available funds, as may be necessary for the escrow fund described in such escrow or deposit agreement.

(g) The authority of the Authorized Officer to sell the Bonds as described herein shall expire on the six-month anniversary date of the adoption of this Resolution by the Board.

Section 3. CHARACTERISTICS OF THE BONDS.

(a) Registration, Transfer, Conversion and Exchange; Authentication. The Issuer shall keep or cause to be kept at the principal corporate trust office of BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar") books or records for the registration of the transfer, conversion and exchange of the Bonds (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered 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 registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the

Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Bond or Bonds. Registration of assignments, transfers, conversions and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth in this Resolution. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

Except as provided in Section 3(c) hereof, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign said Bond, and no such Bond shall be deemed to be issued or outstanding unless such Bond is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for conversion and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein, and said Bonds shall be of type composition printed on paper with lithographed or steel engraved borders of customary weight and strength. Pursuant to Subchapter D, Chapter 1201, Texas Government Code, the duty of conversion and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which initially were issued and delivered pursuant to this Resolution, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

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

(c) In General. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the registered owners thereof, (ii) may or shall be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the Issuer at least 50 days prior to any such redemption date), (iii) transferred and assigned, (iv) may be converted and exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Bonds shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND set forth in this Resolution. The Bonds initially issued and delivered pursuant to this Resolution are not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for any Bond or Bonds issued under this Resolution the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF BOND.

(d) Substitute Paying Agent/Registrar. The Issuer covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Resolution, and that the Paying Agent/Registrar will be one entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Resolution. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Resolution, and a certified copy of this Resolution shall be delivered to each Paying Agent/Registrar.

(e) Book-Entry Only System. The Bonds issued in exchange for the Bonds initially issued to the purchaser specified herein shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("DTC"), and except as provided in subsection (f) hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of Bonds, as shown on the Registration Books, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of Bonds, as shown in the Registration Books of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Resolution to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the registered owners, as shown in the Registration Books as provided in this Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the

obligation of the Issuer to make payments of principal and interest pursuant to this Resolution. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Resolution with respect to interest checks being mailed to the registered owner at the close of business on the Record date, the words "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

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

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

(h) Notice of Redemption.

(i) In addition to the notice of redemption set forth in the FORM OF BOND, the Paying Agent/Registrar shall give notice of redemption of the Bonds by first class mail, postage prepaid at least thirty (30) days prior to a redemption date to each registered securities depository and to any national information service that disseminates redemption notices. In addition, in the event of a redemption caused by an advance refunding of the Bonds, the Paying Agent/Registrar shall send a second notice of redemption to the persons specified in the immediately preceding sentence at least thirty (30) days but not more than ninety (90) days prior to the actual redemption date. Any notice sent to the registered securities depositories or such national information services shall be sent so that they are received at least two (2) days prior to the general mailing or publication date of such notice. The Paying Agent/Registrar shall also send a notice of prepayment or redemption to the Registered Owner of any Bond who has not sent the Bonds in for redemption sixty (60) days after the redemption date.

(ii) Each notice of redemption given by the Paying Agent/Registrar, whether required in the FORM OF BOND or in this Section, shall contain a description of the Bonds to be redeemed including the complete name of the Bonds, the Series, the date of issue, the interest rate, the maturity date, the CUSIP number, the certificate numbers, the amounts called of each certificate, the publications and mailing date for the notice, the date of redemption, the redemption price, the name of the Paying Agent/Registrar and the address at which the Bonds may be redeemed, including a contact person and telephone number.

(iii) All redemption payments made by the Paying Agent/Registrar to the Registered Owners shall include a CUSIP number relating to each amount paid to such Registered Owner.

Section 4. FORM OF BONDS. The form of the Bonds, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Bonds initially issued and delivered pursuant to this Resolution, shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution.

FORM OF BOND

NO. R-

PRINCIPAL
AMOUNT
\$

UNITED STATES OF AMERICA
STATE OF TEXAS
TRINITY RIVER AUTHORITY OF TEXAS
CONTRACT REVENUE REFUNDING BOND, SERIES 2021
(LIVINGSTON REGIONAL WATER SUPPLY SYSTEM PROJECT)

<u>INTEREST RATE</u>	<u>[DATED DATE / DELIVERY DATE]</u>	<u>MATURITY DATE</u>	<u>CUSIP NO.</u>
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REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

ON THE MATURITY DATE specified above, the TRINITY RIVER AUTHORITY OF TEXAS (the "Issuer"), being a governmental agency, and body corporate and politic of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "registered owner") the principal amount set forth above, and to pay interest thereon from the [Dated Date / Delivery Date] as set forth above, on _____, ____ and semiannually thereafter on each _____ and _____ to the maturity date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; except that if this Bond is required to be authenticated and the date of its authentication 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; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged or converted from is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.

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 registered owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for

its redemption prior to maturity, at the principal corporate trust office of BOKF, NA, Dallas, Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the Resolution authorizing the issuance of this Bond (the "Bond Resolution") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the fifteenth calendar day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a 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.

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

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 principal corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day 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 a Series of Bonds dated [], 2021, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$_____, in order to refund certain outstanding bonds of the Issuer and pay costs of issuance of the Bonds.

ON _____, _____, or on any date thereafter, the Bonds of this Series may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds to be redeemed shall be selected and designated by the Issuer, at the redemption price of the principal amount, plus accrued interest to the date fixed for redemption.

The Bonds maturing in the year _____ are subject to mandatory redemption prior to maturity in part, at random, by lot or other customary method selected by the Paying Agent/Registrar, at par plus accrued interest to the redemption date, in amounts sufficient to redeem said Bonds on _____ in the years and principal amounts shown on the following schedule:

	<u>Maturity</u>	
		Principal
<u>Year</u>		<u>Amount (\$)</u>

The principal amount of said Bonds required to be redeemed pursuant to the operation of such mandatory redemption provision shall be reduced, at the option of the Issuer, by the principal amount of said Bonds of the respective maturity which, at least 50 days prior to the mandatory redemption date (1) shall have been acquired by the Issuer at a price not exceeding the principal amount of such Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Issuer at a price not exceeding the principal amount of such Bonds plus accrued interest to the date of purchase, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

AT LEAST THIRTY days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the registered owner of each Bond to be redeemed at its address as it appeared on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice of redemption and to major securities depositories, national bond rating agencies and bond information services; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the 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 registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any 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 registered owner, and in aggregate amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Resolution.

IF AT THE TIME OF MAILING of notice of optional redemption there shall not have either been deposited with the Paying Agent/Registrar or legally authorized escrow agent immediately available funds sufficient to redeem all the Bonds called for redemption, such notice must state that it is conditional, and is subject to the deposit of the redemption moneys with the Paying Agent/Registrar or legally authorized escrow agent at or prior to the redemption date, and such notice shall be of no effect unless such moneys are so deposited on or prior to the redemption date. If such redemption is not effectuated, the Paying Agent/Registrar shall, within 5 days thereafter, give notice in the manner in which the notice of redemption was given that such moneys were not so received and shall rescind the redemption.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Bond Resolution, this Bond, or any unredeemed portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this 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 registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Bond or portion thereof will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

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

IT IS HEREBY 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; that this Bond is a special obligation of the Issuer which are secured by and payable from a first lien on and pledge of the Issuer's "Net Revenues" (as defined in the Bond Resolution) from the "Trinity River Authority of Texas - City of Livingston Water System Services Contract", entered into as of February 22, 1978, as amended by the "Trinity River Authority of Texas - City of Livingston Water System Services Amendatory Contract", entered into as of June 26, 1991, between the Issuer and the City of Livingston, Texas, with respect to the Issuer's water supply and treatment system serving said City.

THE ISSUER has reserved the right, subject to the restrictions stated or referred to in the Bond Resolution, to issue additional parity revenue bonds which also may be made payable from and secured by a first lien on and pledge of the aforesaid Net Revenues.

THE ISSUER also has reserved the right to amend the Bond Resolution with the approval of the owners of two-thirds in principal amount of all outstanding bonds secured by and payable from a first lien on and pledge of the aforesaid Net Revenues, subject to the restrictions stated in the Bond Resolution.

THE REGISTERED OWNER hereof shall never have the right to demand payment of this Bond or the interest hereon from taxes or from any source whatsoever other than specified in the Bond Resolution.

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

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the President of the Board of Directors of the Issuer and countersigned with the manual or facsimile signature of the Secretary of the Board of Directors of the Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

Secretary, Board of Directors
Trinity River Authority of Texas

President, Board of Directors,
Trinity River Authority of Texas

(SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Bond is not accompanied by an executed Registration Certificate of the
Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the Bond Resolution described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a bond, bonds, or a portion of a bond or bonds of a Series which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____.

BOKF, NA
Paying Agent/Registrar

By: _____
Authorized Representative

FORM OF ASSIGNMENT

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto:

Please insert Social Security or Taxpayer Identification Number of Transferee

Please print or type name and address, including zip code of Transferee

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

Dated: _____.

Signature Guaranteed:

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

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

FORM OF REGISTRATION CERTIFICATE OF
THE TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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 of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

(b) Insertions for the Initial Bond:

The initial Bond shall be in the form set forth in paragraph (a) of this Section, except that:

(i) 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.

(ii) the first paragraph shall be deleted and the following will be inserted:

"TRINITY RIVER AUTHORITY OF TEXAS (the "Issuer"), being a governmental agency, and body corporate and politic of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on the Maturity Dates, in the Principal Amounts and bearing interest at the per annum rates set forth in the following schedule:

<u>Maturity Dates</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
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(Information for the Bonds from the Pricing Certificate to be inserted)

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the [Dated Date / Delivery Date] at the respective Interest Rate per annum specified above. Interest is payable on [], and on each [] and [] thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that if this Bond is required to be authenticated and the date of its authentication 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; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full."

(iii) The initial Bond shall be numbered "TR-1."

Section 5. ADDITIONAL DEFINITIONS AND PLEDGE.

(a) As used in this Resolution the term "Bonds" means collectively the Bonds as described and defined in Sections 1 and 2 of this Resolution, and all substitute bonds exchanged therefor, and all other substitute and replacement bonds, issued as provided in this Resolution. The term "Parity Bonds" shall mean the Series 2010 Bonds, the Series 2013 Bonds, the Bonds, and any other bonds hereafter issued by the Issuer on a parity therewith as permitted by the Contract or bonds issued to refund such bonds.

(b) The Contract provides for the monthly payment by the City to the Issuer of all Operation and Maintenance Expenses of the Project, and the principal of and the interest on all "Bonds", as defined in the Contract, issued by the Issuer pursuant to the Contract, as such principal and interest come due, plus the fees and charges of the Paying Agent for such "Bonds", and other amounts as required by each resolution authorizing the issuance of such "Bonds". The term "Net Revenues", as used in this Resolution, shall mean and be defined as all of the gross revenues or payments received by the Issuer from the City under the Contract, after deducting therefrom the amounts required to pay the Operation and Maintenance Expenses of the Project, as defined in the Contract, with the result that the Net Revenues shall consist of the amounts necessary to pay all principal and/or interest coming due on all Parity Bonds on each principal and/or interest payment date plus the fees and charges of the Paying Agent for the Parity Bonds, including its charges as Registrar for the Bonds. All Parity Bonds, including the Bonds authorized by this Resolution and the interest thereon, are and shall be payable from and secured by an irrevocable first lien on and pledge of said Net Revenues, and said Net Revenues are further pledged irrevocably to the establishment and maintenance of the Funds hereinafter provided for. The City has contracted to make all of its payments under the Contract from the revenues of the City's combined waterworks and sanitary sewer system as an operating expense of such combined waterworks and sanitary sewer system.

Section 6. SPECIAL FUNDS. That all gross revenues or payments received by the Issuer under the Contract shall be kept separate and apart from all other funds of the Issuer and the following special Funds have been created and are hereby confirmed, and shall be established and maintained so long as any of the Parity Bonds, or interest appertaining thereto, are outstanding and unpaid:

(a) the Revenue Fund, which shall be maintained in an official depository bank of the Issuer;

(b) the Interest and Sinking Fund, which shall be maintained in an official depository bank of the Issuer; and

(c) the Reserve Fund, which shall be maintained in an official depository bank of the Issuer.

Section 7. REVENUE FUND. All gross revenues or payments received by the Issuer under the Contract shall be deposited as received by the Issuer into the Revenue Fund, and shall be deposited from the Revenue Fund, as hereinafter provided.

Section 8. INTEREST AND SINKING FUND. There shall be deposited into the Interest and Sinking Fund the following:

(a) immediately after the delivery of the Bonds, there shall be deposited into the Interest and Sinking Fund any accrued interest received as proceeds from the sale of the Bonds.

(b) on or before each principal and interest payment date, an amount sufficient, together with any other amounts on deposit therein and available for such purpose, to pay the interest and principal, if any, coming due on all Parity Bonds on the next succeeding interest payment date.

Section 9. USE OF INTEREST AND SINKING FUND. The Interest and Sinking Fund shall be used solely to pay the principal of and interest on the Parity Bonds as such principal matures and such interest comes due.

Section 10. RESERVE FUND. (a) In addition to words and terms otherwise defined in this Resolution, the following definitions shall apply to words and terms used in this section:

"Bond Insurance Policy" means an insurance policy issued by a Bond Insurer insuring or guaranteeing the payment of principal of and interest on any Parity Bonds.

"Bond Insurer" means an entity that insures or guarantees the payment of principal of and interest on any of the Parity Bonds.

"Credit Facility" means a Bond Insurance Policy, a surety bond (including any supporting Insurance Agreement), or a letter or line of credit issued in support of any Parity Bonds by a Credit Facility Provider at the request of the Issuer.

"Credit Facility Provider" means (i) with respect to any Credit Facility consisting of a policy of municipal bond insurance or a surety bond, an issuer of policies of insurance insuring the timely payment of debt service on governmental obligations such as the Parity Bonds, provided that a Rating Agency having an outstanding rating on the Parity Bonds would rate the Parity Bonds upon delivery of the Parity Bonds fully insured by a standard policy issued by the issuer in its highest generic rating category for such obligations; and (ii) with respect to any Credit Facility consisting of a letter or line of credit, any financial institution, provided that a Rating Agency having an outstanding rating on the Parity Bonds would rate the Parity Bonds in one of its two highest generic rating categories for such obligations if the letter or line of credit proposed to be issued by such financial institution secured the timely payment of the entire principal amount of the series of Parity Bonds and the interest thereon.

"Fitch" means Fitch Ratings, Ltd., its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Fitch shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

"Insurance Agreement" means an agreement between the Issuer and the Bond Insurer respecting a municipal bond debt service reserve insurance policy constituting a Reserve Fund Obligation.

"Moody's" means Moody's Investors Service, Inc., its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Moody's shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

"Rating Agencies" means S&P, Moody's and/or Fitch according to which of such rating agencies then rates the Parity Bonds of the applicable series; and provided that if neither of such rating agencies then rates the Parity Bonds of such series, the term "Rating Agencies" shall refer to any national rating agency (if any) which provides such rating.

"Required Reserve" means an amount equal to the lesser of (i) the average annual principal and interest requirements on the Parity Bonds or (ii) the amount determined by the Internal Revenue Code of 1986, as amended, and the regulations thereunder, as of the date of issuance of any hereafter issued Parity Bonds issued with the intent that interest thereon will be excludable from the gross income of the registered owners thereof for federal income tax purposes, to be a reasonably required reserve or replacement fund.

"Reserve Fund Obligation" means a Credit Facility satisfying the requirements of this section which is deposited in the Reserve Fund to meet all or part of the Required Reserve as provided in section.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, S&P shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

(b) Initially, immediately following delivery of the Bonds, the Required Reserve shall be funded by either a deposit of bond proceeds or the purchase of a Reserve Fund Obligation. Thereafter, no further deposits shall be made into the Reserve Fund as long as the money and investments, together with any Reserve Fund Obligation, in the Reserve Fund are at least equal in market value to the Required Reserve; but if and whenever the market value of money and investments, together with any Reserve Fund Obligation, in the Reserve Fund is reduced below said Required Reserve because of a decrease in market value of investments, then the Issuer shall require the City to increase payments under the Contract as soon as practicable, and in all events by the end of the next Fiscal Year, in an amount sufficient to restore the Reserve Fund to the Required Reserve; and in the event the Reserve Fund is used to pay the principal or interest on the Parity Bonds because of insufficient amounts being available in the Interest and Sinking Fund, then the Issuer shall require the City to increase payments under the Contract in an amount sufficient to restore the Reserve Fund to the Required Reserve in market value, and from such increased payments the Issuer shall deposit in the Reserve Fund, in approximately equal periodic installments, not less than annual, such amounts as are required to restore the Reserve Fund to the Required Reserve in market value as soon as practicable, but in any case, within one year from any date of the use of the Reserve Fund to pay

such principal or interest. For purposes of calculating the amount on hand in the Reserve Fund, an amount equal to the maximum available amount which may be drawn under any qualifying Reserve Fund Obligation, as described in (f) below, will be deemed on deposit in the Reserve Fund. During any period in which the money and investments credited to the Reserve Fund, taking into account any qualifying Reserve Fund Obligation, are equal to or exceed the Required Reserve in market value then during such period all investment earnings and income from the Reserve Fund shall be deposited upon receipt to the credit of the Interest and Sinking Fund.

(c) The Reserve Fund shall be used only for the purpose of paying principal of or interest on the Parity Bonds when there is not sufficient money available in the Interest and Sinking Fund for such payments, and shall be used finally to pay, redeem or retire the last of the outstanding Parity Bonds.

(d) The Reserve Fund shall secure and be used to pay all Parity Bonds, in the manner and to the extent provided herein. However, each resolution pursuant to which Additional Bonds are issued shall provide and require that (i) the aggregate amount to be accumulated and maintained in the Reserve Fund shall be increased (if and to the extent necessary) to the Required Reserve required after the issuance of such Additional Bonds; and (ii) the required additional amount, if any, shall be so accumulated by (A) the deposit in the Reserve Fund of all of said required additional amount in cash from proceeds from the sale of the Additional Bonds or a Reserve Fund Obligation immediately after the delivery of the then proposed Additional Bonds or (B) at the option of the Issuer, by the deposit of said required additional amount (or any balance of said required additional amount not deposited in cash as permitted above) in five approximately equal annual installments, made on or before the 1st day of February of each year following the delivery of the then proposed Additional Bonds.

(e) Notwithstanding any other provisions of this Resolution, an equivalent Reserve Fund Obligation may be substituted by the Issuer at any time and from time to time for all or any part of the money and/or investments held for the credit of the Reserve Fund, and such money and/or investments may be withdrawn and used for any lawful purpose, provided, however, that to the extent such funds were derived from the proceeds of Parity Bonds, such funds may only be withdrawn and either (i) deposited into the Interest and Sinking Fund or (ii) applied for a purpose for which such Parity Bonds were originally issued. If a Reserve Fund Obligation is used as provided above, any reimbursements required thereunder to be paid to a Credit Facility Provider as a result of a draw or demand thereunder and any interest thereon and expenses payable thereunder shall be made, as provided in the Reserve Fund Obligation, from moneys deposited into the Reserve Fund until fully paid. If it becomes necessary to pay interest on or principal of any Bonds from the Reserve Fund, money and investments held for the credit of the Reserve Fund shall be utilized first for such purpose, before any demand or draw is made on a Reserve Fund Obligation.

(f) A Reserve Fund Obligation permitted under (b), above, must be a Credit Facility in the form of a surety bond, insurance policy, or letter of credit meeting the requirements described below.

(1) A surety bond or insurance policy issued to the Issuer or other party, as agent of the registered owners, by a company licensed to issue an insurance policy guaranteeing the timely payment of debt service on the Bonds (a "municipal bond insurer") if the claims paying ability of the issuer thereof shall, at the time of issuance, be rated by at least two of the following rating agencies in the indicated rating categories, to-wit, "AAA" by S&P or Fitch or "Aaa" by Moody's.

(2) A surety bond or insurance policy issued to the Issuer or other party, as agent of the registered owners, by an entity other than a municipal bond insurer, if the form and substance of such instrument and the issuer thereof shall be approved in writing by each Bond Insurer of record.

(3) An unconditional irrevocable letter of credit issued to the Issuer or other party, as agent of the registered owners, by a bank if the issuer thereof, at the time of issuance, is rated by at least two of the following rating agencies in the indicated rating categories, to-wit, at least "AA" by S&P or Fitch or "Aa" by Moody's. The letter of credit shall be payable in one or more draws upon presentation by the Issuer or other party of a sight draft accompanied by its certificate (which must be satisfactory in form and substance to the Issuer or other party and the issuer of the letter of credit) that the Issuer then holds insufficient funds to make a required payment of principal or interest on the Parity Bonds. The draws shall be payable within two days of presentation of the sight draft. The letter of credit shall be for a term of not less than three years and shall be subject to an "evergreening" feature so as to provide the Issuer with at least 30 months notice of termination. The issuer of the letter of credit shall be required to notify the Issuer not later than 30 months prior to the stated expiration date of the letter of credit, as to whether such expiration date shall be extended, and if so, shall indicate the new expiration date. If such notice indicates that the expiration date shall not be extended, the Issuer shall deposit in the Reserve Fund, in accordance with this section, an amount sufficient to cause the money or investments on deposit in the Reserve Fund, together with any other qualifying Reserve Fund Obligations, to accumulate to the Required Reserve, unless the expired Reserve Fund Obligation is replaced by a Reserve Fund Obligation meeting the requirements in any of 1 through 3, above. The letter of credit shall permit a draw in full prior to the expiration or termination of such letter of credit if the letter of credit has not been replaced or renewed. The Issuer or other party shall draw upon the letter of credit prior to its expiration or termination unless an acceptable replacement is in place or the Reserve Fund is fully funded to the Required Reserve.

(4) The obligation to reimburse the issuer of a Reserve Fund Obligation for any expenses, claims, or draws upon such Reserve Fund Obligation, including interest thereon, shall be made from the deposits made to the Reserve Fund as provided in this section and in accordance with the provisions of the Reserve Fund Obligation. The Reserve Fund Obligation shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the issuer of the Reserve Fund Obligation to reimbursement will be subordinated to the cash replenishment of the Reserve Fund to an amount equal to the difference between the full original amount available under the Reserve Fund Obligation and the amount then available for further draws or claims. In the event (a) the issuer of a Reserve Fund Obligation becomes insolvent, or (b) the issuer of a Reserve Fund Obligation defaults in its payment obligations thereunder, or (c) the claims paying ability of the issuer of the insurance policy or surety bond falls below "AAA" by S&P or Fitch or "Aaa" by Moody's, or (d) the rating of the issuer of the letter of credit falls below the "AA" category by S&P or Fitch or the "Aa" category by Moody's, the obligation to reimburse the issuer of the Reserve Fund Obligation shall be subordinate to the cash replenishment of the Reserve Fund.

(5) In the event (a) the issuer of the Reserve Fund Obligation defaults in its payment obligations hereunder, or (b) the issuer of the Reserve Fund Obligation becomes insolvent, the Issuer shall either (i) deposit into the Reserve Fund, in accordance with this section, amounts sufficient to cause the money or investments on deposit in the Reserve Fund to accumulate to the Required Reserve within twelve months of such occurrence, or (ii) replace such instrument with a surety bond, insurance policy, or letter of credit meeting the requirements in any of 1 through 3 above within twelve months of such occurrence.

(6) Where applicable, the amount available for draws or claims under a Reserve Fund Obligation may be reduced by the amount of money or investments deposited in the Reserve Fund pursuant to clause (i) of the preceding subparagraph 5.

(7) The Issuer shall ascertain the necessity for a claim or draw upon any Reserve Fund Obligation and provide notice to the issuer of the Reserve Fund Obligation in accordance with its terms not later than three days (or such appropriate time period as will, when combined with the timing of required payment under the Reserve Fund Obligation, ensure payment under the Reserve Fund Obligation on or before the interest payment date) prior to each interest payment date.

(8) Cash on deposit in the Reserve Fund shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on any Reserve Fund Obligation. If and to the extent that more than one Reserve Fund Obligation is deposited in the Reserve Fund, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

(g) Any excess in the Reserve Fund over the Required Reserve in effect at any time shall be deposited to the credit of the Interest and Sinking Fund."

Section 11. ISSUER'S EXPENSES AND COSTS. The Issuer shall pay the Operation and Maintenance Expenses of the Project from the payments made by the City under the Contract specifically for such purpose, and in no event from the pledged Net Revenues.

Section 12. INVESTMENTS. Money in any Fund maintained pursuant to this Resolution may, at the option of the Issuer, be invested as permitted by the Public Funds Investment Act, Chapter 2256, Texas Government Code, and the investment policy of the Issuer. Such deposits and investments shall be made consistent with the estimated requirements of such Funds, and any obligation in which money is so invested shall be kept and held for the benefit of the owners of the Bonds, and shall be promptly sold and the proceeds of sale applied to the making of all payments required to be made from the Fund from which the investment was made. All earnings from the deposit or investment of any such Fund shall be credited to such Fund. All investment earnings on deposit in the Interest and Sinking Fund shall reduce the amounts which otherwise would be required to be deposited therein, with the result that the City's principal and/or interest payments under the Contract shall be reduced accordingly.

Section 13. DEFICIENCIES IN FUNDS. If the Issuer should fail at any time to deposit into any Fund created by this Resolution the full amounts required, amounts equivalent to such deficiencies shall be set apart and paid into said Funds from the first available Net Revenues, and such payments shall be in addition to the amounts otherwise required to be deposited into said Funds.

Section 14. SECURITY FOR FUNDS. All Funds created by this Resolution shall be secured in the manner and to the fullest extent permitted or required by law for the security of the Issuer's funds, and such Funds shall be used only for the purposes and in the manner permitted or required by this Resolution.

Section 15. ADDITIONAL PARITY BONDS. The Issuer reserves the right to issue additional parity revenue bonds in such amounts as are required for the purpose of improving or extending the Project, or for the purpose of refunding any outstanding Parity Bonds. Such additional parity revenue bonds shall be considered, constitute, and be defined as "Parity Bonds" for all purposes of this Resolution and the Contract, and when issued and delivered they shall be payable from and secured by a first lien on and pledge of the Net Revenues, in the same manner and to the same extent as the other Parity Bonds; and all of the Parity Bonds shall in all respects be on a parity and of equal dignity. The additional parity revenue Parity

Bonds may be issued in one or more installments or series, provided, however, that no such installment or series shall be issued unless:

- (a) a certificate is executed by the President and Secretary of the Board of Directors of the Issuer to the effect that no default exists in connection with any of the covenants or requirements of the resolution or resolutions authorizing the issuance of all then outstanding Parity Bonds, and that the Interest and Sinking Fund and Reserve Fund contain the amounts then required to be on deposit therein;

- (b) the resolution authorizing the issuance of such installment or series of Parity Bonds shall provide for the payment of the principal of and interest on such Parity Bonds from Net Revenues; and

- (c) the governing body of the City passes an ordinance or adopts a resolution approving a substantial draft of the resolution authorizing the issuance of such installment or series of Parity Bonds.

Section 16. ACCOUNTS AND RECORDS. The Issuer shall keep proper books of records and accounts, separate from all other records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the Project and payments under the Contract. The Issuer shall have said books audited once each Issuer fiscal year by an independent Certified Public Accountant.

Section 17. ACCOUNTING REPORTS. Within one hundred thirty-five (135) days after the close of each Issuer fiscal year hereafter, the Issuer shall forward to any holder or owner of any of the Parity Bonds who shall so request in writing, and to the City, a signed or certified copy of a report by a Certified Public Accountant, covering the next preceding fiscal year, showing the following information:

- (a) A detailed statement of all payments under the Contract, and the Issuer's disbursements thereof;

- (b) Balance sheet as of the end of said fiscal year;

- (c) Accountant's comment regarding the manner in which the Issuer has complied with the requirements of this Resolution and his recommendations, if any, for any changes or improvements.

Section 18. INSPECTION. Any holder or owner of any Parity Bonds shall have the right at all reasonable times to inspect all records, accounts and data of the Issuer relating to the Contract and the Funds created by this Resolution.

Section 19. SPECIAL COVENANTS. The Authority further covenants as follows:

- (a) that other than for the payment of the Parity Bonds the Net Revenues have not in any manner been pledged to the payment of any debt or obligation of the Issuer;

- (b) that while any of the Parity Bonds are outstanding, the Issuer will not, with the exception of the additional parity revenue Parity Bonds expressly permitted by this Resolution to be issued, additionally encumber the Net Revenues;

- (c) that the Issuer will carry out all of its obligations under the Contract; and when or if necessary will promptly enforce and cause the City to carry out its obligations under the Contract

and any other pertinent agreements or contracts, for the benefit of the Issuer and the holders of the Parity Bonds, by all legal and equitable means, including the use of mandamus proceedings against the City.

Section 20. PARITY BONDS ARE SPECIAL OBLIGATIONS. The Parity Bonds shall be special obligations of the Issuer payable solely from the pledged Net Revenues, and the holders or owners of the Parity Bonds shall never have the right to demand payment thereof out of funds raised or to be raised by the levy of taxes.

Section 21. AMENDMENT OF RESOLUTION. (a) The holders and owners of Parity Bonds aggregating in principal amount two-thirds of the aggregate principal amount of then outstanding Parity Bonds (for purposes of this sentence only, 100% of the aggregate principal amount of Parity Bonds which are insured by a bond insurance provider at the time that the Issuer seeks approval of an amendment shall be deemed to be owned by such bond insurance provider) shall have the right from time to time to approve any amendment to this Resolution which may be deemed necessary or desirable by the Issuer, provided, however, that nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions in this Resolution or in the Parity Bonds so as to:

- (1) Make any change in the maturity of the outstanding Parity Bonds;
- (2) Reduce the rate of interest borne by any of the outstanding Parity Bonds;
- (3) Reduce the amount of the principal payable on the outstanding Parity Bonds;
- (4) Modify the terms of payment of principal of or interest on the outstanding Parity Bonds, or impose any conditions with respect to such payment;
- (5) Affect the rights of the holders or owners of less than all of the Parity Bonds then outstanding; or
- (6) Change the minimum percentage of the principal amount of Parity Bonds necessary for consent to such amendment.

(b) If at any time the Issuer shall desire to amend the Resolution under this Section, the Issuer shall cause notice of the proposed amendment to be published one time in a financial newspaper or journal published in the State of Texas. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Paying Agent for inspection by all holders of Parity Bonds. Such publication is not required, however, if notice in writing is given to each holder of Parity Bonds.

(c) Whenever at any time not less than thirty days, and within one year, from the date of the first publication of said notice or other service of written notice the Issuer shall receive an instrument or instruments executed by the holders and owners of at least two-thirds in aggregate principal amount of all Parity Bonds then outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file with the Paying Agent, the Issuer may adopt the amendatory resolution in substantially the same form.

(d) Upon the adoption of any amendatory resolution pursuant to the provisions of this Section, the Resolution shall be deemed to be amended in accordance with such amendatory resolution, and the respective rights, duties, and obligations under the Resolution of the Issuer and all the holders of then

outstanding Bonds shall thereafter be determined, exercised, and enforced hereunder, subject in all respects to such amendments.

(e) Any consent given by the holder or owner of a Parity Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication of the notice provided for in this Section, and shall be conclusive and binding upon all future holders or owners of the same Bond during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the holder or owner who gave such consent, or by a successor in title, by filing notice thereof with the Paying Agent and the Issuer, but such revocation shall not be effective if the holders or owners of two-thirds aggregate principal amount of the then outstanding Parity Bonds as in this Section defined have, prior to the attempted revocation, consented to and approved the amendment.

(f) For the purpose of this Section, the fact of the holding of Parity Bonds which have interest coupons attached thereto and are payable to bearer by any Bondholder and the amount and numbers of such Bonds, and the date of their holding same, may be proved by the affidavit of the person claiming to be such holder, or by a certificate executed by any trust company, bank, banker, or any other depository wherever situated showing that at the date therein mentioned such person had on deposit with such trust company, bank, banker, or other depository, the Parity Bonds described in such certificate. The Issuer may conclusively assume that such ownership continues until written notice to the contrary is served upon the Issuer. The fact of owning Parity Bonds which are payable only to the registered owner thereof shall be ascertained from the registration books of the Paying Agent/Registrar for such Parity Bonds.

Section 22. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.

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

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the registered owner applying for a replacement bond shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the registered owner shall furnish to the Issuer and to the Paying Agent/Registrar 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 registered owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) No Default Occurred. 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 of, redemption premium, if any, or interest on the Bond, the Issuer 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.

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the registered 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 Issuer 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 Resolution equally and proportionately with any and all other Bonds duly issued under this Resolution.

(e) Authority for Issuing Replacement Bonds. In accordance with Subchapter B, Chapter 1206, Texas Government Code, this Section shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 3 for Bonds issued in conversion and exchange for other Bonds.

Section 23. DEFEASANCE OF BONDS.

(a) Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Bond") within the meaning of this Resolution, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the Net Revenues as provided in this Resolution, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Resolution to the contrary, it is hereby provided that any determination not to redeem Defeased Bonds that is made in conjunction with the payment arrangements specified in subsection 23(a)(i) or (ii) shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Bonds immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer also be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection 23(a)(i) or (ii). All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Bonds, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

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

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

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

Section 24. COVENANTS REGARDING TAX-EXEMPTION.

(a) General Tax Covenants Regarding Tax Exemption of Interest on the Bonds. The Issuer covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

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

(ii) to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds 5 percent of the proceeds of the Bonds (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;

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

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

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

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

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

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

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

(vii) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings);

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

In order to facilitate compliance with the above covenant (viii), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such Fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

The Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the Issuer 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 Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such modification or expansion, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the General Manager of the Issuer to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds. This Resolution is intended to satisfy the official intent requirements set forth in section 1.150-2 of the Treasury Regulations.

(b) Interest Earnings on Bond Proceeds. Interest earnings derived from the investment of proceeds from the sale of the Bonds shall be used along with other bond proceeds for the purpose for which the Bonds are issued, as set forth in Section 1 hereof; provided that after completion of such purpose, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Redemption Fund. It is further provided, however, that any interest earnings on bond proceeds which are required to be rebated to the United States of America pursuant to Section 24(a) hereof in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 25. DISPOSITION OF PROJECT. The Issuer covenants that the property constituting the Project financed with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 26. ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR THE PROJECT. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Resolution (the "Project") on its books and records in accordance with the requirements of the Internal Revenue Code. The Issuer recognizes that in order for the proceeds 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 Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Issuer recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired. The Issuer 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 Bonds. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 27. CUSTODY, APPROVAL, BOND COUNSEL'S OPINION, CUSIP NUMBERS AND INSURANCE. The President of the Board of Directors and the General Manager of the Issuer are hereby authorized to have control of the Bonds issued hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and the approval of the Bonds by the Attorney General of the State of Texas. The Comptroller of Public Accounts is requested to cause the Bonds to be registered in accordance with law. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Bonds or on any Bonds issued and delivered in conversion of and exchange or replacement of any Bond, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds. If insurance is obtained on any of the Bonds, the Bonds shall bear, as appropriate and applicable, a legend concerning insurance as provided by the Insurer.

Section 28. FURTHER PROCEDURES. The President, Vice President and Secretary of the Board of Directors of the Issuer, the General Manager and Chief Financial Officer (as the "Authorized Officer" of the Issuer) and all other officers, employees and agents of the Issuer, and each of them, 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 corporate seal and on behalf of the Issuer a Letter of Representation with DTC regarding the Book-Entry Only System, the Paying Agent/Registrar Agreement with the Paying Agent/Registrar and all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the Letter of Representation, the Bonds, the sale of the Bonds and the Official Statement. Notwithstanding anything to the contrary contained herein, while the Bonds are subject to DTC's Book-Entry Only System and to the extent permitted by law, the Letter of Representation is hereby incorporated herein and its provisions shall prevail over any other provisions of this Resolution in the event of conflict. 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.

Section 29. CONTINUING DISCLOSURE OF INFORMATION.

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

"Financial Obligation" means a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of the foregoing (a) and (b). The term Financial Obligation does not include any municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

(b) Pursuant to a Continuing Disclosure Agreement by and between the Issuer and the Contracting Parties, the Issuer and the Contracting Parties have undertaken for the benefit of the beneficial owners of the Bonds, to the extent set forth therein, to provide continuing disclosure of financial information and operating data with respect to the Contracting Parties in accordance with the Rule as promulgated by the SEC.

(c) Annual Reports.

The Authority will provide its audited financial statements with the MSRB through its EMMA system within six months after the end of the Authority's fiscal year. If audited financial statements are not available by the required time, the Authority will provide unaudited financial statements within the required time and audited financial statements when and if such audited financial statements become available. Any such financial statements will be prepared in accordance with generally accepted accounting principles in effect at the time or that the Authority may be required to employ from time to time pursuant to State law or regulation.

The Authority's fiscal year end is November 30. Accordingly, the Authority must provide updated information by May 31 in each year beginning with the fiscal year ending in 2021. If the Authority changes its fiscal year, the Authority 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 Authority otherwise would be required to provide financial statements pursuant to this Section.

(d) The Issuer shall notify 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:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect Bondholders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

As used in clause 12 above, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court of

governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if jurisdiction has been assumed by leaving the Board and officials or officers of the Issuer 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 Issuer.

(e) The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide information in accordance with subsections (c) and (d) of this Section by the time required by such subsection.

(f) The financial statements 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 website or filed with the SEC. All financial statements and notices required to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB.

(g) This section shall not apply if the Bonds are sold by private placement and it is so specified in the Pricing Certificate that this section does not apply to the Bonds.

Section 30. SECURITY INTEREST. Chapter 1208, Government Code, applies to the issuance of the Bonds and the pledge of the Net Revenues granted by the Issuer under Section 5 of this Resolution, and is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the Net Revenues granted by the Issuer under Section 5 of this Resolution is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 31. REPEAL OF CONFLICTING RESOLUTIONS. All resolutions and all parts of any resolutions which are in conflict or inconsistent with this Resolution are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency.

PRIVATE BOND PURCHASE AGREEMENT

For

Trinity River Authority of Texas Contract Revenue Refunding Bond, Series 2021
(Livingston Regional Water Supply System Project)

March 5, 2021

Trinity River Authority of Texas
5300 S. Collins
Arlington, Texas 76018

I, the undersigned, being an authorized officer of Regions Capital Advantage, Inc. (the "Purchaser") acknowledge that the Trinity River Authority of Texas (the "Issuer"), is issuing its Trinity River Authority of Texas Contract Revenue Refunding Bond, Series 2021 (Livingston Regional Water Supply System Project) (the "Bond") for the public purpose of refinancing outstanding bonds as described in Resolution No. R-1565 authorizing the issuance and sale of the Bond (the "Resolution").

The Purchaser understands that the Bond is payable from and secured by a first lien on and pledge of the Issuer's "Net Revenues" (as defined in the Resolution) from the "Trinity River Authority of Texas - City of Livingston Water System Services Contract", entered into as of February 22, 1978, as amended by the "Trinity River Authority of Texas - City of Livingston Water System Services Amendatory Contract", entered into as of June 26, 1991, between the Issuer and the City of Livingston, Texas.

The Purchaser further understands that the Bond will be sold for cash, will be approved by the Attorney General of the State of Texas, and will be delivered in the form of one registered Bond and in the denomination of \$2,040,000, representing the aggregate principal amount thereof. The Bond will be made payable to the order of the Purchaser. In connection with the Bond, the Purchaser agrees as follows:

1. Interest Rate; Payment Dates. The Purchaser will purchase the Bond, which shall be delivered to the Purchaser on or about April 8, 2021. The interest rate on the Bond shall be 2.150% per annum. The first interest payment date for the Bond shall be August 1, 2021 with interest payable on each February 1 and August 1 thereafter until maturity or prior redemption. Principal of the Bond will be payable in annual installments under the terms and conditions described below. The purchase price for the Bond shall be the principal amount thereof. Interest on the Bond will accrue interest from the date of initial delivery. The Bond has not been designated as a qualified tax-exempt obligation for financial institutions.

2. Annual Installments. Annual principal installment payments shall be made to the registered owner of the Bond on the dates and in the amounts shown below:

<u>Payment Date</u>	<u>Principal Installment</u>	<u>Coupon</u>
08/01/2021	\$110,000	2.150%
08/01/2022	\$110,000	2.150%
08/01/2023	\$115,000	2.150%
08/01/2024	\$110,000	2.150%
08/01/2025	\$115,000	2.150%
08/01/2026	\$120,000	2.150%
08/01/2027	\$125,000	2.150%
08/01/2028	\$125,000	2.150%
08/01/2029	\$130,000	2.150%
08/01/2030	\$135,000	2.150%
08/01/2031	\$135,000	2.150%
08/01/2032	\$140,000	2.150%
08/01/2033	\$140,000	2.150%
08/01/2034	\$140,000	2.150%
08/01/2035	\$145,000	2.150%
08/01/2036 *	\$145,000	2.150%

* Final Maturity

3. *Early Redemption.* On April 15, 2029 or any date thereafter, the unpaid principal installments of the Bond may be redeemed prior to their scheduled due dates, at the option of the Issuer, as a whole or in part, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption, without premium.

4. *Default Rates; Determination of Taxability.*

- (a) If the Authority defaults in the payment of the principal of or interest on the Bond when due ("Event of Default"), any principal of and interest on the Bond shall bear interest at the Default Interest Rate per annum. "Default Interest Rate" means the Base Rate plus 4.00%. "Base Rate" means 2.150%.
- (b) Upon the occurrence of a final determination from the Internal Revenue Service that interest on the Bond is not exempt from federal income taxation (a "Determination of Taxability"), the Issuer agrees to pay to the Bank a make-whole rate of interest from the date of Closing that would provide the Bank with an after-tax yield on the then outstanding principal amount of the Bond equal to the after-tax yield the Bank could have received if a Determination of Taxability had not occurred.

5. *Paying Agent/Registrar.* The Bond will be fully registered as to principal and interest, and the Regions Capital Advantage, Inc., Birmingham, Alabama shall serve as the initial paying agent and registrar for the Bond. The Bond is transferable in whole or in part.

6. *Investment Information.* In regard to its purchase of the Bond, the Purchaser acknowledges that no prospectus or other offering document has been prepared; however, the Issuer has furnished the Purchaser with all information requested by the Purchaser to permit the Purchaser to make an informed decision concerning its purchase of the Bond, and the Purchaser has made such inspections and investigations as it has deemed necessary to determine the quality of the Bond and to assess all risk factors associated with the purchase and ownership of the Bond. The Purchaser hereby acknowledges and represents that it has been furnished with such financial information relating to the Issuer as it has requested for the purposes of making its assessment to purchase the Bond. The Purchaser has had a reasonable opportunity to request and review such other information as it needs from the Issuer in order to enable it to make its purchasing decision. The Purchaser is not relying on McCall, Parkhurst & Horton L.L.P., the Issuer's Bond Counsel, nor the Issuer's financial advisor, as to the completeness or accuracy of any financial information provided to the Purchaser by the Issuer in connection with its determination to purchase the Bond.

7. *Evidence of Loan.* The Issuer acknowledges and agrees that the Purchaser is purchasing the Bond in evidence of a privately negotiated loan and in that connection the Bond shall not be (i) assigned a separate rating by any municipal securities rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of offering document or official statement or (iv) assigned a CUSIP number by Standard & Poor's CUSIP Service.

8. *Role of Bank as Lender.* The Purchaser and its representatives are not registered municipal advisors and do not provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for the provision by non-affiliated persons of municipal advisory services and/or investment advisory services. With respect to this Agreement and any other information, materials or communications provided by the Purchaser: (a) the Purchaser and its representatives are not recommending an action to any municipal entity or obligated person; (b) the Purchaser and its representatives are not acting as an advisor to any municipal entity or obligated person and do not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to any municipal entity or obligated person with respect to this Agreement, information, materials or communications; (c) the Purchaser and its representatives are acting for their own interests; and (d) the Issuer has been informed that the Issuer should discuss this Agreement and any such other information, materials or communications with any and all internal and external advisors and experts that the Issuer, respectively, deem appropriate before acting on this Agreement or any such other information, materials or communications.

9. *Closing, Delivery and Payment.* Payment of the purchase price and delivery of the Bond shall occur at 10:00 a.m. Dallas Texas time on April 8, 2021 (the "Closing"). At the Closing, the Issuer shall deliver, and the Purchaser shall purchase the Bond for the par amount of the Bond. Upon payment of the purchase price therefor, the Issuer shall deliver the Bond to the Purchaser.

10. *Conditions to Closing.* The Purchaser shall not have any obligation to consummate the purchase of the Bond unless the following requirements have been satisfied prior to Closing:

- (a) The Authority shall have adopted the Resolution authorizing the issuance of the Bond.
- (b) The Purchaser shall have received a certified copy of the Resolution.
- (c) The Purchaser shall have received a certificate executed by the General Manager that no litigation of any nature has been filed or, to the best of his knowledge, threatened, pertaining to, affecting or contesting: (a) the issuance, delivery, payment, security or validity of the Bond; (b) the ability of the Authority or the authority of the officers of the Authority to issue, execute and deliver the Bond; or (c) the validity of the corporate existence of the Authority.
- (d) McCall, Parkhurst & Horton L.L.P., Bond Counsel to the Authority, shall have issued its approving legal opinion (addressed to the Purchaser, or a reliance letter addressed to the Purchaser shall be provided) in the form attached hereto as to the due authorization, issuance and delivery of the Bond and as to the exemption of the interest thereon from federal income taxation.
- (e) The Attorney General of the State of Texas shall have issued its approving legal opinion to the effect that the Bond has been lawfully issued by the Authority and is a valid and binding obligation of the Authority under the applicable laws of the State of Texas.
- (f) Nothing shall have occurred prior to the Closing which, in the reasonable opinion of the Purchaser, has had or could reasonably be expected to have a materially adverse effect on the Authority's business, property or financial condition.
- (g) The Authority shall pay all fees, costs and expenses incurred in connection with the issuance, sale and delivery of the Bond, including without limitation the fees and expenses of Purchaser's Counsel not to exceed \$7,500.00.

11. Provision of Financial Information. It is understood and agreed that (i) the Purchaser is buying the Bond in a private placement by the Issuer to the Purchaser; (ii) the Bond is exempt from any federal securities registration requirements by virtue of Section 3(a)(2) of the Securities Act of 1933; and (iii) the private placement of the Bond is exempt from the provisions of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule.") While the Bond is outstanding, the Issuer agrees to continue to provide financial reporting to the Electronic Municipal Market Access ("EMMA") website at emma.msrb.org in similar form and substance as currently required under the Issuer's existing debt obligations, including but not limited to annual audited financial statements within 180 days. If at any time the Issuer is no longer required to provide such reporting to EMMA, the Issuer agrees to provide similar financial reporting to the Purchaser.

12. Waiver of Jury Trial. TO THE EXTENT ALLOWED BY LAW, EACH PARTY HERETO HEREBY WAIVES, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO

THIS PURCHASE AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS PURCHASE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

13. Required Representations.

- (a) The Purchaser represents and warrants, for purposes of Chapter 2271 of the Texas Government Code, that at the time of execution and delivery of this agreement, none of the Purchaser, or any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Purchaser, boycotts Israel. The Purchaser agrees that, except to the extent otherwise required by applicable federal law, including, without limitation, 50 U.S.C. Section 4607, neither the Purchaser, nor any wholly-owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the Purchaser, will boycott Israel during the term of this agreement. The terms "boycotts Israel" and "boycott Israel" as used in this subsection (a) has the meaning assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code.
- (b) The Purchaser represents and warrants, for purposes of Subchapter F of Chapter 2252 of the Texas Government Code, that at the time of execution and delivery of this agreement neither the Purchaser, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Purchaser, (i) engages in business with Iran, Sudan or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller under Sections 806.051, 807.051 or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" as used in this subsection (b) has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.
- (c) US Patriot Act: The Issuer represents and warrants to the Purchaser that neither it nor any of its principals, shareholders, members, partners, or affiliates, as applicable, is a person named as a Specially Designated National and Blocked Person (as defined in Presidential Executive Order 13224) and that it is not acting, directly or indirectly, for or on behalf of any such person. The Issuer further represents and warrants to the Purchaser that the Issuer and its principals, shareholders, members, partners, or affiliates, as applicable, are not directly or indirectly, engaged in, nor facilitating, the transactions contemplated by this transaction on behalf of any person named as a Specially Designated National and Blocked Person.

Respectfully submitted,

REGIONS CAPITAL ADVANTAGE, INC.

By: 

Title: **Bo Buckner, President**

ACCEPTANCE

ACCEPTED BY THE TRINITY RIVER AUTHORITY OF TEXAS

J. Kevin Ward; General Manager

PRIVATE BOND PURCHASE AGREEMENT

Trinity River Authority of Texas Contract Revenue Refunding Bond, Series 2021
(Livingston Regional Water Supply System Project)

Respectfully submitted,

REGIONS CAPITAL ADVANTAGE, INC.

By: _____

Title: _____

ACCEPTANCE

ACCEPTED BY THE TRINITY RIVER AUTHORITY OF TEXAS



J. Kevin Ward; General Manager

PRIVATE BOND PURCHASE AGREEMENT

Trinity River Authority of Texas Contract Revenue Refunding Bond, Series 2021
(Livingston Regional Water Supply System Project)

EXHIBIT A

Form of Opinion of Bond Counsel

(Closing Date)

Trinity River Authority of Texas
5300 South Collins
Arlington, Texas 7601834

Regions Capital Advantage, Inc.
1900 5th Avenue North, Suite 2400
Birmingham, Alabama 35203

**TRINITY RIVER AUTHORITY OF TEXAS
CONTRACT REVENUE REFUNDING BOND, SERIES 2021
(LIVINGSTON REGIONAL WATER SUPPLY SYSTEM PROJECT)**

IN THE AGGREGATE PRINCIPAL AMOUNT OF \$2,040,000

AS BOND COUNSEL FOR THE TRINITY RIVER AUTHORITY OF TEXAS (the "*Issuer*") of the Bond described above (the "*Bond*"), we have examined into the legality and validity of the Bond, which are payable, bear interest and are subject to further provisions, all in accordance with the terms and conditions stated in the text of the Bond and the resolution of the Issuer authorizing the issuance of the Bond, including the Pricing Certificate of General Manager authorized thereby (collectively, the "*Resolution*").

WE HAVE EXAMINED the Constitution and laws of the State of Texas, certified copies of the proceedings of the Issuer and other documents authorizing and relating to the issuance of said Bond, including the executed Bond Number R-1.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that said Bond has been authorized, issued and duly delivered in accordance with law; and that except as may be limited by governmental immunity, bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws now or hereafter enacted relating to creditor's rights generally or by principles of equity which permit the exercise of judicial discretion, (i) the covenants and agreements in the Resolution constitute valid and binding obligations of the Issuer, and the Bond constitutes valid and legally binding special obligations of the Issuer which, together with other parity bonds, are secured by and payable from a first lien on and pledge of the Issuer's "Net Revenues" (as defined in the Bond Resolution) from the "Trinity River Authority of Texas - City of Livingston Water System Services Contract", entered into as of February 22, 1978, as amended by the "Trinity River Authority of Texas - City of Livingston Water System Services Amendatory Contract", entered into as of June 26, 1991, between the Issuer and the City of Livingston, Texas, and (ii) said "Trinity River Authority of Texas - City of Livingston Water System Services Contract", entered into as of February 22, 1978, as amended by the "Trinity River Authority of Texas - City of Livingston Water System Services Amendatory Contract", are authorized by law, each has been duly

executed, is valid, and is legally binding upon and enforceable by the parties thereto in accordance with its terms and provisions.

THE ISSUER has reserved the right, subject to the restrictions stated in the Resolution, to issue additional parity revenue bonds which also may be secured by and made payable from a first lien on and pledge of the aforesaid Pledged Revenues on a parity with the Bond.

THE ISSUER also has reserved the right, subject to the restrictions stated in the Resolution, to amend the Resolution with the approval of the owners of a majority of the aggregate principal amount of all outstanding parity bonds which are secured by and payable from a first lien on and pledge of the aforesaid Pledged Revenues.

THE REGISTERED OWNERS of the Bond shall never have the right to demand payment of the principal thereof or interest thereon from any source whatsoever other than specified in the Resolution.

IT IS FURTHER OUR OPINION, except as discussed below, that the interest on the Bond is excludable from the gross income of the owners thereof for federal income tax purposes under the statutes, regulations, published rulings and court decisions existing on the date of this opinion. We are further of the opinion that the Bond is not a "specified private activity bond" and that, accordingly, interest on the Bond will not be included as an individual or corporate alternative minimum tax preference item under Section 57(a)(5) of the Internal Revenue Code of 1986 (the "*Code*"). In expressing the aforementioned opinions, we have relied on, and assume compliance by the Issuer with, certain covenants regarding the use and investment of the proceeds of the Bond and the use of the property financed therewith. We call your attention to the fact that if such representations are determined to be inaccurate or upon failure by the Issuer to comply with such covenants, interest on the Bond may become includable in gross income retroactively to the date of issuance of the Bond.

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

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

OUR SOLE ENGAGEMENT in connection with the issuance of the Bond is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering an opinion with respect to the legality and validity of the Bond under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Bond for federal income tax purposes, and for no other reason or purpose. We have not been requested to investigate or verify, and have not independently investigated or verified any records, data, or other material relating to the financial condition or capabilities of the Issuer or the Initial Contracting Parties or the disclosure thereof in connection with the sale of the Bond and have not assumed any responsibility with respect thereto or with respect to the adequacy of the Pledged Revenues. We express no opinion and make no comment with respect to the

marketability of the Bond and have relied solely on certificates executed by officials of the Issuer as to the current outstanding indebtedness of, and sufficiency of the Net Revenues.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of a result and are not binding on the Internal Revenue Service (the "*Service*"). Rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bond. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Issuer as the taxpayer. We observe that the Issuer has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bond as includable in gross income for federal income tax purposes.

Respectfully,

PRICING CERTIFICATE OF GENERAL MANAGER

Trinity River Authority of Texas Contract Revenue Refunding Bond, Series 2021
(Livingston Regional Water Supply System Project)

I, the undersigned General Manager of the Trinity River Authority of Texas (the "*Issuer*"), acting as Pricing Officer pursuant to the authority granted to me by Resolution No. 1565 adopted by the Board of Directors of the Issuer on February 24, 2021 (the "*Bond Resolution*"), relating to the issuance of Trinity River Authority of Texas Contract Revenue Refunding Bond, Series 2021 (Livingston Regional Water Supply System Project) (the "*Bond*") hereby find, determine and commit on behalf of the Issuer to sell and deliver the Bond on the following terms:

1. Definitions. Unless otherwise expressly provided, the following term shall have the meaning specified below. Capitalized terms not otherwise defined herein have the meaning assigned in the Bond Resolution.

(i) The Bond is designated as "Trinity River Authority of Texas Contract Revenue Refunding Bond, Series 2021 (Livingston Regional Water Supply System Project)."

(ii) "*Dated Date*" means April 1, 2021.

(i) "*Delivery Date*" means the date of delivery of the Bond to the Purchaser thereof against payment therefor which is April 8, 2021.

(ii) "*Paying Agent/Registrar*" means Regions Bank, an Alabama state banking corporation located in Birmingham, Alabama, and is hereby designated to serve as the Paying Agent/Registrar for the Bond.

(iii) "*Purchaser*" means Regions Capital Advantage, Inc.

2. Satisfaction of Parameters established in the Bond Resolution. The provisions of Section 2 of the Bond Resolution have been satisfied as set forth below:

(i) the aggregate original principal amount of the Bond is \$2,040,000 which is less than \$2,155,000.

(ii) The present value savings with respect to the Refunded Bonds is 12% and the refunding is treated as being a current refunding pursuant to the Code.

(iii) the Bond does not bear an interest rate of greater than 10% per annum.

(iv) the delegation given to the Pricing Officer has not expired.

(v) the aggregate principal amount of the Bond does not exceed the amount authorized by the Board of Directors and is sufficient in amount to provide for the purposes for which the Bond are authorized and to pay costs of issuing the Bond.

(vi) In satisfaction of Section 1201.022(a)(3)(B), Texas Government Code, and upon consultation with the Issuer's Financial Advisor, the undersigned hereby certifies that the final terms of the Bond as set forth herein are in the Issuer's best interests.

3. Sale of Bond. The Bond is sold by private placement and shall be delivered to the Purchaser, for cash at a price of \$2,040,000. The Initial Bond shall be registered in the name of Regions Capital Advantage, Inc.

4. Characteristics of the Bond.

(i) The Bond shall be delivered to the Purchaser on the Delivery Date. The Record Date for the Bond is the fifteenth calendar day of the month preceding a payment date.

(ii) The interest rate on the Bond shall be 2.150% per annum. The first interest payment date for the Bond shall be August 1, 2021 with interest payable on each February 1 and August 1 thereafter until maturity or prior redemption. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months.

(iii) If the Issuer defaults in the payment of the principal of or interest on the Bond when due ("Event of Default"), any principal of and interest on the Bond shall bear interest at the Default Interest Rate per annum from the date of the Event of Default until the Event of Default has been cured and all past-due principal and interest (including interest bearing the Default Interest Rate has been paid), and after such cure the interest rate shall revert to 2.150% per annum. "Default Interest Rate" means 2.150% plus 4.000%.

(iv) Upon the occurrence of a final determination from the Internal Revenue Service that interest on the Bond is not exempt from federal income taxation (a "Determination of Taxability"), the Issuer agrees to pay to the Purchaser, or the registered owner, a make-whole rate of interest from the Delivery Date that would provide the Purchaser, or the registered owner, with an after-tax yield on the then outstanding principal amount of the Bond equal to the after-tax yield the Purchaser could have received if a Determination of Taxability had not occurred.

(v) Annual principal installment payments shall be made to the registered owner of the Bond on the dates and in the amounts shown below:

<u>Payment Date</u>	<u>Principal Installment</u>	<u>Coupon</u>
08/01/2021	\$110,000	2.150%
08/01/2022	\$110,000	2.150%
08/01/2023	\$115,000	2.150%
08/01/2024	\$110,000	2.150%
08/01/2025	\$115,000	2.150%
08/01/2026	\$120,000	2.150%
08/01/2027	\$125,000	2.150%

08/01/2028	\$125,000	2.150%
08/01/2029	\$130,000	2.150%
08/01/2030	\$135,000	2.150%
08/01/2031	\$135,000	2.150%
08/01/2032	\$140,000	2.150%
08/01/2033	\$140,000	2.150%
08/01/2034	\$140,000	2.150%
08/01/2035	\$145,000	2.150%
08/01/2036 *	\$145,000	2.150%

* Final Maturity

(vi) The debt service requirements for the Bond are set forth in ***Exhibit A*** attached hereto.

(vii) The form of the Bonds, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the initial Bond shall be in the form attached hereto as ***Exhibit B***, with such appropriate variations, omissions, or insertions as are permitted or required by the Resolution, and approved by the Authorized Officer.

5. Redemption of Bond.

(i) On April 15, 2029 or any date thereafter, the unpaid principal installments of the Bond may be redeemed prior to their scheduled due dates, at the option of the Issuer, as a whole or in part, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption, without premium.

6. Refunded Obligations.

(i) The bonds to be refunded by the issuance of the Bond constitute the following maturities of the captioned bonds (collectively, the "*Refunded Obligations*"):

Trinity River Authority of Texas Contract Revenue Bonds, Series 2010 **(Livingston Regional Water Supply System Project)**

<u>Principal</u>	<u>Coupon</u>	<u>Maturity</u> <u>Date</u>	<u>Redemption</u> <u>Date</u>	<u>Redemption</u> <u>Price</u>
\$95,000	3.250%	08/01/2021	04/08/2021	100%
\$95,000	3.250%	08/01/2022	04/08/2021	100%
\$100,000	3.250%	08/01/2023	04/08/2021	100%
\$100,000	3.500%	08/01/2024	04/08/2021	100%
\$105,000	3.500%	08/01/2025	04/08/2021	100%
\$110,000	4.000%	08/01/2026	04/08/2021	100%

\$115,000	4.000%	08/01/2027	04/08/2021	100%
\$120,000	3.750%	08/01/2028	04/08/2021	100%
\$125,000	3.750%	08/01/2029	04/08/2021	100%
\$130,000	4.000%	08/01/2030	04/08/2021	100%
\$135,000	4.000%	08/01/2031	04/08/2021	100%
\$140,000	4.250%	08/01/2032	04/08/2021	100%
\$145,000	4.250%	08/01/2033	04/08/2021	100%
\$150,000	4.250%	08/01/2034	04/08/2021	100%
\$155,000	4.250%	08/01/2035	04/08/2021	100%
\$160,000	4.250%	08/01/2036	04/08/2021	100%

(ii) The Bank of New York Mellon Trust Company, N.A., the paying agent for the Refunded Obligations, is hereby authorized and directed to provide the appropriate notice of redemption in accordance with the resolution authorizing the Refunded Obligations, as required by the Refunded Obligations, and is hereby directed to make appropriate arrangements so that the Refunded Obligations may be redeemed on the Redemption Dates specified in subsection (i).

(iii) The Refunded Obligations are outstanding in the amount \$1,980,000.

7. Reserve Fund for Bond. In accordance with Section 10 of the Bond Resolution, the required reserve for the Bond and outstanding Parity Bonds is \$1,565,151.41.

8. Rates. The Issuer will maintain rates and charges to the City of Livingston, Texas (as defined in the Bond Resolution) in amounts sufficient to meet the debt service requirements on the Bond and other obligations of the Issuer that are supported by the "Trinity River Authority of Texas-City of Livingston Water System Services Contract" entered into as of February 22, 1978, and amended by the "Trinity River Authority of Texas - City of Livingston Water System Services Amendatory Contract", entered into as of June 26, 1991.

9. Sources and Uses of Proceeds. Proceeds from the sale of the Bond shall come from and be used and deposited as follows:

Sources of Funds

Principal Amount of Bond	\$2,040,000.00
Issuer Contribution (excess Debt Service Reserve Fund)	1,848.59
TOTAL SOURCES	\$ 2,041,848.59

Uses of Funds

Deposit to Debt Service Reserve Fund	\$0.00
Deposit to Escrow Fund	1,994,379.42
Costs of Issuance	47,469.17
TOTAL USES	\$ 2,041,848.59

10. Annual Financial Information. Section 29 of the Bond Resolution does not apply to the Bond. The Private Purchase Agreement between the Issuer and the Purchaser for the Bond shall govern the provision of annual financial information.

[Remainder of page intentionally left blank.]

Witness my hand this March 5, 2021.

TRINITY RIVER AUTHORITY OF TEXAS



J. Kevin Ward, General Manager

PRICING CERTIFICATE OF GENERAL MANAGER

Trinity River Authority of Texas
Contract Revenue Refunding Bond, Series 2021 (Livingston Regional Water Supply System Project)

EXHIBIT A – DEBT SERVICE REQUIREMENTS

Period Ending	Principal	Interest	Debt Service
08/01/2021	110,000	13,767.19	123,767.19
02/01/2022		20,747.50	20,747.50
08/01/2022	110,000	20,747.50	130,747.50
02/01/2023		19,565.00	19,565.00
08/01/2023	115,000	19,565.00	134,565.00
02/01/2024		18,328.75	18,328.75
08/01/2024	110,000	18,328.75	128,328.75
02/01/2025		17,146.25	17,146.25
08/01/2025	115,000	17,146.25	132,146.25
02/01/2026		15,910.00	15,910.00
08/01/2026	120,000	15,910.00	135,910.00
02/01/2027		14,620.00	14,620.00
08/01/2027	125,000	14,620.00	139,620.00
02/01/2028		13,276.25	13,276.25
08/01/2028	125,000	13,276.25	138,276.25
02/01/2029		11,932.50	11,932.50
08/01/2029	130,000	11,932.50	141,932.50
02/01/2030		10,535.00	10,535.00
08/01/2030	135,000	10,535.00	145,535.00
02/01/2031		9,083.75	9,083.75
08/01/2031	135,000	9,083.75	144,083.75
02/01/2032		7,632.50	7,632.50
08/01/2032	140,000	7,632.50	147,632.50
02/01/2033		6,127.50	6,127.50
08/01/2033	140,000	6,127.50	146,127.50
02/01/2034		4,622.50	4,622.50
08/01/2034	140,000	4,622.50	144,622.50
02/01/2035		3,117.50	3,117.50
08/01/2035	145,000	3,117.50	148,117.50
02/01/2036		1,558.75	1,558.75
08/01/2036	145,000	1,558.75	146,558.75
	2,040,000	362,174.69	2,402,174.69

EXHIBIT B

FORM OF BOND

NO. TR-1

UNITED STATES OF AMERICA
STATE OF TEXAS

PRINCIPAL
AMOUNT
\$2,040,000

TRINITY RIVER AUTHORITY OF TEXAS
CONTRACT REVENUE REFUNDING BOND, SERIES 2021
(LIVINGSTON REGIONAL WATER SUPPLY SYSTEM PROJECT)

<u>Interest Rate</u>	<u>Delivery Date</u>
2.150%	April 8, 2021

REGISTERED OWNER: REGIONS CAPITAL ADVANTAGE, INC.

PRINCIPAL AMOUNT: TWO MILLION FORTY THOUSAND DOLLARS

The Trinity River Authority of Texas (the "Issuer"), being a political subdivision of the State of Texas, for value received, promises to pay, from the sources described herein, to the registered owner specified above (the "Registered Owner"), or registered assigns, the principal amount specified above, and to pay interest thereon, from the Delivery Date set forth above, on the balance of said principal amount from time to time remaining unpaid, at the rate per annum set forth above or as adjusted as described herein, calculated on the basis of a 360-day year of twelve 30-day months. The unpaid principal of this Bond shall mature and shall be paid in the Principal Installments on the Payment Dates set forth in the table below:

<u>Payment Date</u>	<u>Principal Installment</u>	<u>Coupon</u>
08/01/2021	\$110,000	2.150%
08/01/2022	\$110,000	2.150%
08/01/2023	\$115,000	2.150%
08/01/2024	\$110,000	2.150%
08/01/2025	\$115,000	2.150%
08/01/2026	\$120,000	2.150%
08/01/2027	\$125,000	2.150%
08/01/2028	\$125,000	2.150%
08/01/2029	\$130,000	2.150%
08/01/2030	\$135,000	2.150%
08/01/2031	\$135,000	2.150%
08/01/2032	\$140,000	2.150%
08/01/2033	\$140,000	2.150%
08/01/2034	\$140,000	2.150%

08/01/2035	\$145,000	2.150%
08/01/2036 *	\$145,000	2.150%

* Final Maturity

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 Issuer shall pay interest on this Bond on August 1, 2021 and on each February 1 and August 1 thereafter to the date of maturity or date of prior redemption. The last principal installment of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity, or upon the date fixed for its redemption prior to maturity, at the principal office of Regions Bank, an Alabama state banking corporation located in Birmingham, Alabama, which is the "Paying Agent/Registrar" for this Bond. The payment of all other principal installments of and interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each principal and interest payment date by check or draft, dated as of such principal and interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the Bond Resolution to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the fifteenth calendar day of the month next preceding each such date (the "*Record Date*") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. Except for the final principal installment, no presentment of this Bond is required for payment of any other principal or interest payment. In addition, principal and interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner.

ANY ACCRUED INTEREST due in connection with the final installment of principal of this Bond, or any date of prior redemption, shall be paid to the registered owner upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the registered owner of this Bond that on or before each principal payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Bond Resolution, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bond, when due. The Paying Agent/Registrar shall record all payments of principal installments on such Bond when made on their respective due dates.

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 principal corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day that is not such a Saturday, Sunday, legal holiday or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is dated April 1, 2021, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$2,040,000 for the public purpose of refunding

certain outstanding obligations of the Issuer, and to pay the costs incurred in connection with the issuance of the Bond.

ON APRIL 15, 2029 OR ANY DATE THEREAFTER, the unpaid principal installments of the Bond may be redeemed prior to their scheduled due dates, at the option of the Issuer, as a whole or in part, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption, without premium.

AT LEAST TWENTY days prior to the date fixed for any redemption of the Bond or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the registered owner of each Bond to be redeemed at its address as it appeared on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice of redemption; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bond or portions thereof which are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Bond 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 registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment.

IF AT THE TIME OF MAILING of notice of optional redemption there shall not have either been deposited with the Paying Agent/Registrar or legally authorized escrow agent immediately available funds sufficient to redeem all the Bond called for redemption, such notice must state that it is conditional, and is subject to the deposit of the redemption moneys with the Paying Agent/Registrar or legally authorized escrow agent at or prior to the redemption date, and such notice shall be of no effect unless such moneys are so deposited on or prior to the redemption date. If such redemption is not effectuated, the Paying Agent/Registrar shall, within 5 days thereafter, give notice in the manner in which the notice of redemption was given that such moneys were not so received and shall rescind the redemption.

UPON THE PREPAYMENT of this Bond, the Paying Agent/Registrar, shall note in the Prepayment Record appearing on this Bond the amount of such prepayment, the date said payment was made and the remaining unpaid principal balance of this Bond and shall then have said entry signed by an authorized official of the Paying Agent/Registrar. The Paying Agent/Registrar shall also record such information in the Registration Books, and the Paying Agent/Registrar shall also record in the Registration Books all payments of principal installments on this Bond when made on their respective due dates.

THIS BOND is issuable in the form of one fully-registered Bond without coupons in the denomination of \$2,040,000. This Bond may be transferred or exchanged as provided in the Bond Resolution, only upon the registration books kept for that purpose at the above-mentioned office

of the Paying Agent/Registrar upon surrender of this Bond together with a written instrument of transfer or authorization for exchange satisfactory to the Paying Agent/Registrar and duly executed by the registered owner or his duly authorized attorney, and thereupon a new Bond of the same maturity and in the same aggregate principal amount, taking into account any prior installment payments or redemptions of portions of this Bond, shall be issued by the Paying Agent/Registrar to the transferee in exchange therefor as provided in the Bond Resolution, and upon payment of the charges therein prescribed. The Issuer and the Paying Agent/Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal and interest due hereon and for all other purposes. The Paying Agent/Registrar shall not be required to make any such transfer or exchange 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.

IN THE EVENT THE ISSUER FAILS TO MAKE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND WHEN DUE ("Event of Default"), any principal of and interest on the Bond shall bear interest at the Default Interest Rate per annum from the date of the Event of Default until the Event of Default has been cured and all past-due principal and interest (including interest bearing the Default Interest Rate has been paid), and after such cure the interest rate shall revert to 2.150% per annum. "Default Interest Rate" means 2.150% plus 4.000%.

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

THIS BOND shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication shall have been executed by the Paying Agent/Registrar or the Comptroller's Registration Certificate hereon shall have been executed by the Texas Comptroller of Public Accounts.

IT IS HEREBY 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; that this Bond is a special obligation of the Issuer which are secured by and payable from a first lien on and pledge of the Issuer's "Net Revenues" (as defined in the Bond Resolution) from the "Trinity River Authority of Texas - City of Livingston Water System Services Contract", entered into as of February 22, 1978, as amended by the "Trinity River Authority of Texas - City of Livingston Water System Services Amendatory Contract", entered into as of June 26, 1991, between the Issuer and the City of Livingston, Texas, with respect to the Issuer's water supply and treatment system serving said City.

THE ISSUER has reserved the right, subject to the restrictions stated or referred to in the Resolution, to issue additional parity revenue bonds which also may be made payable from and secured by a first lien on and pledge of the aforesaid Net Revenues.

THE ISSUER also has reserved the right to amend the Resolution with the approval of the registered owners of a majority in principal amount of all outstanding bonds secured by and payable from a first lien on and pledge of the aforesaid Net Revenues, subject to the restrictions stated in the Resolution.

THE REGISTERED OWNER HEREOF shall never have the right to demand payment of this Bond or the interest hereon from taxes or from any source whatsoever other than specified in the Resolution.

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

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

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the President of the Board of Directors of the Issuer and countersigned with the manual or facsimile signature of the Secretary of the Board of Directors of the Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

Secretary, Board of Directors
Trinity River Authority of Texas

President, Board of Directors
Trinity River Authority of Texas

(SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

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

It is hereby certified that this Bond has been issued under the provisions of the Bond Resolution described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a bond, bonds, or a portion of a bond or bonds of a Series which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

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 of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

Sources and Uses of Funds
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021)
****Final Numbers****

Dated Date 4/8/2021
Delivery
Date 4/8/2021

Sources:

Bond Proceeds:

Par Amount	2,040,000.00
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Other Sources of Funds:

Transfer from prior DSRF	1,848.59
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	2,041,848.59
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Uses:

Refunding Escrow Deposits:

Cash Deposit	1,994,379.42
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Delivery Date Expenses:

Cost of Issuance	47,469.17
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	2,041,848.59
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Notes:

DSRF balance per TRA 3/4/2021

Call Option: 4/8/2029 without penalty.

Bond Summary Statistics
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021)
****Final Numbers****

Dated Date	4/8/2021
Delivery Date	4/8/2021
First Coupon	8/1/2021
Last Maturity	8/1/2036
Arbitrage Yield	2.150182%
True Interest Cost (TIC)	2.150182%
Net Interest Cost (NIC)	2.150000%
All-In TIC	2.472637%
Average Coupon	2.150000%
Average Life (years)	8.258
Weighted Average Maturity (years)	8.258
Duration of Issue (years)	7.419
Par Amount	2,040,000.00
Bond Proceeds	2,040,000.00
Total Interest	362,174.69
Net Interest	362,174.69
Bond Years from Dated Date	16,845,333.33
Bond Years from Delivery Date	16,845,333.33
Total Debt Service	2,402,174.69
Maximum Annual Debt Service	156,070.00
Average Annual Debt Service	156,862.49
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	

Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	Duration	PV of 1 bp change
Serial Bond	2,040,000.00	100.000	2.150%	8.258	7/11/2029	7.419	1,495.35
	2,040,000.00			8.258			1,495.35

	TIC	All-In TIC	Arbitrage Yield	
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Par Value		2,040,000.00		2,040,000.00
+ Accrued Interest				
+ Premium (Discount)				
- Underwriter's Discount				
- Cost of Issuance Expense			-47,469.17	
- Other Amounts				
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Bond Summary Statistics
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021)
****Final Numbers****

Target Value	2,040,000.00	1,992,530.83	2,040,000.00
Target Date	4/8/2021	4/8/2021	4/8/2021
Yield	2.150182%	2.472637%	2.150182%

Bond Pricing
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021)

****Final Numbers****

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Serial Bond:					
	8/1/2021	110,000	2.150%	2.150%	100.000
	8/1/2022	110,000	2.150%	2.150%	100.000
	8/1/2023	115,000	2.150%	2.150%	100.000
	8/1/2024	110,000	2.150%	2.150%	100.000
	8/1/2025	115,000	2.150%	2.150%	100.000
	8/1/2026	120,000	2.150%	2.150%	100.000
	8/1/2027	125,000	2.150%	2.150%	100.000
	8/1/2028	125,000	2.150%	2.150%	100.000
	8/1/2029	130,000	2.150%	2.150%	100.000
	8/1/2030	135,000	2.150%	2.150%	100.000
	8/1/2031	135,000	2.150%	2.150%	100.000
	8/1/2032	140,000	2.150%	2.150%	100.000
	8/1/2033	140,000	2.150%	2.150%	100.000
	8/1/2034	140,000	2.150%	2.150%	100.000
	8/1/2035	145,000	2.150%	2.150%	100.000
	8/1/2036	145,000	2.150%	2.150%	100.000
		2,040,000			

Dated Date	4/8/2021	
Delivery Date	4/8/2021	
First Coupon	8/1/2021	
Par Amount	2,040,000.00	
Original Issue Discount		

Production	2,040,000.00	100.000000%
Underwriter's Discount		

Purchase Price	2,040,000.00	100.000000%
Accrued Interest		

Net Proceeds	2,040,000.00	

Bond Debt Service
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021)
****Final Numbers****

Period Ending	Principal	Interest	Debt Service
11/30/2021	110,000	13,767.19	123,767.19
11/30/2022	110,000	41,495.00	151,495.00
11/30/2023	115,000	39,130.00	154,130.00
11/30/2024	110,000	36,657.50	146,657.50
11/30/2025	115,000	34,292.50	149,292.50
11/30/2026	120,000	31,820.00	151,820.00
11/30/2027	125,000	29,240.00	154,240.00
11/30/2028	125,000	26,552.50	151,552.50
11/30/2029	130,000	23,865.00	153,865.00
11/30/2030	135,000	21,070.00	156,070.00
11/30/2031	135,000	18,167.50	153,167.50
11/30/2032	140,000	15,265.00	155,265.00
11/30/2033	140,000	12,255.00	152,255.00
11/30/2034	140,000	9,245.00	149,245.00
11/30/2035	145,000	6,235.00	151,235.00
11/30/2036	145,000	3,117.50	148,117.50
	2,040,000	362,174.69	2,402,174.69

Bond Debt Service
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021)
****Final Numbers****

Period Ending	Principal	Interest	Debt Service
8/1/2021	110,000	13,767.19	123,767.19
2/1/2022		20,747.50	20,747.50
8/1/2022	110,000	20,747.50	130,747.50
2/1/2023		19,565.00	19,565.00
8/1/2023	115,000	19,565.00	134,565.00
2/1/2024		18,328.75	18,328.75
8/1/2024	110,000	18,328.75	128,328.75
2/1/2025		17,146.25	17,146.25
8/1/2025	115,000	17,146.25	132,146.25
2/1/2026		15,910.00	15,910.00
8/1/2026	120,000	15,910.00	135,910.00
2/1/2027		14,620.00	14,620.00
8/1/2027	125,000	14,620.00	139,620.00
2/1/2028		13,276.25	13,276.25
8/1/2028	125,000	13,276.25	138,276.25
2/1/2029		11,932.50	11,932.50
8/1/2029	130,000	11,932.50	141,932.50
2/1/2030		10,535.00	10,535.00
8/1/2030	135,000	10,535.00	145,535.00
2/1/2031		9,083.75	9,083.75
8/1/2031	135,000	9,083.75	144,083.75
2/1/2032		7,632.50	7,632.50
8/1/2032	140,000	7,632.50	147,632.50
2/1/2033		6,127.50	6,127.50
8/1/2033	140,000	6,127.50	146,127.50
2/1/2034		4,622.50	4,622.50
8/1/2034	140,000	4,622.50	144,622.50
2/1/2035		3,117.50	3,117.50
8/1/2035	145,000	3,117.50	148,117.50
2/1/2036		1,558.75	1,558.75
8/1/2036	145,000	1,558.75	146,558.75
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	2,040,000	362,174.69	2,402,174.69

Summary of Refunding Results
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021)
****Final Numbers****

Dated Date	4/8/2021
Delivery Date	4/8/2021
Arbitrage yield	2.150182%
Escrow yield	
Value of Negative Arbitrage	
Bond Par Amount	2,040,000.00
True Interest Cost	2.150182%
Net Interest Cost	2.150000%
All-In TIC	2.472637%
Average Coupon	2.150000%
Average Life	8.258
Weighted Average Maturity	8.258
Par amount of refunded bonds	1,980,000.00
Average coupon of refunded bonds	4.079120%
Average life of refunded bonds	8.604
Remaining weighted average maturity of refunded bonds	8.584
PV of prior debt to 04/08/2021 @ 2.472637%	2,231,476.44
Net PV Savings	237,097.02
Percentage savings of refunded bonds	11.974597%

Savings
 Livingston Regional Water Supply System Project
 Contract Revenue Refunding Bonds, Series 2021
 Interest calculated at 2.15% (Per Regions 3/4/2021)
 Final Numbers

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 04/08/2021 @ 2.4726374%
11/30/2021	133,631.25	123,767.19	9,864.06	9,788.26
11/30/2022	169,175.00	151,495.00	17,680.00	17,313.85
11/30/2023	171,087.50	154,130.00	16,957.50	16,206.77
11/30/2024	167,837.50	146,657.50	21,180.00	19,701.18
11/30/2025	169,337.50	149,292.50	20,045.00	18,195.78
11/30/2026	170,662.50	151,820.00	18,842.50	16,692.26
11/30/2027	171,262.50	154,240.00	17,022.50	14,718.99
11/30/2028	171,662.50	151,552.50	20,110.00	16,931.38
11/30/2029	172,162.50	153,865.00	18,297.50	15,033.67
11/30/2030	172,475.00	156,070.00	16,405.00	13,154.09
11/30/2031	172,275.00	153,167.50	19,107.50	14,921.18
11/30/2032	171,875.00	155,265.00	16,610.00	12,656.00
11/30/2033	170,925.00	152,255.00	18,670.00	13,857.45
11/30/2034	169,762.50	149,245.00	20,517.50	14,838.96
11/30/2035	168,387.50	151,235.00	17,152.50	12,097.00
11/30/2036	166,800.00	148,117.50	18,682.50	12,838.77
	2,689,318.75	2,402,174.69	287,144.06	238,945.61

Savings Summary

PV of savings from cash flow	238,945.61
Less: Prior funds on hand	-1,848.59

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Net PV Savings	237,097.02

Summary of Bonds Refunded
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021)

****Final Numbers****

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
\$2,715,000 Contract Revenue Bonds, Series 2010, 2010, TERM:					
	8/1/2021	3.250%	95,000.00	4/8/2021	100.000
	8/1/2022	3.250%	95,000.00	4/8/2021	100.000
	8/1/2023	3.250%	100,000.00	4/8/2021	100.000
			290,000.00		
\$2,715,000 Contract Revenue Bonds, Series 2010, 2010, TERM02:					
	8/1/2024	3.500%	100,000.00	4/8/2021	100.000
	8/1/2025	3.500%	105,000.00	4/8/2021	100.000
			205,000.00		
\$2,715,000 Contract Revenue Bonds, Series 2010, 2010, TERM03:					
	8/1/2026	4.000%	110,000.00	4/8/2021	100.000
	8/1/2027	4.000%	115,000.00	4/8/2021	100.000
			225,000.00		
\$2,715,000 Contract Revenue Bonds, Series 2010, 2010, TERM04:					
	8/1/2028	3.750%	120,000.00	4/8/2021	100.000
	8/1/2029	3.750%	125,000.00	4/8/2021	100.000
			245,000.00		
\$2,715,000 Contract Revenue Bonds, Series 2010, 2010, TERM05:					
	8/1/2030	4.000%	130,000.00	4/8/2021	100.000
	8/1/2031	4.000%	135,000.00	4/8/2021	100.000
			265,000.00		
\$2,715,000 Contract Revenue Bonds, Series 2010, 2010, TERM06:					
	8/1/2032	4.250%	140,000.00	4/8/2021	100.000
	8/1/2033	4.250%	145,000.00	4/8/2021	100.000
	8/1/2034	4.250%	150,000.00	4/8/2021	100.000
	8/1/2035	4.250%	155,000.00	4/8/2021	100.000
	8/1/2036	4.250%	160,000.00	4/8/2021	100.000
			750,000.00		
			1,980,000.00		

Prior Bond Debt Service
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021)
****Final Numbers****

Period Ending	Principal	Interest	Debt Service
11/30/2021	95,000	38,631.25	133,631.25
11/30/2022	95,000	74,175.00	169,175.00
11/30/2023	100,000	71,087.50	171,087.50
11/30/2024	100,000	67,837.50	167,837.50
11/30/2025	105,000	64,337.50	169,337.50
11/30/2026	110,000	60,662.50	170,662.50
11/30/2027	115,000	56,262.50	171,262.50
11/30/2028	120,000	51,662.50	171,662.50
11/30/2029	125,000	47,162.50	172,162.50
11/30/2030	130,000	42,475.00	172,475.00
11/30/2031	135,000	37,275.00	172,275.00
11/30/2032	140,000	31,875.00	171,875.00
11/30/2033	145,000	25,925.00	170,925.00
11/30/2034	150,000	19,762.50	169,762.50
11/30/2035	155,000	13,387.50	168,387.50
11/30/2036	160,000	6,800.00	166,800.00
	1,980,000	709,318.75	2,689,318.75

Escrow Requirements
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021
****Final Numbers****

Period	Principal		
Ending	Interest	Redeemed	Total
4/8/2021	14,379.42	1,980,000.00	1,994,379.42
	14,379.42	1,980,000.00	1,994,379.42

Aggregate Debt Service
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021)

****Final Numbers****

Contract

Revenue

Refunding

Period Ending	Bonds, Series 2021	Outstanding Parity Debt	Aggregate Debt Service
11/30/2021	123,767.19	1,016,725	1,140,492.19
11/30/2022	151,495.00	1,408,450	1,559,945.00
11/30/2023	154,130.00	1,407,450	1,561,580.00
11/30/2024	146,657.50	1,408,825	1,555,482.50
11/30/2025	149,292.50	1,410,825	1,560,117.50
11/30/2026	151,820.00	1,411,625	1,563,445.00
11/30/2027	154,240.00	1,409,325	1,563,565.00
11/30/2028	151,552.50	1,410,750	1,562,302.50
11/30/2029	153,865.00	1,409,500	1,563,365.00
11/30/2030	156,070.00	1,411,250	1,567,320.00
11/30/2031	153,167.50	1,410,750	1,563,917.50
11/30/2032	155,265.00	1,408,000	1,563,265.00
11/30/2033	152,255.00	1,408,000	1,560,255.00
11/30/2034	149,245.00	1,410,500	1,559,745.00
11/30/2035	151,235.00	1,410,250	1,561,485.00
11/30/2036	148,117.50	1,412,250	1,560,367.50
11/30/2037		1,411,250	1,411,250.00
11/30/2038		1,412,250	1,412,250.00
2,402,174.69		24,987,975	27,390,149.69

Formula Verification
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021)
****Final Numbers****

Component		Formula	Value
RES	Total aggregate Debt Service / 17.50		1,565,151.41
RES	- 1,567,000		-1,567,000.00
RES	Debt Service Reserve Fund		-1,848.59
FORM	1,567,000		1,567,000.00
FORM	- (total aggregate Debt Service / 17.50)		-1,565,151.41
FORM	Other Formula		1,848.59

Form 8038 Statistics
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021)
****Final Numbers****

Dated Date 4/8/2021
Delivery
Date 4/8/2021

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial Bond:						
	8/1/2021	110,000.00	2.150%	100.000	110,000.00	110,000.00
	8/1/2022	110,000.00	2.150%	100.000	110,000.00	110,000.00
	8/1/2023	115,000.00	2.150%	100.000	115,000.00	115,000.00
	8/1/2024	110,000.00	2.150%	100.000	110,000.00	110,000.00
	8/1/2025	115,000.00	2.150%	100.000	115,000.00	115,000.00
	8/1/2026	120,000.00	2.150%	100.000	120,000.00	120,000.00
	8/1/2027	125,000.00	2.150%	100.000	125,000.00	125,000.00
	8/1/2028	125,000.00	2.150%	100.000	125,000.00	125,000.00
	8/1/2029	130,000.00	2.150%	100.000	130,000.00	130,000.00
	8/1/2030	135,000.00	2.150%	100.000	135,000.00	135,000.00
	8/1/2031	135,000.00	2.150%	100.000	135,000.00	135,000.00
	8/1/2032	140,000.00	2.150%	100.000	140,000.00	140,000.00
	8/1/2033	140,000.00	2.150%	100.000	140,000.00	140,000.00
	8/1/2034	140,000.00	2.150%	100.000	140,000.00	140,000.00
	8/1/2035	145,000.00	2.150%	100.000	145,000.00	145,000.00
	8/1/2036	145,000.00	2.150%	100.000	145,000.00	145,000.00
		2,040,000.00			2,040,000.00	2,040,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	8/1/2036	2.150%	145,000.00	145,000.00		
Entire Issue			2,040,000.00	2,040,000.00	8.2575	2.1502%

Proceeds used for accrued interest

Proceeds used for bond issuance costs (including underwriters' discount) 47,469.17

Proceeds used for credit enhancement

Proceeds allocated to reasonably required reserve or replacement fund

Proceeds used to refund prior tax-exempt bonds 1,994,379.42

Proceeds used to refund prior taxable bonds

Remaining WAM of prior tax-exempt bonds (years) 8.5844

Remaining WAM of prior taxable bonds (years)

Last call date of refunded tax-exempt bonds 4/8/2021

2011 Form 8038 Statistics

Proceeds used to currently refund prior issues 1,994,379.42

Proceeds used to advance refund prior issues

Remaining weighted average maturity of the bonds to be currently refunded 8.5844

Remaining weighted average maturity of the bonds to be advance refunded

Form 8038 Statistics
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021)
****Final Numbers****

<u>Refunded Bonds</u>						
Bond Component	Date	Principal	Coupon	Price	Issue Price	
\$2,715,000 Contract Revenue Bonds, Series 2010:						
TERM	8/1/2021	95,000.00	3.250%	98.446	93,523.70	
TERM	8/1/2022	95,000.00	3.250%	98.446	93,523.70	
TERM	8/1/2023	100,000.00	3.250%	98.446	98,446.00	
TERM02	8/1/2024	100,000.00	3.500%	98.289	98,289.00	
TERM02	8/1/2025	105,000.00	3.500%	98.289	103,203.45	
TERM03	8/1/2026	110,000.00	4.000%	100.806	110,886.60	
TERM03	8/1/2027	115,000.00	4.000%	100.806	115,926.90	
TERM04	8/1/2028	120,000.00	3.750%	96.709	116,050.80	
TERM04	8/1/2029	125,000.00	3.750%	96.709	120,886.25	
TERM05	8/1/2030	130,000.00	4.000%	97.916	127,290.80	
TERM05	8/1/2031	135,000.00	4.000%	97.916	132,186.60	
TERM06	8/1/2032	140,000.00	4.250%	97.693	136,770.20	
TERM06	8/1/2033	145,000.00	4.250%	97.693	141,654.85	
TERM06	8/1/2034	150,000.00	4.250%	97.693	146,539.50	
TERM06	8/1/2035	155,000.00	4.250%	97.693	151,424.15	
TERM06	8/1/2036	160,000.00	4.250%	97.693	156,308.80	
		1,980,000.00			1,942,911.30	

	Last Call Date	Issue Date	Remaining Weighted Average Maturity
\$2,715,000 Contract Revenue Bonds, Series 2010	4/8/2021	9/28/2010	8.5844
All Refunded Issues	4/8/2021		8.5844

Proof of Arbitrage Yield
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021)

****Final Numbers****

		Present
		Value to
		04/08/2021
		@
		2.150181978
Date	Debt Service	3%
8/1/2021	123,767.19	122,939.10
2/1/2022	20,747.50	20,389.48
8/1/2022	130,747.50	127,124.61
2/1/2023	19,565.00	18,820.53
8/1/2023	134,565.00	128,067.83
2/1/2024	18,328.75	17,258.25
8/1/2024	128,328.75	119,548.36
2/1/2025	17,146.25	15,803.19
8/1/2025	132,146.25	120,499.77
2/1/2026	15,910.00	14,353.49
8/1/2026	135,910.00	121,309.42
2/1/2027	14,620.00	12,910.60
8/1/2027	139,620.00	121,983.88
2/1/2028	13,276.25	11,475.88
8/1/2028	138,276.25	118,253.53
2/1/2029	11,932.50	10,096.10
8/1/2029	141,932.50	118,811.95
2/1/2030	10,535.00	8,725.06
8/1/2030	145,535.00	119,249.74
2/1/2031	9,083.75	7,363.95
8/1/2031	144,083.75	115,562.44
2/1/2032	7,632.50	6,056.54
8/1/2032	147,632.50	115,903.19
2/1/2033	6,127.50	4,759.40
8/1/2033	146,127.50	112,294.14
2/1/2034	4,622.50	3,514.45
8/1/2034	144,622.50	108,785.93
2/1/2035	3,117.50	2,320.06
8/1/2035	148,117.50	109,057.35
2/1/2036	1,558.75	1,135.48
8/1/2036	146,558.75	105,626.29
	2,402,174.69	2,040,000.00

Proceeds Summary

Delivery date	4/8/2021
Par Value	2,040,000.00

Target for yield calculation	2,040,000.00

PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT is entered into as of March 5, 2021 (this "*Agreement*"), by and between the Trinity River Authority of Texas (the "*Issuer*"), and Regions Bank, an Alabama state banking corporation (the "*Bank*").

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of Trinity River Authority of Texas Contract Revenue Refunding Bond, Series 2021 (Livingston Regional Water Supply System Project) (the "*Obligations*"), such Obligations to be issued in fully registered form only as to the payment of principal and interest thereon; and

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of, premium, if any, and interest on said Obligations and with respect to the registration, transfer and exchange thereof by the registered owners thereof; and

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Obligations;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE

APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01. Appointment.

The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Obligations. As Paying Agent for the Obligations, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Obligations as the same become due and payable to the registered owners thereof, all in accordance with this Agreement and the "*Bond Resolution*" (hereinafter defined).

The Issuer hereby appoints the Bank as Registrar with respect to the Obligations. As Registrar for the Obligations, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Obligations and with respect to the transfer and exchange thereof as provided herein and in the "*Bond Resolution*."

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

Section 1.02. Compensation.

No compensation for the Bank's services as Paying Agent/Registrar shall be due under this agreement. The Issuer agrees to reimburse the Bank upon its request for all reasonable expenses,

disbursements and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE TWO DEFINITIONS

Section 2.01. Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

"*Bank Office*" means the principal corporate trust office of the Bank as indicated on the signature page hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

"*Bond Resolution*" means the resolution of the Board of Directors of the Issuer pursuant to which the Obligations are issued, certified by the Secretary of the Board of Directors and delivered to the Bank.

"*Financial Advisor*" means Hilltop Securities Inc.

"*Fiscal Year*" means the fiscal year of the Issuer, ending November 30.

"*Holder*" and "*Obligation Holder*" each means the Person in whose name an Obligation is registered in the Obligation Register.

"*Issuer Request*" and "*Issuer Order*" means a written request or order signed in the name of the Issuer by the President of the Board of Directors of the Issuer and delivered to the Bank.

"*Legal Holiday*" means a day on which the Bank is required or authorized to be closed.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

"*Predecessor Obligations*" of any particular Obligation means every previous Obligation evidencing all or a portion of the same obligation as that evidenced by such particular Obligation (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Obligation for which a replacement Obligation has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Bond Resolution).

"*Redemption Date*" when used with respect to any Obligation to be redeemed means the date fixed for such redemption pursuant to the terms of the Bond Resolution.

"*Responsible Officer*" when used with respect to the Bank means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"*Obligation Register*" means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfer of the Obligations.

"*Stated Maturity*" means the date specified in the Bond Resolution the principal of an Obligation is scheduled to be due and payable.

Section 2.02. Other Definitions.

The terms "*Bank*," "*Issuer*," and "*Obligations (Obligation)*" have the meanings assigned to them in the recital paragraphs of this Agreement.

The term "*Paying Agent/Registrar*" refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE THREE PAYING AGENT

Section 3.01. Duties of Paying Agent.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the principal of each Obligation at its Stated Maturity or Redemption Date, to the Holder upon surrender of the Obligation to the Bank at the Bank Office.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Obligation when due, by computing the amount of interest to be paid each Holder and preparing and sending checks by United States Mail, first class postage prepaid, on each payment date, to the Holders of the Obligations (or their Predecessor Obligations) on the respective Record Date, to the address appearing on the Obligation Register or by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder's risk and expense.

Section 3.02. Payment Dates.

The Issuer hereby instructs the Bank to pay the principal of and interest on the Obligations on the dates specified in the Bond Resolution.

ARTICLE FOUR REGISTRAR

Section 4.01. Obligation Register - Transfers and Exchanges.

The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the "*Obligation Register*") and, if the Bank Office is located outside the State of Texas, a copy of such books and records shall be kept in the State of Texas, for recording the names and addresses of the Holders of the Obligations, the transfer, exchange and replacement of the Obligations and the payment of the principal of and interest on the Obligations to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. All transfers, exchanges and replacement of Obligations shall be noted in the Obligation Register.

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

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

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

Section 4.02. Obligations.

At any time that the Obligations are not subject to a book-entry-only system of registration and transfer, the Issuer shall provide an adequate inventory of printed Obligations to facilitate transfers or exchanges thereof. The Bank covenants that the inventory of printed Obligations will be kept in safekeeping pending their use, and reasonable care will be exercised by the Bank in maintaining such Obligations in safekeeping, which shall be not less than the care maintained by the Bank for debt obligations of other political subdivisions or corporations for which it serves as registrar, or that is maintained for its own obligations.

Section 4.03. Form of Obligation Register.

The Bank, as Registrar, will maintain the Obligation Register relating to the registration, payment, transfer and exchange of the Obligations in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such

Obligation Register in any form other than those which the Bank has currently available and currently utilizes at the time.

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

Section 4.04. List of Obligation Holders.

The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Obligation Register. The Issuer may also inspect the information contained in the Obligation Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

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

Section 4.05. Cancellation of Obligations.

All obligations surrendered to the Bank, at the designated Payment/Transfer Office, for payment, redemption, transfer or replacement shall be promptly canceled by the Bank. The Bank will provide to the Issuer, at reasonable intervals determined by it, a certificate evidencing the destruction of canceled obligations.

Section 4.06. Mutilated, Destroyed, Lost or Stolen Obligations.

The Issuer hereby instructs the Bank, subject to the applicable provisions of the Bond Resolution, to deliver and issue Obligations in exchange for or in lieu of mutilated, destroyed, lost, or stolen Obligations as long as the same does not result in an over-issuance.

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

Section 4.07. Transaction Information to Issuer.

The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Obligations it has paid pursuant to Section 3.01, Obligations it has delivered upon the transfer or exchange of any Obligations pursuant to Section 4.01, and Obligations it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Obligations pursuant to Section 4.06.

Section 4.08 Reporting Requirements.

To the extent required by the Internal Revenue Code of 1986, as amended, and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto, the Bank shall report or assure that a report is made to the Holder and the Internal Revenue Service the amount of interest paid or the amount treated as interest accrued on the Obligation which is required to be reported by a Holder on its returns of federal income tax.

ARTICLE FIVE
THE BANK

Section 5.01. Duties of Bank.

The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Obligations in the manner disclosed in the closing memorandum as prepared by the Issuer's Financial Advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum acknowledged by the Financial Advisor or the Issuer as the final closing memorandum. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.02. Reliance on Documents, Etc.

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

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

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

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

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

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

Section 5.03. Recitals of Issuer.

The recitals contained herein with respect to the Issuer and in the Obligations shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

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

Section 5.04. May Hold Obligations.

The Bank, in its individual or any other capacity, may become the owner or pledgee of Obligations and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05. Moneys Held by Bank.

The Bank shall deposit any moneys received from the Issuer into a trust account to be held in a paying agency capacity for the payment of the Obligations, with such moneys in the account that exceed the deposit insurance available to the Issuer by the Federal Deposit Insurance Corporation, to be fully collateralized with securities or obligations that are eligible under the laws of the State of Texas to secure and be pledged as collateral for trust accounts until the principal and interest on such obligations have been presented for payment and paid to the owner thereof. Payments made from such trust account shall be made by check drawn on such trust account unless the owner of such Obligations shall, at its own expense and risk, request such other medium of payment.

Subject to the Unclaimed Property Law of the State of Texas, any money deposited with the Bank for the payment of the principal, premium (if any), or interest on any Obligation and remaining unclaimed for three years after the final maturity of the Obligation has become due and payable will

be paid by the Bank to the Issuer if the Issuer so elects, and the Holder of such Obligation shall hereafter look only to the Issuer for payment thereof, and all liability of the Bank with respect to such monies shall thereupon cease. If the Issuer does not elect, the Bank is directed to report and dispose of the funds in compliance with Title Six of the Texas Property Code, as amended.

Section 5.06. Indemnification.

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

Section 5.07. Interpleader.

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

ARTICLE SIX
MISCELLANEOUS PROVISIONS

Section 6.01. Amendment.

This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02. Assignment.

This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03. Notices.

Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses set forth below:

Issuer

Trinity River Authority
Attention: Chief Financial Officer
P.O. Box 60
Arlington, Texas 76004

Paying Agent/Registrar

Regions Bank
1900 Fifth Avenue N, Suite 2400
Birmingham, Alabama 35203

Regions Bank
1717 McKinney Ave, Suite 1100
Dallas, Texas 75202

Section 6.04. Effect of Headings.

The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 6.05. Successors and Assigns.

All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 6.06. Severability.

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

Section 6.07. Benefits of Agreement.

Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.08. Entire Agreement.

This Agreement and the Bond Resolution constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Bond Resolution, the Bond Resolution shall govern.

Section 6.09. Counterparts.

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

Section 6.10. Termination.

This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Obligations to the Holders thereof or (ii) may be earlier terminated by either party upon sixty (60) days written notice; provided, however, an early termination of this Agreement by either party

shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Obligations of the appointment of a successor Paying Agent/Registrar. Furthermore, the Bank and Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Obligations.

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

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

The resigning Paying Agent/Registrar may petition any court of competent jurisdiction for the appointment of a successor Paying Agent/Registrar if an instrument of acceptance by a successor Paying Agent/Registrar has not been delivered to the resigning Paying Agent/Registrar within sixty (60) days after giving such notice of resignation.

Section 6.11. Governing Law.

This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

Section 6.12. Miscellaneous.

(a) The Paying Agent/Registrar represents and warrants, for purposes of Chapter 2271 of the Texas Government Code, that at the time of execution and delivery of this Agreement, none of the Paying Agent/Registrar, or any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Paying Agent/Registrar, boycotts Israel. The Paying Agent/Registrar agrees that, except to the extent otherwise required by applicable federal law, including, without limitation, 50 U.S.C. Section 4607, neither the Paying Agent/Registrar, nor any wholly-owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the Paying Agent/Registrar, will boycott Israel during the term of this Agreement. The terms "boycotts Israel" and "boycott Israel" as used in this subsection (a) has the meaning assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code.

(b) The Paying Agent/Registrar represents and warrants, for purposes of Subchapter F of Chapter 2252 of the Texas Government Code, that at the time of execution and delivery of this Agreement neither the Paying Agent/Registrar, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Paying Agent/Registrar, (i) engages in business with Iran, Sudan or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller under Sections 806.051, 807.051 or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" as used in this subsection (b) has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

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

REGIONS BANK,
An Alabama state banking corporation

By: 

Title: Bo Buckner, SVP

THE TRINITY RIVER AUTHORITY OF TEXAS

By: _____
J. Kevin Ward, General Manager

PAYING AGENT/REGISTRAR AGREEMENT

Trinity River Authority of Texas

Contract Revenue Refunding Bond, Series 2021 (Livingston Regional Water Supply System Project)


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

REGIONS BANK,
An Alabama state banking corporation

By: _____

Title: _____

THE TRINITY RIVER AUTHORITY OF TEXAS

By:  _____
J. Kevin Ward, General Manager

PAYING AGENT/REGISTRAR AGREEMENT

Trinity River Authority of Texas

Contract Revenue Refunding Bond, Series 2021 (Livingston Regional Water Supply System Project)

GENERAL AND NO-LITIGATION CERTIFICATE OF
THE TRINITY RIVER AUTHORITY OF TEXAS

We, the undersigned officers of the Trinity River Authority of Texas (the "*Authority*"), hereby certify that we are executing and delivering this certificate with reference to the Trinity River Authority of Texas Contract Revenue Refunding Bond, Series 2021 (Livingston Regional Water Supply System Project) (the "*Bond*").

The certifications herein are made this, the 8TH day of April, 2021.

1. This certificate is executed for the benefit of the Attorney General of the State of Texas and the prospective owners of the Bond, which Bond was authorized by Resolution No. R-1565, adopted on February 24, 2021, by the Board of Directors of the Authority (the "*Bond Resolution*").

2. The Trinity River Authority of Texas is a conservation and reclamation district and political subdivision of the State of Texas, created pursuant to Chapter 518, Acts of the Regular Session of the 54th Legislature, 1955, as amended (the "*Authority Act*").

3. Other than for the payment of the Bond and Trinity River Authority of Texas Contract Revenue Bonds, Series 2010 (Livingston Regional Water Supply System Project) (the "*Refunded Bonds*") and the Trinity River Authority of Texas Contract Revenue Bonds, Series 2013 (Livingston Regional Water Supply System Project) (the "*Series 2013 Bonds*"), the "Net Revenues", as defined in the Bond Resolution, are not in any manner pledged to the payment of any debt or obligation.

4. No litigation or proceeding against the Authority is pending or, to our knowledge, threatened in any court or administrative body nor, to our knowledge, is there a basis for litigation which would contest (a) the issuance, delivery, payment, security, or validity of the Series 2013 Bonds, the Refunded Bonds or Bond, (b) the validity of the "Trinity River Authority of Texas-City of Livingston Water System Services Contract" entered into as of February 22, 1978, and amended by the "Trinity River Authority of Texas - City of Livingston Water System Services Amendatory Contract", entered into as of June 26, 1991 (collectively the "Contract") between the Authority and the City of Livingston, Texas, (c) the right of the members or officials of the Authority to hold and exercise their respective positions, (d) the due organization and valid existence of the Authority, (e) the validity, due authorization and execution of the Bond, (f) attempt to limit, enjoin or otherwise restrict or prevent the Authority from functioning and collecting revenues, including payments on the Bond pursuant to the Resolution, and other income or the charge, payment or collection of the rates, fees and charges of the Project (as defined in the Contract) or under the Contract or the use of the Net Revenues to pay the principal of and interest on the Bond, or the pledge thereof, (g) the title of the present members and officers of the Board of Directors of the Authority to their respective offices, or (h) the organization or corporate existence of the Authority or the boundaries thereof.

5. Attached hereto as Exhibit A is a schedule illustrating the savings to be realized by the Issuer because of the refunding of the Refunded Bonds by the issuance of the Bond.

6. No default exists in connection with any of the covenants or requirements of the resolutions authorizing the issuance of all outstanding bonds which are secured by and payable from the Net Revenues, and the "Interest and Sinking Fund" and the "Reserve Fund" maintained pursuant to thereto contain the amounts now required to be on deposit therein.

7. The Contract is in full force and effect, has never been revoked or rescinded, has not been changed or amended since the issuance and delivery of the Refunded Bonds secured by the Contract as submitted to and approved by the Attorney General of the State of Texas, and no default exists with respect thereto.

8. The Bond Resolution, is in full force and effect, and has never been revoked, amended or rescinded.

9. We, the undersigned President and Secretary of the Authority, officially executed and signed the Bond manually or by causing facsimiles of our manual signatures to be placed on the Bond, and we hereby adopt said facsimile signatures as our own, respectively, and declare that said facsimile signatures constitute our signatures the same as if we had manually signed the Bond.

10. The Bond is substantially in the form and has been duly executed and signed in the manner, prescribed in the Bond Resolution.

11. At the time we, the President and Secretary of the Authority, executed and signed the Bond we were, and at the time of executing this certificate we are, the duly chosen, qualified and acting officers indicated therein, and authorized to execute same.

12. No litigation of any nature has been filed or is now pending to restrain or enjoin the issuance or delivery of the Bond, or which would affect the provision made for its payment or security, or in any manner questioning the proceedings or authority concerning the issuance of the Bond, and that so far as we know and believe no such litigation is threatened.

13. Neither the corporate existence nor boundaries of the Authority is being contested, that no litigation has been filed or is now pending which would affect the authority of the officers of said issuer to issue, execute, and deliver the Bond, and that no authority or proceedings for the issuance of the Bond have been repealed, revoked or rescinded.

14. We have caused the official seal of the Authority to be impressed or placed in facsimile on the Bond, and the seal on the Bond has been duly adopted as, and is hereby declared to be, the official seal of the Authority.

15. As of the date hereof, the following are the duly constituted members of the Board of Directors of the Authority.

Kevin Maxwell, President	Dennis "Joe" McCleskey
Howard S. Slobodin, Secretary	Lewis H. McMahan
Cathy Altman	Robert F. McFarlane, M.D.

Whitney D. Beckworth
Henry Borbolla III
Cary Cole Camp
Megan W. Deen
Tommy G. Fordyce
Jerry F. House
Lisa Hembry
John W. Jenkins
David B. Leonard
Victoria K. Lucas

Manny Rachal
Steven L. Roberts
William O. Rodgers
Amir A. Rupani
Kathryn L. Sanders
C. Dwayne Somerville
Frank H. Steed, Jr.
David G. Ward
Brenda K. Walker
Edward C. Williams III

16. In accordance with the Bond Resolution, the General Manager of the Authority has duly executed the Bond Purchase Agreement with respect to the Bond.

17. With respect to the contracts executed in connection with the authorization and issuance of the Bond, all disclosure filings and acknowledgments required by Section 2252.908, Texas Government Code, and the rules of the Texas Ethics Commission related to said provision, have been made.

18. The initial Bond is directed to be sent to the Office of the Attorney General of the State of Texas, Public Finance Division (the "*Attorney General*"), by the Issuer's Bond Counsel, McCall, Parkhurst & Horton L.L.P. The Issuer requests that the Attorney General examine and approve the initial Bond in accordance with applicable law. After such approval, the Attorney General is requested to deliver the Bond to the Comptroller of Public Accounts for registration.

19. The Attorney General of Texas is hereby authorized and directed to date this certificate concurrently with the date of approval of the Bond. If any litigation or contest should develop pertaining to the Bond or any other matters covered by this certificate, the undersigned will notify you thereof immediately by telephone. With this assurance the Attorney General can rely on the absence of any such litigation or contest, and on the veracity and currency of this certificate, at the time he approves the Bond, unless he is notified otherwise as aforesaid.

20. With respect to the contracts contained within this transcript of proceedings, all disclosure filings and acknowledgments required by Section 2252.908, Texas Government Code, and the rules of the Texas Ethics Commission related to said provision, have been made.

21. In connection with the issuance of the Bond, the Issuer represents and verifies, in accordance with the prohibition by Section 2252.152 of the Texas Government Code against governmental entities contracting with companies engaged in business with Sudan, Iran, or Foreign Terrorist Organizations, that the Issuer has not contracted with a company identified on a list prepared or maintained under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code.

22. That none of the bonds being refunded by the Bond have been held in, or purchased for the account of, the Interest and Sinking Fund created and maintained for the benefit of such

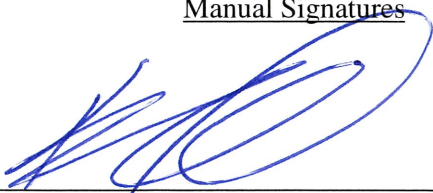
bonds being so refunded, or purchased with any money collected for the benefit thereof, and nothing in said Interest and Sinking Fund and none of said money is available or will be used for the retirement of any of such bonds.

(Execution page follows)

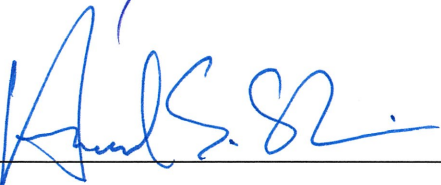
EXECUTED AND DELIVERED ON APRIL 8, 2021.

Manual Signatures

Name and Official Title



Kevin Maxwell
President, Board of Directors
Trinity River Authority of Texas



Howard Slobodin
Secretary, Board of Directors
Trinity River Authority of Texas

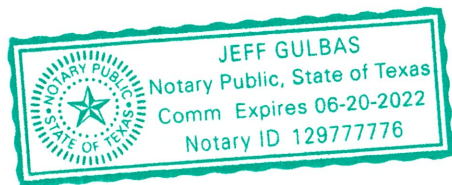


J. Kevin Ward
General Manager
Trinity River Authority of Texas


ACKNOWLEDGMENT

Before me, on this day personally appeared the foregoing individuals, known to me to be the officers whose true and genuine signatures were subscribed to the foregoing instrument in my presence.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 24th day of FEBRUARY, 2021.



[NOTARY SEAL]



Notary Public, State of Texas

General Certificate
Trinity River Authority of Texas

EXHIBIT A

PROOF OF DEBT SERVICE SAVINGS

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 04/08/2021 @
				2.4726374%
11/30/2021	133,631.25	123,767.19	9,864.06	9,788.26
11/30/2022	169,175.00	151,495.00	17,680.00	17,313.85
11/30/2023	171,087.50	154,130.00	16,957.50	16,206.77
11/30/2024	167,837.50	146,657.50	21,180.00	19,701.18
11/30/2025	169,337.50	149,292.50	20,045.00	18,195.78
11/30/2026	170,662.50	151,820.00	18,842.50	16,692.26
11/30/2027	171,262.50	154,240.00	17,022.50	14,718.99
11/30/2028	171,662.50	151,552.50	20,110.00	16,931.38
11/30/2029	172,162.50	153,865.00	18,297.50	15,033.67
11/30/2030	172,475.00	156,070.00	16,405.00	13,154.09
11/30/2031	172,275.00	153,167.50	19,107.50	14,921.18
11/30/2032	171,875.00	155,265.00	16,610.00	12,656.00
11/30/2033	170,925.00	152,255.00	18,670.00	13,857.45
11/30/2034	169,762.50	149,245.00	20,517.50	14,838.96
11/30/2035	168,387.50	151,235.00	17,152.50	12,097.00
11/30/2036	166,800.00	148,117.50	18,682.50	12,838.77
	2,689,318.75	2,402,174.69	287,144.06	238,945.61

Savings Summary

PV of savings from cash flow	238,945.61
Less: Prior funds on hand	-1,848.59

Net PV Savings	237,097.02

GENERAL CERTIFICATE OF THE CITY OF LIVINGSTON

Relating to Trinity River Authority of Texas Contract Revenue Refunding Bond, Series 2021
(Livingston Regional Water Supply System Project)

THE STATE OF TEXAS
COUNTY OF POLK
CITY OF LIVINGSTON

I, the undersigned City Manager of the City of Livingston, Texas (the "City") hereby certify as follows:

1. That this certificate is executed for the benefit of the Attorney General of the State of Texas in connection with the "Trinity River Authority of Texas Contract Revenue Refunding Bond, Series 2021 (Livingston Regional Water Supply System Project" (the "Bond"), authorized by a resolution adopted by the Board of Directors of the Trinity River Authority of Texas (the "Authority") on February 24, 2021.

2. The City is a duly incorporated Type A General Law Municipality, operating and existing under the Constitution and laws of the State of Texas.

3. No litigation of any nature has ever been filed pertaining to, affecting or contesting: (a) the execution or delivery, payment, security or validity of the "Trinity River Authority of Texas-City of Livingston Water System Services Contract" entered into as of February 22, 1978, and amended by the "Trinity River Authority of Texas - City of Livingston Water System Services Amendatory Contract", entered into as of June 26, 1991 (collectively the "Contract"), between the Authority and the City; (b) the title of the present members and officers of the City Council of said City to their respective offices; or (c) the validity of the corporate existence of said City.

4. The Contract remains in full force and effect, has not been amended or rescinded, no litigation is pending relating to the authority of the City to enter into the Contract and no default exists in connection therewith.

5. The City has no outstanding obligations payable from the water and sewer revenues of the City on a parity with the obligations under the Contract.

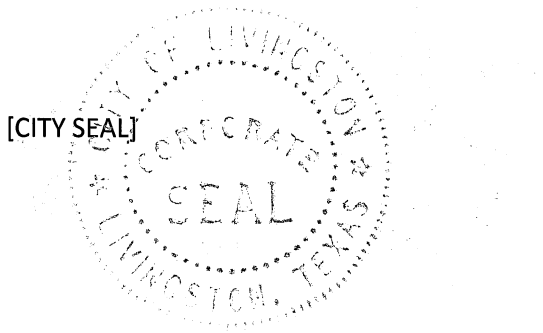
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SIGNED the February 9, 2021.

CITY OF LIVINGSTON

Billy S. Wiggins
City Manager

Ed Montaux
City Secretary



GENERAL CERTIFICATE OF THE CITY OF LIVINGSTON

*Relating to Trinity River Authority of Texas Contract Revenue Refunding Bond, Series 2021
(Livingston Regional Water Supply System Project)*

CERTIFICATE OF NOTICE OF REDEMPTION

I, the undersigned authorized officer of The Bank of New York Mellon Trust Company, N.A. (the "Bank"), acting on behalf of the Bank, hereby certify as follows:

1. The Bank is the paying agent/registrar for the following series of outstanding bonds (the "Outstanding Obligations"):

Trinity River Authority of Texas Contract Revenue Bonds, Series 2010 (Livingston Regional Water Supply System Project)

2. The Bank, as paying agent/registrar for the Outstanding Obligations hereby acknowledges receipt of the resolution adopted by the Board of Directors of the Trinity River Authority of Texas on February 24, 2021, which authorized the Trinity River Authority of Texas Contract Revenue Refunding Bond, Series 2021 (Livingston Regional Water Supply System Project) (the "Refunding Bond"). The Bank has been directed to provide the appropriate notices of redemption and defeasance and to make appropriate arrangements so that the Outstanding Obligations may be redeemed on April 8, 2021.

3. The Bank has caused a notice of redemption to be furnished to the registered bondholders of the Outstanding Obligations at least thirty days prior to the dates of redemption for such bonds, in accordance with the resolution authorizing such bonds.

4. The Bank hereby acknowledges and represents that no amounts are due to it under the Paying Agent/Registrar Agreement pertaining to the Outstanding Obligations and that the Bank will not apply funds from any fund established for the Outstanding Obligations for the payment of any fees owed to the Bank.

Executed this MAR 09 2021, 2021.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

By: Elizabeth Bennett-Polk
Title: Associate

CERTIFICATE REGARDING SUFFICIENCY OF FUNDS

The undersigned, being an authorized employee of Hilltop Securities, Inc. (the "*Financial Advisor*") which serves as financial advisor to the Trinity River Authority of Texas (the "*Issuer*"), hereby certifies as follows:

1. This Certificate is given in connection with the defeasance and redemption of the Trinity River Authority of Texas Contract Revenue Bonds, Series 2010 (Livingston Regional Water Supply System Project) (the "*Refunded Obligations*").

2. The Financial Advisor acknowledges that the outstanding Refunded Obligations as described in Exhibit A hereto have been called for redemption on April 8, 2021 (the "*Redemption Date*"). On April 8, 2021, the Issuer will deliver its \$2,040,000 Trinity River Authority of Texas Contract Revenue Refunding Bond, Series 2021 (Livingston Regional Water Supply System Project) (the "*Refunding Bond*"), which will be used to accomplish the defeasance of the Refunded Obligations.

3. The Financial Advisor acknowledges and agrees that the total amount due as the redemption price of the Refunded Obligations on the Redemption Date is \$1,994,379.42, representing principal in the amount of \$1,980,000.00 plus accrued interest to the Redemption Date in the amount of \$14,379.42.

4. The Issuer will deliver the Refunding Bond on April 8, 2021, and on that date, proceeds of the Refunding Bond in the amount of \$1,994,379.42 will be deposited with The Bank of New York Mellon Trust Company, N.A. in its capacity as paying agent for the Refunding Obligations (the "*Refunded Obligations Paying Agent*"). Such amount will be applied to pay redemption price of the Refunded Obligations on the Redemption Date.

5. Based on the certifications set forth in paragraphs 1 through 4 above, and assuming that the Refunded Obligations Paying Agent receives the funds described in paragraph 4 above, the amount of money available to the Refunded Obligations Paying Agent on the Redemption Date will be sufficient to pay the outstanding principal and accrued interest of the Refunded Obligations due on their Redemption Date as described above.

EXECUTED ON MARCH 9, 2021.

HILLTOP SECURITIES, INC.

By: 
Mary Williams
Managing Director

EXHIBIT A

SCHEDULE OF REFUNDED OBLIGATIONS

Trinity River Authority of Texas Contract Revenue Bonds, Series 2010 (Livingston
Regional Water Supply System Project)

<u>Principal</u>	<u>Coupon</u>	<u>Maturity Date</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
\$95,000	3.250%	08/01/2021	04/08/2021	100%
\$95,000	3.250%	08/01/2022	04/08/2021	100%
\$100,000	3.250%	08/01/2023	04/08/2021	100%
\$100,000	3.500%	08/01/2024	04/08/2021	100%
\$105,000	3.500%	08/01/2025	04/08/2021	100%
\$110,000	4.000%	08/01/2026	04/08/2021	100%
\$115,000	4.000%	08/01/2027	04/08/2021	100%
\$120,000	3.750%	08/01/2028	04/08/2021	100%
\$125,000	3.750%	08/01/2029	04/08/2021	100%
\$130,000	4.000%	08/01/2030	04/08/2021	100%
\$135,000	4.000%	08/01/2031	04/08/2021	100%
\$140,000	4.250%	08/01/2032	04/08/2021	100%
\$145,000	4.250%	08/01/2033	04/08/2021	100%
\$150,000	4.250%	08/01/2034	04/08/2021	100%
\$155,000	4.250%	08/01/2035	04/08/2021	100%
\$160,000	4.250%	08/01/2036	04/08/2021	100%



KEN PAXTON
ATTORNEY GENERAL OF TEXAS

April 6, 2021

THIS IS TO CERTIFY that the Trinity River Authority of Texas (the "Issuer"), has submitted the Trinity River Authority of Texas Contract Revenue Refunding Bond, Series 2021 (Livingston Regional Water Supply System Project) (the "Bond") in the principal amount of \$2,040,000, for approval. The Bond is dated April 1, 2021, numbered TR-1, and was authorized by Resolution No. R-1565 of the Issuer passed on February 24, 2021 (the "Resolution").

The Office of the Attorney General has examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We express no opinion relating to the official statement or any other offering material relating to the Bond.

Based on our examination, we are of the opinion, as of the date hereof and under existing law, as follows (capitalized terms, except as herein defined, have the meanings given to them in the Resolution):

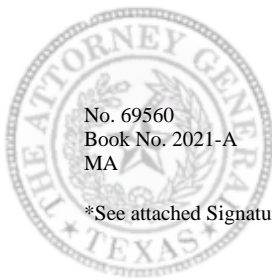
- (1) The Bond has been issued in accordance with law and is a valid and binding special obligation of the Issuer.
- (2) In accordance with the provisions of the law, firm banking arrangements have been made for the discharge and final payment or redemption of the obligations being refunded upon deposit of an amount sufficient to pay said obligations when due.
- (3) The Bond is secured by and payable from a first lien on and pledge of the Issuer's Net Revenues from the "Trinity River Authority of Texas - City of Livingston Water System Services Contract", as amended by the "Trinity River Authority of Texas - City of Livingston Water System Services Amendatory Contract", with respect to the Issuer's water supply and treatment system serving the City of Livingston.

Trinity River Authority of Texas Contract Revenue Refunding Bond, Series 2021 (Livingston Regional Water Supply System Project) - \$2,040,000

Page 2-

- (4) The Owner of the Bond shall never have the right to demand payment of the Bonds or the interest thereon from any taxes or from any source whatsoever other than as specified in the Resolution.

Therefore, the Bond is approved.



No. 69560
Book No. 2021-A
MA

*See attached Signature Authorization


Attorney General of the State of Texas

OFFICE OF COMPTROLLER

OF THE STATE OF TEXAS

I, GLENN HEGAR, Comptroller of Public Accounts of the State of Texas, do hereby certify that the attachment is a true and correct copy of the opinion of the Attorney General approving the:

Trinity River Authority of Texas Contract Revenue Refunding Bond, Series 2021
(Livingston Regional Water Supply System Project)

numbered TR-1, of the denomination of \$ 2,040,000, dated April 1, 2021, as authorized by issuer, interest 2.150 percent, under and by authority of which said bonds/certificates were registered electronically in the office of the Comptroller, on the 6th day of April 2021, under Registration Number 95709.

Given under my hand and seal of office, at Austin, Texas, the 6th day of April 2021.



A handwritten signature in black ink, appearing to read "Glenn Hegar", written over a horizontal line.

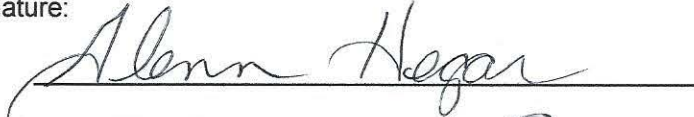
GLENN HEGAR
Comptroller of Public Accounts
of the State of Texas

OFFICE OF COMPTROLLER
OF THE STATE OF TEXAS

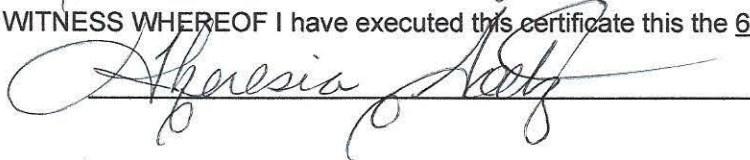
I, Theresia Goetz, ☐ Bond Clerk ☒ Assistant Bond Clerk in the office of the Comptroller of the State of Texas, do hereby certify that, acting under the direction and authority of the Comptroller on the 6th day of April 2021, I signed the name of the Comptroller to the certificate of registration endorsed upon the:

Trinity River Authority of Texas Contract Revenue Refunding Bond, Series 2021 (Livingston Regional Water Supply System Project),

numbered TR-1, dated April 1, 2021, and that in signing the certificate of registration I used the following signature:



IN WITNESS WHEREOF I have executed this certificate this the 6th day of April 2021.



I, Glenn Hegar, Comptroller of Public Accounts of the State of Texas, certify that the person who has signed the above certificate was duly designated and appointed by me under authority vested in me by Chapter 403, Subchapter H, Government Code, with authority to sign my name to all certificates of registration, and/or cancellation of bonds required by law to be registered and/or cancelled by me, and was acting as such on the date first mentioned in this certificate, and that the bonds/certificates described in this certificate have been duly registered in the office of the Comptroller, under Registration Number 95709.

GIVEN under my hand and seal of office at Austin, Texas, this the 6th day of April 2021.





GLENN HEGAR
Comptroller of Public Accounts
of the State of Texas

FEDERAL TAX CERTIFICATE

1. In General.

1.1. The undersigned is an authorized representative of the Trinity River Authority of Texas (the "Issuer").

1.2. This Certificate is executed for the purpose of establishing the reasonable expectations of the Issuer as to future events regarding the Issuer's Contract Revenue Refunding Bond, Series 2021 (Livingston Regional Water Supply System Project) (the "Bond"). The Bond is being issued pursuant to a Resolution of the Issuer and a Pricing Certificate of General Manager, each duly adopted by the Issuer (collectively, the "Resolution"). The Resolution is incorporated herein by reference.

1.3. To the best of the undersigned's knowledge, information and belief, the expectations contained in this Federal Tax Certificate are reasonable.

1.4. The undersigned is an officer of the Issuer delegated with the responsibility, among others, of issuing and delivering the Bond.

1.5. The undersigned is not aware of any facts or circumstances that would cause him to question the accuracy of the representations made by Regions Capital Advantage, Inc. (the "Purchaser") in the Issue Price Certificate attached hereto as Exhibit "D", and by Hilltop Securities Inc. (the "Financial Advisor") in Subsection 5.3 of this Certificate and with respect to the Schedules attached hereto as Exhibit "E".

2. The Purpose of the Bond and Useful Lives of Projects.

2.1. The purpose for the issuance of the Bond, as more fully described in the Resolution, is to currently refund the Issuer's Contract Revenue Bonds, Series 2010 (Livingston Regional Water Supply System Project) (the "Outstanding Bonds") and to pay the related expenses of issuing the Bond. The proceeds of the Bond will be used to redeem the Outstanding Bonds within 90 days of the date hereof.

2.2. The proceeds of the Outstanding Bonds were used to acquire, by purchase and construction, of improvements and extensions to the Issuer's water supply and treatment system serving the City of Livingston, Texas, including the construction of pipelines and the acquisition of easements (the "Outstanding Projects"). The Outstanding Projects remain in service and have not been sold or otherwise disposed of by the Issuer.

2.3. The Issuer expects that 120 percent of the aggregate useful lives of the Outstanding Projects, on the later of the date that the Outstanding Projects were placed in service or the date of issuance of the Outstanding Bonds, will exceed the weighted average maturity of the Bond.

2.4. Other than members of the general public and the City of Livingston, Texas, the Issuer expects that throughout the lesser of the term of the Bond, or the useful lives of the Outstanding Projects, the only user of the Outstanding Projects has been or will be the Issuer or

the Issuer's employees and agents. The Issuer will be the manager of the Outstanding Projects. In no event will the proceeds of the Bond, the Outstanding Bonds, the Outstanding Projects or facilities financed therewith be used for private business use in an amount greater than \$15 million. The Issuer does not expect to enter into long-term sales of output from the Outstanding Projects, except on the basis of generally-applicable and uniformly applied rates. The Issuer may apply different rates for different classes of customers, including volume purchasers, which are reasonable and customary.

2.5. Except as stated below, the Issuer expects not to sell or otherwise dispose of property constituting the Outstanding Projects prior to the earlier of the end of such property's useful life or the final maturity of the Bond. The Resolution provides that the Issuer will not sell or otherwise dispose of the Outstanding Projects unless the Issuer receives an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bond.

2.6. For purposes of Subsection 2.5 hereof, the Issuer has not included the portion of the Outstanding Projects comprised of personal property that is disposed in the ordinary course at a price that is expected to be less than 25 percent of the original purchase price. The Issuer, upon any disposition of such property, will transfer the receipts from the disposition of such property to the general operating fund and expend such receipts within six months for other governmental programs.

3. Yield.

3.1. As shown in the Schedules of Financial Advisor attached hereto as Exhibit "E", the Issuer will determine the issue price of the Bond based on the first price paid by the Purchaser.

3.2. The Issuer has not entered into any qualified guarantee or qualified hedge with respect to the Bond. The yield on the Bond will not be affected by subsequent unexpected events, except to the extent provided in section 1.148-4(h)(3) of the Treasury Regulations when and if the Issuer enters into a qualified hedge or into any transaction transferring, waiving or modifying any right that is part of the terms of any bond. The Issuer will consult with nationally recognized bond counsel prior to entering into any of the foregoing transactions.

4. Interest and Sinking Fund.

4.1. A separate and special Interest and Sinking Fund has been created and established, other than as described herein, solely to pay the principal of and interest on the Bond (the "Bona Fide Debt Service Portion"). The Bona Fide Debt Service Portion constitutes a fund that is used primarily to achieve a proper matching of revenues and debt service within each bond year. Such portion will be completely depleted at least once each year except for an amount not in excess of the greater of (a) one-twelfth of the debt service on the Bond for the previous year, or (b) the previous year's earnings on such portion of the Interest and Sinking Fund. Amounts deposited in the Interest and Sinking Fund constituting the Bona Fide Debt Service Portion will be spent within a thirteen-month period beginning on the date of deposit, and any amount received from the

investment of money held in the Interest and Sinking Fund will be spent within a one-year period beginning on the date of receipt.

4.2. Any money deposited in the Interest and Sinking Fund and any amounts received from the investment thereof that accumulate and remain on hand therein after thirteen months from the date of deposit of any such money or one year after the receipt of any such amounts from the investment thereof shall constitute a separate portion of the Interest and Sinking Fund. The yield on any investments allocable to the portion of the Interest and Sinking Fund exceeding the sum of (a) the Bona Fide Debt Service Portion and (b) an amount equal to the lesser of five percent of the sale and investment proceeds of the Bond or \$100,000 will be restricted to a yield that does not exceed the yield on the Bond.

5. Reserve Fund.

5.1. Funds on deposit in the Reserve Fund created by the Resolution are held in trust for the benefit of the holders of the Bond. If on any interest payment or maturity date, the Interest and Sinking Fund does not contain an amount sufficient to make debt service payments on the Bond, the Issuer is required to transfer money from the Reserve Fund to the Interest and Sinking Fund in an amount sufficient to make such payments.

5.2. The present value of the investments deposited to the Reserve Fund and allocable to the Bond that will be invested at a yield higher than the yield on such bonds will not, as of any date, exceed an aggregate amount which equals the lesser of (a) 10 percent of the stated principal amount (or, in the case of a discount, the issue price) of the Bond, (b) 1.25 of the average annual debt service on the Bond, or (c) maximum annual debt service on the Bond.

5.3. Based on the recommendation of the Financial Advisor to the Issuer, the amount deposited to the Reserve Fund, if any, does not exceed that amount which is reasonably prudent to be maintained to secure the timely payment of debt service in the event of periodic fluctuations in revenues of the Issuer. No amounts will be deposited in the Reserve Fund constituting proceeds received from the sale of the Bond.

6. Revenue Fund.

6.1. The Resolution creates a Revenue Fund into which certain revenues of the Issuer are deposited. Amounts on deposit in the Revenue Fund are transferred and used in the manner required by the Resolution.

6.2. Other than moneys in the Revenue Fund that are transferred to the Interest and Sinking Fund, the moneys in the Revenue Fund are reasonably expected not to be used to pay the principal of and interest on the Bond. There will be no assurance that such moneys will be available to meet debt service if the Issuer encounters financial difficulty. Amounts in the Revenue Fund will be invested without yield restriction.

7. Transferred Proceeds and Disposition Proceeds.

7.1. As of the date of this Certificate, all of the amounts received from the sale of the Outstanding Bonds and the investment earnings thereon have been expended, other than amounts held in the reserve fund, which are contributed to the escrow fund and applied within 90 days of the date of deposit to pay principal or interest on the Outstanding Bonds.

7.2. The Issuer has no reason to believe nor has any expectation that a device has been or will be employed in connection with the issuance of the Bond to obtain a material financial advantage (based on arbitrage) apart from savings attributable to lower interest rates.

8. Invested Sinking Fund Proceeds, Replacement Proceeds.

8.1. The Issuer has, in addition to the moneys received from the sale of the Bond, certain other moneys that are invested in various funds which are pledged for various purposes. These other funds are not available to accomplish the purposes described in Section 2 of this Certificate.

8.2. Other than the Interest and Sinking Fund and the Reserve Fund, there are, and will be, no other funds or accounts established, or to be established, by or on behalf of the Issuer (a) which are reasonably expected to be used, or to generate earnings to be used, to pay debt service on the Bond, or (b) which are reserved or pledged as collateral for payment of debt service on the Bond and for which there is reasonable assurance that amounts therein will be available to pay such debt service if the Issuer encounters financial difficulties. Accordingly, there are no other amounts constituting "gross proceeds" of the Bond, within the meaning of section 148 of the Code.

9. Other Obligations.

There are no other obligations of the Issuer that (a) are sold at substantially the same time as the Bond, i.e., within 15 days of the date of sale of the Bond, (b) are sold pursuant to a common plan of financing with the Bond, and (c) will be payable from the same source of funds as the Bond.

10. Federal Tax Audit Responsibilities.

The Issuer acknowledges that in the event of an examination by the Internal Revenue Service (the "Service") to determine compliance of the Bond with the provisions of the Code as they relate to tax-exempt obligations, the Issuer will respond, and will direct its agents and assigns to respond, in a commercially reasonable manner to any inquiries from the Service in connection with such an examination. The Issuer understands and agrees that the examination may be subject to public disclosure under applicable Texas law. The Issuer acknowledges that this Certificate, including any attachments, does not constitute an opinion of Bond Counsel as to the proper federal tax or accounting treatment of any specific transaction.

11. Record Retention and Private Business Use.

The Issuer has covenanted in the Resolution that it will comply with the requirements of the Code relating to the exclusion of the interest on the Bond under section 103 of the Code. The Service has determined that certain materials, records and information should be retained by the issuers of tax-exempt obligations for the purpose of enabling the Service to confirm the exclusion

of the interest on such obligations under section 103 of the Code. **ACCORDINGLY, THE ISSUER SHALL TAKE STEPS TO ENSURE THAT ALL MATERIALS, RECORDS AND INFORMATION NECESSARY TO CONFIRM THE EXCLUSION OF THE INTEREST ON THE BOND UNDER SECTION 103 OF THE CODE ARE RETAINED FOR THE PERIOD BEGINNING ON THE ISSUE DATE OF THE OUTSTANDING BONDS OR, IN THE CASE OF A SEQUENCE OF REFUNDINGS, THE ISSUE DATE OF THE OBLIGATIONS ORIGINALLY FINANCING THE OUTSTANDING PROJECTS AND ENDING THREE YEARS AFTER THE DATE THE BOND IS RETIRED.** The Issuer acknowledges receipt of the letters attached hereto as Exhibit "B" which discusses limitations related to private business use and Exhibit "C" which, in part, discusses specific guidance by the Service with respect to the retention of records relating to tax-exempt bond transactions.

12. Rebate to United States.

The Issuer has covenanted in the Resolution that it will comply with the requirements of the Code, including section 148(f) of the Code, relating to the required rebate to the United States. Specifically, the Issuer will take steps to ensure that all earnings on gross proceeds of the Bond in excess of the yield on the Bond required to be rebated to the United States will be timely paid to the United States. The Issuer acknowledges receipt of the memorandum attached hereto as Exhibit "A" which discusses regulations promulgated pursuant to section 148(f) of the Code.

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DATED as of April 8, 2021.

TRINITY RIVER AUTHORITY OF TEXAS

By: 
Kevin Ward; General Manager

FEDERAL TAX CERTIFICATE

Trinity River Authority of Texas Contract Revenue Refunding Bond, Series 2021
(Livingston Regional Water Supply System Project)

The undersigned represents that, to the best of the undersigned's knowledge, information and belief, the representations contained in Subsection 5.3 of this Federal Tax Certificate and the Schedules attached hereto as Exhibit "E" are, as of April 8, 2021, accurate and complete. We understand that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in this Federal Tax Certificate and by McCall, Parkhurst & Horton L.L.P. (i) in connection with rendering its opinion to the Issuer that interest on the Bond is excludable from gross income thereof for income tax purposes, and (ii) for purposes of completing the IRS Form 8038-G. The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned's interpretation of any laws or the application of any laws to these facts.

HILLTOP SECURITIES INC.

By: Mary Williams
Name: Mary Williams
Title: Managing Director

FEDERAL TAX CERTIFICATE

Trinity River Authority of Texas Contract Revenue Refunding Bond, Series 2021
(Livingston Regional Water Supply System Project)

November 1, 2016

ARBITRAGE REBATE REGULATIONS[©]

The arbitrage rebate requirements set forth in section 148(f) of the Internal Revenue Code of 1986 (the "Code") generally provide that in order for interest on any issue of bonds¹ to be excluded from gross income (i.e., tax-exempt) the issuer must rebate to the United States the sum of, (1) the excess of the amount earned on all "nonpurpose investments" acquired with "gross proceeds" of the issue over the amount which would have been earned if such investments had been invested at a yield equal to the yield on the issue, and (2) the earnings on such excess earnings.

On June 18, 1993, the U.S. Treasury Department promulgated regulations relating to the computation of arbitrage rebate and the rebate exceptions. These regulations, which replace the previously-published regulations promulgated on May 15, 1989, and on May 18, 1992, are effective for bonds issued after June 30, 1993, have been amended. This memorandum was prepared by McCall, Parkhurst & Horton L.L.P. and provides a general discussion of these arbitrage rebate regulations, as amended. This memorandum does not otherwise discuss the general arbitrage regulations, other than as they may incidentally relate to rebate. This memorandum also does not attempt to provide an exhaustive discussion of the arbitrage rebate regulations and should not be considered advice with respect to the arbitrage rebate requirements as applied to any individual or governmental unit or any specific transaction. Any tax advice contained in this memorandum is of a general nature and is not intended to be used, and should not be used, by any person to avoid penalties under the Code.

McCall, Parkhurst & Horton L.L.P. remains available to provide legal advice to issuers with respect to the provisions of these tax regulations but recommends that issuers seek competent financial and accounting assistance in calculating the amount of such issuer's rebate liability under section 148(f) of the Code and in making elections to apply the rebate exceptions.

Effective Dates

The regulations promulgated on June 18, 1993, generally apply to bonds delivered after June 30, 1993, although they do permit an issuer to elect to apply the rules to bonds issued prior to that date. The temporary regulations adopted by the U.S. Treasury Department in 1989 and 1992 incorporated the same effective dates which generally apply for purposes of section 148(f) of the Code. As such, the previous versions of the rebate regulations generally applied to bonds issued between August 1986 and June 30, 1993 (or, with an election, to bonds issued prior to August 15, 1993). The statutory provisions of section 148(f) of the Code, other than the exception for construction issues, apply to all bonds issued after August 15, 1986, (for private activity bonds) and August 31, 1986, (for governmental public purpose bonds). The statutory exception to rebate applicable for construction issues generally applies if such issue is delivered after December 19, 1989.

The regulations provide numerous transitional rules for bonds sold prior to July 1, 1993. Moreover, since, under prior law, rules were previously published with respect to industrial development bonds and

¹ In this memorandum the word "bond" is defined to include any bond, note, certificate, financing lease or other obligation of an issuer.

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mortgage revenue bonds, the transitional rules contained in these regulations permit an issuer to elect to apply certain of these rules for computing rebate on pre-1986 bonds. The regulations provide for numerous elections which would permit an issuer to apply the rules (other than 18-month spending exception) to bonds which were issued prior to July 1, 1993 and remain outstanding on June 30, 1993. Due to the complexity of the regulations, it is impossible to discuss in this memorandum all circumstances for which specific elections are provided. If an issuer prefers to use these final version of rebate regulations in lieu of the computational method stated under prior law (e.g., due to prior redemption) or the regulations, please contact McCall, Parkhurst & Horton L.L.P. for advice as to the availability of such options.

Future Value Computation Method

The regulations employ an actuarial method for computing the rebate amount based on the future value of the investment receipts (i.e., earnings) and payments. The rebate method employs a two-step computation to determine the amount of the rebate payment. First, the issuer determines the bond yield. Second, the issuer determines the arbitrage rebate amount. The regulations require that the computations be made at the end of each five-year period and upon final maturity of the issue (the "computation dates"). **THE FINAL MATURITY DATE WILL ACCELERATE IN CIRCUMSTANCES IN WHICH THE BONDS ARE OPTIONALLY REDEEMED PRIOR TO MATURITY. AS SUCH, IF BONDS ARE REFUNDED OR OTHERWISE REDEEMED, THE REBATE MAY BE DUE EARLIER THAN INITIALLY PROJECTED.** In order to accommodate accurate record-keeping and to assure that sufficient amounts will be available for the payment of arbitrage rebate liability, however, we recommend that the computations be performed at least annually. Please refer to other materials provided by McCall, Parkhurst & Horton L.L.P. relating to federal tax rules regarding record retention.

Under the future value method, the amount of rebate is determined by compounding the aggregate earnings on all the investments from the date of receipt by the issuer to the computation date. Similarly, a payment for an investment is future valued from the date that the payment is made to the computation date. The receipts and payments are future valued at a discount rate equal to the yield on the bonds. The rebatable arbitrage, as of any computation date, is equal to the excess of the (1) future value of all receipts from investments (i.e., earnings), over (2) the future value of all payments.

The following example is provided in the regulations to illustrate how arbitrage rebate is computed under the future value method for a fixed-yield bond:

"On January 1, 1994, City A issues a fixed yield issue and invests all the sale proceeds of the issue (\$49 million). There are no other gross proceeds. The issue has a yield of 7.0000 percent per year compounded semiannually (computed on a 30 day month/360 day year basis). City A receives amounts from the investment and immediately expends them for the governmental purpose of the issue as follows:

<u>Date</u>	<u>Amount</u>
2/1/1994	\$ 3,000,000
4/1/1994	5,000,000
6/1/1994	14,000,000
9/1/1994	20,000,000
7/1/1995	10,000,000

City A selects a bond year ending on January 1, and thus the first required computation date is January 1, 1999. The rebate amount as of this date is computed by determining the future value of the receipts and the payments for the investment. The compounding interval is each 6-month (or shorter) period and the 30 day month/360 day year basis is



used because these conventions were used to compute yield on the issue. The future value of these amounts, plus the computation credit, as of January 1, 1999, is:

<u>Date</u>	<u>Receipts (Payments)</u>	<u>FY (7.0000 percent)</u>
1/1/1994	(\$49,000,000)	(\$69,119,339)
2/1/1994	3,000,000	4,207,602
4/1/1994	5,000,000	6,932,715
6/1/1994	14,000,000	19,190,277
9/1/1994	20,000,000	26,947,162
1/1/1995	(1,000)	(1,317)
7/1/1995	10,000,000	12,722,793
1/1/1996	(1,000)	<u>(1,229)</u>
Rebate amount (01/01/1999)		<u>\$878,664"</u>

General Method for Computing Yield on Bonds

In general, the term "yield," with respect to a bond, means the discount rate that when used in computing the present value of all unconditionally due payments of principal and interest and all of the payments for a qualified guarantee produces an amount equal to the issue price of the bond. The term "issue price" has the same meaning as provided in sections 1273 and 1274 of the Code. That is, if bonds are publicly offered (i.e., sold by the issuer to a bond house, broker or similar person acting in the capacity of underwriter or wholesaler), the issue price of each bond is determined on the basis of the initial offering price to the public (not to the aforementioned intermediaries) at which price a substantial amount of such bond was sold to the public (not to the aforementioned intermediaries). The "issue price" is separately determined for each bond (i.e., maturity) comprising an issue.

The regulations also provide varying periods for computing yield on the bonds depending on the method by which the interest payment is determined. Thus, for example, yield on an issue of bonds sold with variable interest rates (i.e., interest rates which are reset periodically based on changes in market) is computed separately for each computation period ending at least on each five-year anniversary of the delivery date that the issue. In effect, yield on a variable yield issue is determined on each computation date by "looking back" at the interest payments for such period.

Yield on a fixed interest rate issue (i.e., an issue of bonds the interest rate on which is determined as of the date of the issue) is computed over the entire term of the issue. Issuers of fixed-yield issues generally use the yield computed as of the date of issue for all rebate computations. The yield on fixed-yield issues must be computed by assuming retirements of principal on a call date earlier than the stated maturity date of a bond if (1) the bond is sold at a substantial premium, it may be retired within five years of the date of delivery, and such date is earlier than its scheduled maturity date, or (2) the issue is a stepped-coupon bond. Similarly, recomputation may occur in circumstances in which the issuer or bondholder modify or waive certain terms of, or rights with respect to, the issue or in sophisticated hedging transactions. **IN SUCH CIRCUMSTANCES, ISSUERS ARE ADVISED TO CONSULT McCALL, PARKHURST & HORTON L.L.P. TO ADDRESS THE FEDERAL INCOME TAX CONSEQUENCES OF THESE TRANSACTIONS.**

For purposes of determining the principal or redemption payments on a bond, different rules are used for fixed-rate and variable-rate bonds. The payment is computed separately on each maturity of bonds rather than on the issue as a whole. In certain circumstances, the yield on the bond is determined by assuming that principal on the bond is paid as scheduled and that the bond is retired on the final maturity date for the stated retirement price. For bonds subject to early redemption or stepped-coupon bonds, described above, or for



bonds subject to mandatory early redemption, the yield is computed assuming the bonds are paid on the early redemption date for an amount equal to their value.

Premiums paid to guarantee the payment of debt service on bonds are taken into account in computing the yield on the bond. Payments for guarantees are taken into account by treating such premiums as the payment of interest on the bonds. This treatment, in effect, raises the yield on the bond, thereby permitting the issuer to recover such fee with excess earnings.

The guarantee must be an unconditional obligation of the guarantor enforceable by the bondholder for the payment of principal or interest on the bond or the tender price of a tender bond. The guarantee may be in the form of an insurance policy, surety bond, irrevocable letter or line of credit, or standby purchase agreement. Importantly, the guarantor must be legally entitled to full reimbursement for any payment made on the guarantee either immediately or upon commercially reasonable repayment terms. The guarantor may not be a co-obligor of the bonds or a user of more than 10 percent of the proceeds of the bonds.

Payments for the guarantee may not exceed a reasonable charge for the transfer of credit risk. This reasonable charge requirement is not satisfied unless it is reasonably expected that the guarantee will result in a net present value savings on the bond (i.e., the premium does not exceed the present value of the interest savings resulting by virtue of the guarantee). If the guarantee is entered into after June 14, 1989, then any fees charged for the nonguarantee services must be separately stated or the guarantee fee is not recoverable.

The regulations also treat certain "hedging" transactions in a manner similar to qualified guarantees. "Hedges" are contracts, e.g., interest rate swaps, futures contracts or options, which are intended to reduce the risk of interest rate fluctuations. Hedges and other financial derivatives are sophisticated and ever-evolving financial products with which a memorandum, such as this, cannot readily deal. **IN SUCH CIRCUMSTANCES, ISSUERS ARE ADVISED TO CONSULT McCALL, PARKHURST & HORTON L.L.P. TO ADDRESS THE FEDERAL INCOME TAX CONSEQUENCES OF THESE TRANSACTIONS.**

Earnings on Nonpurpose Investments

The arbitrage rebate provisions apply only to the receipts from the investment of "gross proceeds" in "nonpurpose investments." For this purpose, nonpurpose investments are stock, bonds or other obligations acquired with the gross proceeds of the bonds for the period prior to the expenditure of the gross proceeds for the ultimate purpose. For example, investments deposited to construction funds, reserve funds (including surplus taxes or revenues deposited to sinking funds) or other similar funds are nonpurpose investments. Such investments include only those which are acquired with "gross proceeds." For this purpose, the term "gross proceeds" includes original proceeds received from the sale of the bonds, investment earnings from the investment of such original proceeds, amounts pledged to the payment of debt service on the bonds or amounts actually used to pay debt service on the bonds. The regulations do not provide a sufficient amount of guidance to include an exhaustive list of "gross proceeds" for this purpose; however, it can be assumed that "gross proceeds" represent all amounts received from the sale of bonds, amounts earned as a result of such sale or amounts (including taxes and revenues) which are used to pay, or secure the payment of, debt service for the bonds. The total amount of "gross proceeds" allocated to a bond generally cannot exceed the outstanding principal amount of the bonds.

The regulations provide that an investment is allocated to an issue for the period (1) that begins on the date gross proceeds are used to acquire the investment, and (2) that ends on the date such investment ceases to be allocated to the issue. In general, proceeds are allocated to a bond issue until expended for the ultimate purpose for which the bond was issued or for which such proceeds are received (e.g., construction of a bond-financed facility or payment of debt service on the bonds). Deposit of gross proceeds to the general fund of the



issuer (or other fund in which they are commingled with revenues or taxes) does not eliminate or ameliorate the Issuer's obligation to compute rebate in most cases. As such, proceeds commingled with the general revenues of the issuer are not "freed-up" from the rebate obligation. An exception to this commingling limitation for bonds, other than private activity bonds, permits "investment earnings" (but not sale proceeds or other types of gross proceeds) to be considered spent when deposited to a commingled fund if those amounts are reasonably expected to be spent within six months. Other than for these amounts, issuers may consider segregating investments in order to more easily compute the amount of such arbitrage earnings by not having to allocate investments.

Special rules are provided for purposes of advance refundings. These rules are too complex to discuss in this memorandum. Essentially, the rules relating to refundings, however, do not require that amounts deposited to the escrow fund to defease the prior obligations of the issuer be subject to arbitrage rebate to the extent that the investments deposited to the escrow fund do not have a yield in excess of the yield on the bonds. Any loss resulting from the investment of proceeds in an escrow fund below the yield on the bonds, however, may be recovered by combining those investments with investments deposited to other funds, e.g., reserve or construction funds.

The arbitrage regulations also provide an exception to the arbitrage limitations for the investment of bond proceeds in tax-exempt obligations. As such, investment of proceeds in tax exempt bonds eliminates the Issuer's rebate obligation. A caveat; this exception does not apply to gross proceeds derived allocable to a bond, which is not subject to the alternative minimum tax under section 57(a)(5) of the Code, if invested in tax-exempt bonds subject to the alternative minimum tax, i.e., "private activity bonds." Such "AMT-subject" investment is treated as a taxable investment and must comply with the arbitrage rules, including rebate. Earnings from these tax-exempt investments are subject to arbitrage restrictions, including rebate.

Similarly, the investment of gross proceeds in certain tax-exempt mutual funds are treated as a direct investment in the tax-exempt obligations deposited in such fund. While issuers may invest in such funds for purposes of avoiding arbitrage rebate, they should be aware that if "private activity bonds" are included in the fund then a portion of the earnings will be subject to arbitrage rebate. Issuers should be prudent in assuring that the funds do not contain private activity bonds.

The arbitrage regulations provide a number of instances in which earnings will be imputed to nonpurpose investments. Receipts generally will be imputed to investments that do not bear interest at an arm's-length (i.e., market) interest rate. As such, the regulations adopt a "market price" rule. In effect, this rule prohibits an issuer from investing bond proceeds in investments at a price which is higher than the market price of comparable obligations, in order to reduce the yield. Special rules are included for determining the market price for investment contracts, certificates of deposit and certain U.S. Treasury obligations. For example, to establish the fair market value of investment contracts a bidding process between three qualified bidders must be used. The fair market value of certificates of deposit which bear a fixed interest rate and are subject to an early withdrawal penalty is its purchase price if that price is not less than the yield on comparable U.S. Treasury obligations and is the highest yield available from the institution. In any event, a basic "common sense" rule-of-thumb that can be used to determine whether a fair market value has been paid is to ask whether the general funds of the issuer would be invested at the same yield or at a higher yield. An exception to this market price rule is available for United States Treasury Obligations - State or Local Government Series in which case the purchase price is always the market price.

Reimbursement and Working Capital

The regulations provide rules for purposes of determining whether gross proceeds are used for working capital and, if so, at what times those proceeds are considered spent. In general, issuers can finance short-term or long-term working capital with tax-exempt bonds. By adopting a "proceeds-spent-last" rule, the regulations also generally require that an issuer actually incur a deficit (i.e., expenditures must exceed receipts)



for the computation period (which generally corresponds to the issuer's fiscal year in the case of short-term working capital financing). Also, the regulations permit an operating reserve, but unlike prior regulations the amount of such reserve may not exceed five percent of the issuer's actual working capital expenditures for the prior fiscal year. A change was made to the regulations in 2016 allows issuers to finance the operating reserve with proceeds of a tax-exempt obligation. The regulations generally continue the prior regulations' 13-month temporary period for short-term working capital financing.

Long-term working capital financings are beyond the scope of this memorandum. In the event long-term working capital financing is needed, issuers are advised to consult McCall, Parkhurst & Horton L.L.P. to address the federal income tax consequences of these transactions.

Importantly, the regulations contain rules for determining whether proceeds used to reimburse an issuer for costs paid prior to the date of issue of the obligation, in fact, are considered spent at the time of reimbursement. These rules apply to an issuer who uses general revenues for the payment of all or a portion of the costs of a project then uses the proceeds of the bonds to reimburse those general revenues. Failure to comply with these rules would result in the proceeds continuing to be subject to federal income tax restrictions, including rebate.

To qualify for reimbursement, a cost must be described in an expression (e.g., resolution, legislative authorization) evidencing the issuer's intent to reimburse which is made no later than 60 days after the payment of the cost. Reimbursement must occur no later than 18 months after the later of (1) the date the cost is paid or (2) the date the project is placed in service. Except for projects requiring an extended construction period or small issuers, in no event can a cost be reimbursed more than three years after the cost is paid.

Reimbursement generally is not permitted for working capital; only capital costs, grants and loans may be reimbursed. Moreover, certain anti-abuse rules apply to prevent issuers from avoiding the limitations on refundings. **IN CASES INVOLVING WORKING CAPITAL OR REIMBURSEMENT, ISSUERS ARE ADVISED TO CONTACT McCALL, PARKHURST & HORTON L.L.P. TO ADDRESS THE FEDERAL INCOME TAX CONSEQUENCES OF THE TRANSACTION.**

Rebate Payments

Rebate payments generally are due 60 days after each installment computation date. The interim computation dates occur each fifth anniversary of the issue date. The final computation date is on the latest of (1) the date 60 days after the date the issue of bonds is no longer outstanding, (2) the date eight months after the date of issue for certain short-term obligations (i.e., obligations retired within three years), or (3) the date the issuer no longer reasonably expects any spending exception, discussed below, to apply to the issue. On such payment dates, other than the final payment date, an issuer is required to pay 90 percent of the rebatable arbitrage to the United States. On the final payment date, an issuer is required to pay 100 percent of the remaining rebate liability.

Failure to timely pay rebate does not necessarily result in the loss of tax-exemption. Late payments, however, are subject to the payment of interest, and unless waived, a penalty of 50 percent (or, in the case of private activity bonds, other than qualified 501(c)(3) bonds, 100 percent) of the rebate amount which is due. **IN SUCH CIRCUMSTANCES, ISSUERS ARE ADVISED TO CONSULT McCALL, PARKHURST & HORTON L.L.P. TO ADDRESS THE FEDERAL INCOME TAX CONSEQUENCES OF THESE TRANSACTIONS.**

Rebate payments are refundable. The issuer, however, must establish to the satisfaction of the Commissioner of the Internal Revenue Service that the issuer paid an amount in excess of the rebate and that the recovery of the overpayment on that date would not result in additional rebatable arbitrage. An overpayment of less than \$5,000 may not be recovered before the final computation date.



Alternative Penalty Amount

In certain cases, an issuer of a bond the proceeds of which are to be used for construction may elect to pay a penalty, in lieu of rebate. The penalty may be elected in circumstances in which the issuer expects to satisfy the two-year spending exception which is more fully described under the heading "Exceptions to Rebate." The penalty is payable, if at all, within 60 days after the end of each six-month period. This is more often than rebate. The election of the alternative penalty amount would subject an issuer, which fails the two-year spend-out requirements, to the payment of a penalty equal to one and one-half of the excess of the amount of proceeds which was required to be spent during that period over the amount which was actually spent during the period.

The penalty has characteristics which distinguish it from arbitrage rebate. First, the penalty would be payable without regard to whether any arbitrage profit is actually earned. Second, the penalty continues to accrue until either (1) the appropriate amount is expended or (2) the issuer elects to terminate the penalty. To be able to terminate the penalty, the issuer must meet specific requirements and, in some instances, must pay an additional penalty equal to three percent of the unexpended proceeds.

Exceptions to Rebate

The Code and regulations provide certain exceptions to the requirement that the excess investment earnings be rebated to the United States.

a. Small Issuers. The first exception provides that if an issuer (together with all subordinate issuers) during a calendar year does not issue tax-exempt bonds² in an aggregate face amount exceeding \$5 million, then the obligations are not subject to rebate. *Only issuers with general taxing powers may take advantage of this exception.* Subordinate issuers are those issuers which derive their authority to issue bonds from the same issuer, e.g., a city and a health facilities development corporation, or which are controlled by the same issuer, e.g., a state and the board of a public university. In the case of bonds issued for public school capital expenditures, the \$5 million cap may be increased to as much as \$15 million. For purposes of measuring whether bonds in the calendar year exceed these dollar limits, current refunding bonds can be disregarded if they meet certain structural requirements. Please contact McCall, Parkhurst & Horton L.L.P. for further information.

b. Spending Exceptions.

Six-Month Exception. The second exception to the rebate requirement is available to all tax-exempt bonds, all of the gross proceeds of which are expended during six months. The six month rule is available to bonds issued after the effective date of the Tax Reform Act of 1986. See the discussion of effective dates on page two. For this purpose, proceeds used for the redemption of bonds (other than proceeds of a refunding bond deposited to an escrow fund to discharge refunded bonds) cannot be taken into account as expended. As such, bonds with excess gross proceeds generally cannot satisfy the second exception unless the amount does not exceed the lesser of five percent or \$100,000 and such de minimis amount must be expended within one year.

Certain gross proceeds are not subject to the spend-out requirement, including amounts deposited to a bona fide debt service fund, to a reserve fund and amounts which become gross proceeds received from purpose investments. These amounts themselves, however, may be subject to rebate even though the originally expended proceeds were not.

² For this purpose, "private activity bonds" neither are afforded the benefit of this exception nor are taken into account for purposes of determining the amount of bonds issued.



The Code provides a special rule for tax and revenue anticipation notes (i.e., obligations issued to pay operating expenses in anticipation of the receipt of taxes and other revenues). Such notes are referred to as TRANs. To determine the timely expenditure of the proceeds of a TRAN, the computation of the "cumulative cash flow deficit" is important. If the "cumulative cash flow deficit" (i.e., the point at which the operating expenditures of the issuer on a cumulative basis exceed the revenues of the issuer during the fiscal year) occurs within the first six months of the date of issue and must be equal to at least 90 percent of the proceeds of the TRAN, then the notes are deemed to satisfy the exception. This special rule requires, however, that the deficit actually occur, not that the issuer merely have an expectation that the deficit will occur. In lieu of the statutory exception for TRANs, the regulations also provide a second exception. Under this exception, 100 percent of the proceeds must be spent within six months, but before note proceeds can be considered spent, all other available amounts of the issuer must be spent first ("proceeds-spent-last" rule). In determining whether all available amounts are spent, a reasonable working capital reserve equal to five percent of the prior year's expenditures may be set aside and treated as unavailable.

18-Month Exception. The regulations also establish a non-statutory exception to arbitrage rebate if all of the gross proceeds (including investment earnings) are expended within 18 months after the date of issue. Under this exception, 15 percent of the gross proceeds must be expended within a six-month spending period, 60 percent within a 12-month spending period and 100 percent within an 18-month spending period. The rule permits an issuer to rely on its reasonable expectations for computing investment earnings which are included as gross proceeds during the first and second spending period. A reasonable retainage not to exceed five percent of the sale proceeds of the issue is not required to be spent within the 18-month period but must be expended within 30 months. Rules similar to the six-month exception relate to the definition of gross proceeds.

Two Year Exception. Bonds issued after December 19, 1989 (i.e., the effective date of the Omnibus Reconciliation Act of 1989), at least 75 percent of the net proceeds of which are to be used for construction, may be exempted from rebate if the gross proceeds are spent within two years. Bonds more than 25 percent of the proceeds of which are used for acquisition or working capital may not take advantage of this exception. The exception applies only to governmental bonds, qualified 501(c)(3) bonds and private activity bonds for governmentally-owned airports and docks and wharves. The two-year exception requires that at least 10 percent of the available construction proceeds must be expended within six months after the date of issue, 45 percent within 12 months, 75 percent within 18 months and 100 percent within 24 months. The term "available construction proceeds" generally means sale proceeds of the bonds together with investment earnings less amounts deposited to a qualified reserve fund or used to pay costs of issuance. Under this rule, a reasonable retainage not to exceed five percent need not be spent within 24 months but must be spent within 36 months.

The two-year rule also provides for numerous elections which must be made not later than the date of issuance of the bonds. Once made, the elections are irrevocable. Certain elections permit an issuer to bifurcate bond issues, thereby treating only a portion of the issue as a qualified construction bond; and, permit an issuer to disregard earnings from reserve funds for purposes of determining "available construction proceeds." Another election permits an issuer to pay the alternative penalty amount discussed above in lieu of rebate if the issuer ultimately fails to satisfy the two-year rule. Issuers should discuss these elections with their financial advisors prior to issuance of the bonds. Of course, McCall, Parkhurst & Horton L.L.P. remains available to assist you by providing legal interpretations thereof.

Debt Service Funds. Additionally, an exception to the rebate requirement, whether or not any of the previously discussed exceptions are available, applies for earnings on "bona fide debt service funds." A "bona fide debt service fund" is one in which the amounts are expended within 13 months of the accumulation of such amounts by the issuer. In general, most interest and sinking funds (other than any excess taxes or revenues accumulated therein) satisfy these requirements. For private activity bonds, short term bonds (i.e.,



have a term of less than five years) or variable rate bonds, the exclusion is available only if the gross earnings in such fund does not exceed \$100,000, for the bond year. For other bonds issued after November 11, 1988, no limitation is applied to the gross earnings on such funds for purposes of this exception. Therefore, subject to the foregoing discussion, the issuer is not required to take such amounts into account for purposes of the computation.

Conclusion

McCall, Parkhurst & Horton L.L.P. hopes that this memorandum will prove to be useful as a general guide to the arbitrage rebate requirements.

Again, this memorandum is not intended as an exhaustive discussion nor as specific advice with respect to any specific transaction. We advise our clients to seek competent financial and accounting assistance. Of course, we remain available to provide legal advice regarding all federal income tax matters, including arbitrage rebate. If you have any questions, please feel free to contact either Harold T. Flanagan or Stefano Taverna at (214) 754-9200.

EXHIBIT "B"

January 1, 2018

**Certain Federal Income Tax Considerations for
Private Business Use of Bond-Financed Facilities**

This memorandum provides a general discussion of those types of contractual arrangements which give rise to private business use, and to what extent that use rises to a prohibited level. Generally, in order for bonds issued by governmental units to be tax-exempt, no more than a de minimis amount of the proceeds of the bonds or the facilities financed with such proceeds may be used by non-governmental users. That is, there may be no more than an incidental use by persons, other than state or local governments. Too much private business use can cause the bonds to become taxable. Private business use for this purpose can be direct or can result from indirect benefits being conveyed to a private person by contractual arrangement. The following discussion describes, in general terms, those types of arrangements which need to be scrutinized.

We hope that this general guideline will be useful to you in interacting with private parties regarding the use of bond proceeds or bond-financed facilities. While the statements contained herein are not intended as advice with regard to any specific transaction, McCall, Parkhurst & Horton L.L.P. remains available should you have questions about these rules. Any tax advice contained in this memorandum, including any attachments, was not intended or written to be used for the purpose of avoiding federal tax related penalties or promoting, marketing or recommending to another party any transaction or matter addressed herein. If you have any specific questions or comments, please feel free to contact Stefano Taverna or Harold T. Flanagan at (214) 754-9200.

I. Private Business Use

Arrangements that involve use in a trade or business by a nongovernmental person of bond proceeds or facilities financed with bond proceeds may cause a "private business use" problem. Bond-financed facilities may be used by a variety of people with differing consequences under these rules. For example, students, teachers, employees and the general public may use bond-financed facilities on a non-exclusive basis without constituting private business use. More problematic, however, is use of bond-financed facilities by groups such as managers, lessees (e.g., book store owners), persons providing services (e.g., food or cleaning), seminar groups, sports and entertainment groups, and even alumni associations. The benefits also may be considered to pass to a private person where the right to the output produced by the facility is transferred. For this purpose, the federal government is considered a non-governmental person. Use by an organization organized under section 501(c)(3) of the Internal Revenue Code in a trade or business unrelated to the exempt purpose of such organization also is considered use by a private person.

The term "use" includes both actual and beneficial use. As such, private business use may arise in a variety of ways. For example, ownership of a bond-financed facility by a non-governmental person is private business use. The leasing of a bond-financed facility by a non-governmental person can also cause a private business use problem. Along the same line,



management of such facilities by a non-governmental person can cause a problem with private business use, absent compliance with the management contract rules discussed below. Essentially, such use can occur in connection with any arrangement in which the non-governmental user has a preference to benefit from the proceeds or the facilities. Therefore, any arrangement which results in a non-governmental person being the ultimate beneficiary of the bond financing must be considered.

1. Sales and Leases. The sale of a bond-financed facility to a non-governmental person would cause a private business use problem if that facility involved the use of more than 10 percent of the bond proceeds. Since state law often prohibits a governmental issuer from lending credit, this circumstance generally does not occur. Leases, however, also could be a problem because such arrangements grant a possessory interest in the facility which results in the lessee receiving a right to use the facility which is superior to members of the general public.

2. Management Contracts. Having a private manager will give rise to private business use unless certain terms of the management agreement demonstrate that beneficial use has not been passed to the manager. These factors relate to the compensation arrangements, contract term, cancellation provisions, and the relationship of the parties.

The tax rules provide that a contract that satisfies certain requirements is treated as a contract that does not give rise to private use of facilities financed with tax-exempt bonds (“Qualified Contract”). Additionally, certain arrangements that qualify as an eligible expense reimbursement arrangement do not give rise to private use.

A Qualified Contract is one that meets **all** of the following requirements:

- i. Compensation paid to the private manager must be reasonable;
- ii. The private manager cannot receive a share of “net profits” from the operation of the managed property;
- iii. The private manager cannot share in the net losses resulting from the operation of the managed property;
- iv. The contract’s term cannot exceed 30 years or 80 percent of the weighted average reasonably expected economic life of the managed property, if less;
- v. The governmental owner must exercise a significant degree of control over the actual use of the managed property;
- vi. The governmental owner must retain the risk of loss (for example, in cases of catastrophic events); and
- vii. The private manager cannot take an inconsistent tax position from the position taken by the governmental owner nor can it retain substantial ability to limit the governmental owner’s control rights.

Various factors must be evaluated when drafting a contract to ensure it meets this new safe-harbor, including the eligibility for, the amount of, and the timing of, compensation payments to the private manager, as well as the amount and contingency of, and the timing of operational losses borne by the private manager. Penalties for the inability to meet certain benchmarks are allowed, so long as they are determinable in a stated dollar amount, or a multiple thereof. Similarly, incentive compensations or bonuses are permissible, even if measured against



standards of quality of services, performance or productivity, so long as they are not based on the net profits from the management of the bond financed property.

An owner's control is significant so long as it retains control over the budget, the type of expenditures, dispositions of bond financed property and control over the general nature and type of use of those assets.

The tax rules also provide owner's flexibility when structuring compensation arrangements with private managers (which could include fixed, per capita, per unit or any other variable compensation arrangement and terms that could be as long as 30 years), as long as the term of the contract does not exceed the allowable term, including all renewal options, the owner retains significant controls over the venture, the compensation is reasonable and there is no sharing of net profit or net losses with the private manager.

3. Cooperative Research Agreements. A cooperative research agreement with a private sponsor whereby the private party uses bond-financed facilities may cause a private business use problem. Nevertheless, such use of a bond-financed facility by a non-governmental person is to be disregarded for purposes of private business use if the arrangement is in one of the following forms. First, the arrangement may be disregarded if the sponsoring party is required to pay a competitive price for any license or other use of resulting technology, and such price must be determined at the time the technology is available. Second, an arrangement may also qualify if a four-part requirement is met: (1) multiple, unrelated industry sponsors must agree to fund university-performed basic research; (2) the university must determine the research to be performed and the manner in which it is to be performed; (3) the university must have exclusive title to any patent or other product incidentally resulting from the basic research; and (4) sponsors must be limited to no more than a nonexclusive, royalty-free license to use the product of any such research.

4. Output Contracts. In some circumstances, private business use arises by virtue of contractual arrangements in which a governmental unit agrees to sell the output from a bond-financed facility to a non-governmental person. If the non-governmental person is obligated to take the output or to pay for output even if not taken, then private business use will arise. This is because the benefits and burdens of the bond-financed facility are considered as inuring to the non-governmental purchaser. In addition to the general rule, output-type facilities, including electric and gas generation, transmission and related facilities (but not water facilities) are further limited in the amount of private business use which may be permitted. If more than 5 percent of the proceeds are used for output facilities and if more than 10 percent of the output is sold pursuant to an output arrangement, then the aggregate private business use which may result (for all bond issues) is \$15,000,000.

II. How Much Private Business Use is Too Much?

In general, there is too much private business use if an amount in excess of 10 percent of the proceeds of the bond issue are to be used, directly or indirectly, in a trade or business carried on by persons other than governmental units, and other than as members of the general public. All trade or business use by persons on a basis different than that of the general public is aggregated for the 10 percent limit. Private business use is measured on a facility or bond issue basis. On a facility basis, such use is generally measured by relative square footage, fair market rental value or the percentage of cost allocable to the private use. On a bond issue basis, the proceeds of the bond issue are allocated to private and governmental (or public) use of the facility to determine the amount of private business use over the term of the bond issue. Temporary use



is not necessarily "bad" (i.e., private use) even though it results in more than 10 percent of the facility being so used. For example, if 100 percent of a facility is used for a period equal to five percent of the term of the bond such use may not adversely impact the bonds. The question is whether the benefits and burdens of ownership have transferred to the private user, as in the case of a sale, lease or management contract. If these benefits and burdens have not transferred, such use may be disregarded for purposes of private business use. In no event should private business use exceed \$15,000,000.

In addition, if the private use is considered "unrelated or disproportionate" to the governmental purpose for issuance of the bonds, the private business use test is met if the level of the prohibited private use rises to 5 percent. The "unrelated" question turns on the operational relationship between the private use and use for the governmental purpose. In most cases, a related use facility must be located within or adjacent to the related governmental facility, e.g., a privately-operated school cafeteria would be related to the school in which it is located. Whereas, the use of a bond-financed facility as an administrative office building for a catering company that operates cafeterias for a school system would not be a related use of bond proceeds. Nonetheless, even if a use is related, it is disproportionate to the extent that bond proceeds used for the private use will exceed proceeds used for the related governmental use.

III. When are the tests applied to analyze the qualification of a bond?

A bond is tested both (1) on the date of issue, and (2) over the term. The tests are applied to analyze the character of the bond on the date of issue, based on how the issuer expects to use the proceeds and the bond-financed property. This is known as the "**reasonable expectations**" standard. The tests also continuously are applied during the term of the bonds to determine whether there has been a deviation from those expectations. This is known as the "**change of use**" standard. When tested, bonds are viewed on an "issue-by-issue" basis. Generally, bonds secured by the same sources of funds are part of the same "issue" if they are sold within 15 days of one another.

IV. What is the reasonable expectations standard?

The reasonable expectations standard will be the basis on which McCall, Parkhurst & Horton L.L.P., as bond counsel, will render the federal income tax opinion on the bonds. The statement of expectations will be incorporated into the Federal Tax Certificate, previously referred to as the Federal Tax Certificate. The certificate also will contain information about the amounts to be expended on different types of property, e.g., land, buildings, equipment, in order to compute a weighted useful life of the bond-financed property. Based on the information on useful life, the maximum weighted average maturity of the bonds tested to ensure that is restricted to no more than 120 percent of the useful life of the property being financed or refinanced.

V. Change of Use Standard.

The disqualified private business use need not exist on the date of issue. Subsequent use by non-governmental persons also can cause a loss of tax-exemption. Post-issuance "change of use" of bond-financed facilities could result in the loss of the tax-exempt status of the bonds, unless certain elements exist which demonstrate the change was unforeseen. For this purpose, a change in use includes a failure to limit private business use subsequent to the date of issuance of the bonds. A reasonable expectation element requires that, as of the date of issue of the bonds, the governmental unit reasonably have expected to use the proceeds of the issue for qualified facilities for the entire term of the issue. To fall within the safe harbor rules which avoid loss of



tax-exempt status the governmental unit must assure that no circumstances be present which indicate an attempt to avoid directly or indirectly the requirements of federal income tax law.

Finally, the safe harbor requires that the governmental unit take remedial action that would satisfy one of the following provisions: redemption of bonds; alternative use of disposition proceeds of a facility that is financed by governmental bonds; or, alternative use of a facility that is financed by governmental bonds. For purposes of the latter two remedial action provisions, the governmental unit has 90 days from the date of the change of use to satisfy the requirements. In addition, there is an exception for small transactions for dispositions at a loss.

VI. Written Procedures.

Each governmental issuer should establish written procedures to assure continuing compliance with the private use and arbitrage limitations imposed by the Code. Moreover, the Internal Revenue Service ("IRS") is asking issuers to state in a bond issue's informational return (such as an 8038-G) whether such post-issuance procedures have been adopted. The federal tax certificate, together with the attached memoranda and bond covenants can be supplemented by standard written practices adopted by the executive officer or legislative bodies of the issuer. Accordingly, our firm is prepared to advise you with respect to additional practices which we believe would be beneficial in monitoring compliance and taking remedial action in cases of change in use. There is no standard uniform practice for all issuers to adopt because each issuer operates in unique fashion. However, if you wish us to assist you in developing practices which might assist you in complying with the viewpoints expressed by the IRS and its personnel, please contact your bond lawyer at McCall, Parkhurst & Horton LLP.

Exhibit "C"

March 5, 2021

Ms. Alison Mackey
Chief Financial Officer
Trinity River Authority of Texas
P.O. Box 60
Arlington, Texas 76004

Re: Trinity River Authority of Texas
Contract Revenue Refunding Bond, Series 2021 (Livingston Regional Water
Supply System Project)

Dear Ms. Mackey:

As you know, the Trinity River Authority of Texas (the "Issuer") will issue the captioned bond in order to provide for the refunding, in advance of their maturities, of portions of bonds previously issued by the Issuer. As a result of that issuance, the federal income tax laws impose certain restrictions on the investment and expenditure of amounts to be deposited to the interest and sinking fund and the reserve fund for the captioned bond. The purpose of this letter is to set forth, in somewhat less technical language, those provisions of the tax law which require the timely use of bond proceeds and that investment of these amounts be at a yield which is not higher than the yield on the captioned bond. For this purpose, please refer to line 21(e) of the Form 8038-G included in the transcript of proceedings for the yield on the captioned bond. Please note that the Form 8038-G has been prepared based on the information provided by or on your behalf by your financial advisor. Accordingly, while we believe that the information is correct you may wish to have the yield confirmed before your rebate consultant or the paying agent attempt to rely on it.

The Issuer has determined that there are no unexpended original and investment proceeds of the outstanding bonds deposited to the capital projects fund.

Generally, the federal tax laws provide that, unless excepted, amounts to be used for the projects or to be deposited to the interest and sinking fund and the reserve fund must be invested in obligations the combined yield on which does not exceed the yield on the bond. Importantly, for purposes of administrative convenience, the bond, however, has been structured in such a way as to avoid, for the most part, this restriction on investment yield. They also contain certain covenants relating to expenditures of proceeds designed to alert you to unintentional failures to comply with the laws affecting expenditures of proceeds and dispositions of property.

First, the interest and sinking fund is made up of amounts which are received annually for the payment of current debt service on all the Issuer's outstanding bonds. Any taxes or revenues



deposited to the interest and sinking fund which are to be used for the payment of current debt service on the captioned bond, or any other outstanding bonds, are not subject to yield restriction. By definition, current debt service refers only to debt service to be paid within one year of the date of receipt of these amounts. For the most part, this would be debt service in the current fiscal year. These amounts deposited to the account for current debt service may be invested without regard to any constraint imposed by the federal income tax laws.

Second, a portion of the interest and sinking fund is permitted to be invested without regard to yield restriction as a "minor portion." The "minor portion" exception is available for de minimis amounts of taxes or revenues deposited to the interest and sinking fund. The maximum amount that may be invested as part of this account may not exceed the lesser of five percent of the principal amount of the bond or \$100,000.

In addition, the reserve fund contains an amount, which although not expended for debt service within the current year, is necessary to ensure that amounts will be sufficient to pay debt service in the event that taxes or revenues are insufficient during that period. This amount represents a reserve against periodic fluctuations in the receipt of taxes and revenues. The Internal Revenue Code permits amounts which are held in reserve for the payment of debt service, in such instances, to be invested without regard to yield restriction if such amounts do not exceed the lesser of (1) 10 percent of the outstanding principal amount of all outstanding obligations, (2) maximum annual debt service on all outstanding obligations, or (3) 125 percent of average annual debt service on all outstanding obligations.

Accordingly, you should review the current balance in the interest and sinking fund and the reserve fund in order to determine if such balances exceed the aggregate amounts discussed above. Additionally, in the future it is important that you be aware of these restrictions as additional amounts are deposited to the funds. The amounts in these funds which are subject to yield restriction would only be the amounts which are in excess of, in the case of the interest and sinking fund, the sum of (1) the current debt service account and (2) the "minor portion" account and, in the case of the reserve fund, the amount which is the lesser of the three amounts described above. Moreover, to the extent that additional bonds are issued by the Issuer, whether for new money projects or for refunding, these amounts will change in their proportion.

As of January 1, 2018, tax-exempt bonds cannot be issued to advance refund another bond. While certain exceptions may apply, an advance refunding bond is one the proceeds of which are generally used to pay principal, interest or premium on another issue of bonds more than 90 days after the issue date of the refunding bond. **The Issuer should not use any proceeds of the bonds for the payment of principal, interest or premium on another issue of bonds without first discussing with Bond Counsel.**

The Resolution contains covenants that require the Issuer to comply with the requirements of the federal tax laws relating to the tax-exempt obligations. The Internal Revenue Service (the "Service") has determined that certain materials, records and information should be retained by the issuers of tax-exempt obligations for the purpose of enabling the Service to confirm the



exclusion of the interest on such obligations under the Internal Revenue Code. **Accordingly, the Issuer should retain such materials, records and information for the period beginning on the issue date of the outstanding bonds, or, in the case of a sequence of refundings, the issue date of the obligations originally financing the refinanced projects and ending three years after the date the captioned bond is retired. Please note this federal tax law standard may vary from state law standards.** The material, records and information required to be retained will generally be contained in the transcript of proceedings for the captioned bond, however, the Issuer should collect and retain additional materials, records and information to ensure the continued compliance with federal tax law requirements. For example, beyond the transcript of proceedings for the bond, the Issuer should keep schedules evidencing the expenditure of bond proceeds, documents relating to the use of bond-financed property by governmental and any private parties (e.g., leases and management contracts, if any) and schedules pertaining to the investment of bond proceeds. In the event that you have questions relating to record retention, please contact us.

The Service also wants some assurance that any failure to comply with the federal tax laws was not due to an issuer's intentional disregard or gross neglect of the responsibilities imposed on it by the federal tax laws. Therefore, to ensure post-issuance compliance, an issuer should consider adopting formalized written guidelines to help the issuer perform diligence reviews at regular intervals. The goal is for issuers to be able to timely identify and resolve violations of the laws necessary to maintain their obligations' tax-favored status. While the federal tax certificate, together with its attachments, may generally provide a basic written guideline when incorporated in an organizations' operations, the extent to which an organization has appropriate written compliance procedures in place is to be determined on a case-by-case basis. Moreover, the Service has indicated that written procedures should identify the personnel that adopted the procedures, the personnel that is responsible for monitoring compliance, the frequency of compliance check activities, the nature of the compliance check activities undertaken, and the date such procedures were originally adopted and subsequently updated, if applicable. The Service has stated that the adoption of such procedures will be a favorable factor that the Service will consider when determining the amount of any penalty to be imposed on an issuer in the event of an unanticipated and non-curable failure to comply with the tax laws.

Finally, you should notice that the Resolution contains a covenant that limits the ability of the Issuer to sell or otherwise dispose of bond-financed property for compensation. Beginning for obligations issued after May 15, 1997 (including certain refunding bonds), or in cases in which an issuer elects to apply new private activity bond regulations, such sale or disposition causes the creation of a class of proceeds referred to as "disposition proceeds." Disposition proceeds, like sale proceeds and investment earnings, are tax-restricted funds. Failure to appropriately account, invest or expend such disposition proceeds would adversely affect the tax-exempt status of the bond. In the event that you anticipate selling property, even in the ordinary course, please contact us.

Obviously, this letter only presents a fundamental discussion of, among other tax rules, the yield restriction rules as applied to amounts deposited to the funds. This letter does not address the rebate consequences with respect to the interest and sinking fund and the reserve fund. You



should review the memorandum attached to the Federal Tax Certificate as Exhibit "A" for this purpose. If you have certain concerns with respect to the matters discussed in this letter or wish to ask additional questions with regards to certain limitations imposed, please feel free to contact our firm. Thank you for your consideration and we look forward to our continued relationship.

Very truly yours,

McCALL, PARKHURST & HORTON L.L.P.

cc: Mr. Jeff H. Gulbas

Exhibit "D"

ISSUE PRICE CERTIFICATE

[To be attached hereto]

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Regions Capital Advantage, Inc. (the "Purchaser"), hereby certifies as set forth below with respect to the purchase of the Trinity River Authority of Texas Contract Revenue Refunding Bond, Series 2021 (Livingston Regional Water Supply System Project) (the "Bond") issued by Trinity River Authority of Texas (the "Issuer").

The Purchaser is purchasing the Bond as the first buyer of the Bond at a purchase price of \$2,040,000. The Purchaser is not acting as an Underwriter with respect to the Bond. The Purchaser has no present intention to sell, reoffer, or otherwise dispose of the Bond (or any portion of the Bond or any interest in the Bond). The Purchaser is not acquiring the Bond from the Issuer in consideration for the payment of property, other than money.

For purposes of this 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 Bond to a person (including an individual, trust, estate, partnership, association, company, or corporation) that is not an Underwriter, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bond to a person (including an individual, trust, estate, partnership, association, company, or corporation) that is not an Underwriter (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bond to the Public) and (2) any person who has more than 50 percent common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bond, and by McCall, Parkhurst & Horton L.L.P. in connection with rendering its opinion that the interest on the Bond is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bond.

EXECUTED and DELIVERED as of this 30th March, 2021.

REGIONS CAPITAL ADVANTAGE, INC.
as Purchaser

By: 

Name: Bo Buckner, President

Exhibit "E"

SCHEDULES OF FINANCIAL ADVISOR

[To be attached hereto]

Sources and Uses of Funds
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021)
****Final Numbers****

Dated Date 4/8/2021
Delivery
Date 4/8/2021

Sources:

Bond Proceeds:

Par Amount	2,040,000.00
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Other Sources of Funds:

Transfer from prior DSRF	1,848.59
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	2,041,848.59
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Uses:

Refunding Escrow Deposits:

Cash Deposit	1,994,379.42
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Delivery Date Expenses:

Cost of Issuance	47,469.17
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	2,041,848.59
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Notes:

DSRF balance per TRA 3/4/2021

Call Option: 4/8/2029 without penalty.

Bond Summary Statistics
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021)
****Final Numbers****

Dated Date	4/8/2021
Delivery Date	4/8/2021
First Coupon	8/1/2021
Last Maturity	8/1/2036
Arbitrage Yield	2.150182%
True Interest Cost (TIC)	2.150182%
Net Interest Cost (NIC)	2.150000%
All-In TIC	2.472637%
Average Coupon	2.150000%
Average Life (years)	8.258
Weighted Average Maturity (years)	8.258
Duration of Issue (years)	7.419
Par Amount	2,040,000.00
Bond Proceeds	2,040,000.00
Total Interest	362,174.69
Net Interest	362,174.69
Bond Years from Dated Date	16,845,333.33
Bond Years from Delivery Date	16,845,333.33
Total Debt Service	2,402,174.69
Maximum Annual Debt Service	156,070.00
Average Annual Debt Service	156,862.49
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	

Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	Duration	PV of 1 bp change
Serial Bond	2,040,000.00	100.000	2.150%	8.258	7/11/2029	7.419	1,495.35
	2,040,000.00			8.258			1,495.35

	TIC	All-In TIC	Arbitrage Yield	
	-----	-----	-----	
Par Value		2,040,000.00		2,040,000.00
+ Accrued Interest				
+ Premium (Discount)				
- Underwriter's Discount				
- Cost of Issuance Expense			-47,469.17	
- Other Amounts				
	-----	-----	-----	

Bond Summary Statistics
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021)
****Final Numbers****

Target Value	2,040,000.00	1,992,530.83	2,040,000.00
Target Date	4/8/2021	4/8/2021	4/8/2021
Yield	2.150182%	2.472637%	2.150182%

Bond Pricing
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021)

****Final Numbers****

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Serial Bond:					
	8/1/2021	110,000	2.150%	2.150%	100.000
	8/1/2022	110,000	2.150%	2.150%	100.000
	8/1/2023	115,000	2.150%	2.150%	100.000
	8/1/2024	110,000	2.150%	2.150%	100.000
	8/1/2025	115,000	2.150%	2.150%	100.000
	8/1/2026	120,000	2.150%	2.150%	100.000
	8/1/2027	125,000	2.150%	2.150%	100.000
	8/1/2028	125,000	2.150%	2.150%	100.000
	8/1/2029	130,000	2.150%	2.150%	100.000
	8/1/2030	135,000	2.150%	2.150%	100.000
	8/1/2031	135,000	2.150%	2.150%	100.000
	8/1/2032	140,000	2.150%	2.150%	100.000
	8/1/2033	140,000	2.150%	2.150%	100.000
	8/1/2034	140,000	2.150%	2.150%	100.000
	8/1/2035	145,000	2.150%	2.150%	100.000
	8/1/2036	145,000	2.150%	2.150%	100.000
		2,040,000			

Dated Date	4/8/2021	
Delivery Date	4/8/2021	
First Coupon	8/1/2021	
Par Amount	2,040,000.00	
Original Issue Discount		

Production	2,040,000.00	100.000000%
Underwriter's Discount		

Purchase Price	2,040,000.00	100.000000%
Accrued Interest		

Net Proceeds	2,040,000.00	

Bond Debt Service
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021)
****Final Numbers****

Period Ending	Principal	Interest	Debt Service
11/30/2021	110,000	13,767.19	123,767.19
11/30/2022	110,000	41,495.00	151,495.00
11/30/2023	115,000	39,130.00	154,130.00
11/30/2024	110,000	36,657.50	146,657.50
11/30/2025	115,000	34,292.50	149,292.50
11/30/2026	120,000	31,820.00	151,820.00
11/30/2027	125,000	29,240.00	154,240.00
11/30/2028	125,000	26,552.50	151,552.50
11/30/2029	130,000	23,865.00	153,865.00
11/30/2030	135,000	21,070.00	156,070.00
11/30/2031	135,000	18,167.50	153,167.50
11/30/2032	140,000	15,265.00	155,265.00
11/30/2033	140,000	12,255.00	152,255.00
11/30/2034	140,000	9,245.00	149,245.00
11/30/2035	145,000	6,235.00	151,235.00
11/30/2036	145,000	3,117.50	148,117.50
	2,040,000	362,174.69	2,402,174.69

Bond Debt Service
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021)
****Final Numbers****

Period Ending	Principal	Interest	Debt Service
8/1/2021	110,000	13,767.19	123,767.19
2/1/2022		20,747.50	20,747.50
8/1/2022	110,000	20,747.50	130,747.50
2/1/2023		19,565.00	19,565.00
8/1/2023	115,000	19,565.00	134,565.00
2/1/2024		18,328.75	18,328.75
8/1/2024	110,000	18,328.75	128,328.75
2/1/2025		17,146.25	17,146.25
8/1/2025	115,000	17,146.25	132,146.25
2/1/2026		15,910.00	15,910.00
8/1/2026	120,000	15,910.00	135,910.00
2/1/2027		14,620.00	14,620.00
8/1/2027	125,000	14,620.00	139,620.00
2/1/2028		13,276.25	13,276.25
8/1/2028	125,000	13,276.25	138,276.25
2/1/2029		11,932.50	11,932.50
8/1/2029	130,000	11,932.50	141,932.50
2/1/2030		10,535.00	10,535.00
8/1/2030	135,000	10,535.00	145,535.00
2/1/2031		9,083.75	9,083.75
8/1/2031	135,000	9,083.75	144,083.75
2/1/2032		7,632.50	7,632.50
8/1/2032	140,000	7,632.50	147,632.50
2/1/2033		6,127.50	6,127.50
8/1/2033	140,000	6,127.50	146,127.50
2/1/2034		4,622.50	4,622.50
8/1/2034	140,000	4,622.50	144,622.50
2/1/2035		3,117.50	3,117.50
8/1/2035	145,000	3,117.50	148,117.50
2/1/2036		1,558.75	1,558.75
8/1/2036	145,000	1,558.75	146,558.75
	2,040,000	362,174.69	2,402,174.69

Summary of Refunding Results
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021)
****Final Numbers****

Dated Date	4/8/2021
Delivery Date	4/8/2021
Arbitrage yield	2.150182%
Escrow yield	
Value of Negative Arbitrage	
Bond Par Amount	2,040,000.00
True Interest Cost	2.150182%
Net Interest Cost	2.150000%
All-In TIC	2.472637%
Average Coupon	2.150000%
Average Life	8.258
Weighted Average Maturity	8.258
Par amount of refunded bonds	1,980,000.00
Average coupon of refunded bonds	4.079120%
Average life of refunded bonds	8.604
Remaining weighted average maturity of refunded bonds	8.584
PV of prior debt to 04/08/2021 @ 2.472637%	2,231,476.44
Net PV Savings	237,097.02
Percentage savings of refunded bonds	11.974597%

Savings
 Livingston Regional Water Supply System Project
 Contract Revenue Refunding Bonds, Series 2021
 Interest calculated at 2.15% (Per Regions 3/4/2021)
 Final Numbers

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 04/08/2021 @ 2.4726374%
11/30/2021	133,631.25	123,767.19	9,864.06	9,788.26
11/30/2022	169,175.00	151,495.00	17,680.00	17,313.85
11/30/2023	171,087.50	154,130.00	16,957.50	16,206.77
11/30/2024	167,837.50	146,657.50	21,180.00	19,701.18
11/30/2025	169,337.50	149,292.50	20,045.00	18,195.78
11/30/2026	170,662.50	151,820.00	18,842.50	16,692.26
11/30/2027	171,262.50	154,240.00	17,022.50	14,718.99
11/30/2028	171,662.50	151,552.50	20,110.00	16,931.38
11/30/2029	172,162.50	153,865.00	18,297.50	15,033.67
11/30/2030	172,475.00	156,070.00	16,405.00	13,154.09
11/30/2031	172,275.00	153,167.50	19,107.50	14,921.18
11/30/2032	171,875.00	155,265.00	16,610.00	12,656.00
11/30/2033	170,925.00	152,255.00	18,670.00	13,857.45
11/30/2034	169,762.50	149,245.00	20,517.50	14,838.96
11/30/2035	168,387.50	151,235.00	17,152.50	12,097.00
11/30/2036	166,800.00	148,117.50	18,682.50	12,838.77
	2,689,318.75	2,402,174.69	287,144.06	238,945.61

Savings Summary

PV of savings from cash flow	238,945.61
Less: Prior funds on hand	-1,848.59

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Net PV Savings	237,097.02

Summary of Bonds Refunded
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021)

****Final Numbers****

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
\$2,715,000 Contract Revenue Bonds, Series 2010, 2010, TERM:					
	8/1/2021	3.250%	95,000.00	4/8/2021	100.000
	8/1/2022	3.250%	95,000.00	4/8/2021	100.000
	8/1/2023	3.250%	100,000.00	4/8/2021	100.000
			290,000.00		
\$2,715,000 Contract Revenue Bonds, Series 2010, 2010, TERM02:					
	8/1/2024	3.500%	100,000.00	4/8/2021	100.000
	8/1/2025	3.500%	105,000.00	4/8/2021	100.000
			205,000.00		
\$2,715,000 Contract Revenue Bonds, Series 2010, 2010, TERM03:					
	8/1/2026	4.000%	110,000.00	4/8/2021	100.000
	8/1/2027	4.000%	115,000.00	4/8/2021	100.000
			225,000.00		
\$2,715,000 Contract Revenue Bonds, Series 2010, 2010, TERM04:					
	8/1/2028	3.750%	120,000.00	4/8/2021	100.000
	8/1/2029	3.750%	125,000.00	4/8/2021	100.000
			245,000.00		
\$2,715,000 Contract Revenue Bonds, Series 2010, 2010, TERM05:					
	8/1/2030	4.000%	130,000.00	4/8/2021	100.000
	8/1/2031	4.000%	135,000.00	4/8/2021	100.000
			265,000.00		
\$2,715,000 Contract Revenue Bonds, Series 2010, 2010, TERM06:					
	8/1/2032	4.250%	140,000.00	4/8/2021	100.000
	8/1/2033	4.250%	145,000.00	4/8/2021	100.000
	8/1/2034	4.250%	150,000.00	4/8/2021	100.000
	8/1/2035	4.250%	155,000.00	4/8/2021	100.000
	8/1/2036	4.250%	160,000.00	4/8/2021	100.000
			750,000.00		
			1,980,000.00		

Prior Bond Debt Service
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021)
****Final Numbers****

Period Ending	Principal	Interest	Debt Service
11/30/2021	95,000	38,631.25	133,631.25
11/30/2022	95,000	74,175.00	169,175.00
11/30/2023	100,000	71,087.50	171,087.50
11/30/2024	100,000	67,837.50	167,837.50
11/30/2025	105,000	64,337.50	169,337.50
11/30/2026	110,000	60,662.50	170,662.50
11/30/2027	115,000	56,262.50	171,262.50
11/30/2028	120,000	51,662.50	171,662.50
11/30/2029	125,000	47,162.50	172,162.50
11/30/2030	130,000	42,475.00	172,475.00
11/30/2031	135,000	37,275.00	172,275.00
11/30/2032	140,000	31,875.00	171,875.00
11/30/2033	145,000	25,925.00	170,925.00
11/30/2034	150,000	19,762.50	169,762.50
11/30/2035	155,000	13,387.50	168,387.50
11/30/2036	160,000	6,800.00	166,800.00
	1,980,000	709,318.75	2,689,318.75

Escrow Requirements
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021
****Final Numbers****

Period	Principal		
Ending	Interest	Redeemed	Total
4/8/2021	14,379.42	1,980,000.00	1,994,379.42
	14,379.42	1,980,000.00	1,994,379.42

Aggregate Debt Service
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021)

****Final Numbers****

Contract

Revenue

Refunding

Period Ending	Bonds, Series 2021	Outstanding Parity Debt	Aggregate Debt Service
11/30/2021	123,767.19	1,016,725	1,140,492.19
11/30/2022	151,495.00	1,408,450	1,559,945.00
11/30/2023	154,130.00	1,407,450	1,561,580.00
11/30/2024	146,657.50	1,408,825	1,555,482.50
11/30/2025	149,292.50	1,410,825	1,560,117.50
11/30/2026	151,820.00	1,411,625	1,563,445.00
11/30/2027	154,240.00	1,409,325	1,563,565.00
11/30/2028	151,552.50	1,410,750	1,562,302.50
11/30/2029	153,865.00	1,409,500	1,563,365.00
11/30/2030	156,070.00	1,411,250	1,567,320.00
11/30/2031	153,167.50	1,410,750	1,563,917.50
11/30/2032	155,265.00	1,408,000	1,563,265.00
11/30/2033	152,255.00	1,408,000	1,560,255.00
11/30/2034	149,245.00	1,410,500	1,559,745.00
11/30/2035	151,235.00	1,410,250	1,561,485.00
11/30/2036	148,117.50	1,412,250	1,560,367.50
11/30/2037		1,411,250	1,411,250.00
11/30/2038		1,412,250	1,412,250.00
2,402,174.69		24,987,975	27,390,149.69

Formula Verification
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021)
****Final Numbers****

Component		Formula	Value
RES	Total aggregate Debt Service / 17.50		1,565,151.41
RES	- 1,567,000		-1,567,000.00
RES	Debt Service Reserve Fund		-1,848.59
FORM	1,567,000		1,567,000.00
FORM	- (total aggregate Debt Service / 17.50)		-1,565,151.41
FORM	Other Formula		1,848.59

Form 8038 Statistics
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021)
****Final Numbers****

Dated Date 4/8/2021
Delivery
Date 4/8/2021

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial Bond:						
	8/1/2021	110,000.00	2.150%	100.000	110,000.00	110,000.00
	8/1/2022	110,000.00	2.150%	100.000	110,000.00	110,000.00
	8/1/2023	115,000.00	2.150%	100.000	115,000.00	115,000.00
	8/1/2024	110,000.00	2.150%	100.000	110,000.00	110,000.00
	8/1/2025	115,000.00	2.150%	100.000	115,000.00	115,000.00
	8/1/2026	120,000.00	2.150%	100.000	120,000.00	120,000.00
	8/1/2027	125,000.00	2.150%	100.000	125,000.00	125,000.00
	8/1/2028	125,000.00	2.150%	100.000	125,000.00	125,000.00
	8/1/2029	130,000.00	2.150%	100.000	130,000.00	130,000.00
	8/1/2030	135,000.00	2.150%	100.000	135,000.00	135,000.00
	8/1/2031	135,000.00	2.150%	100.000	135,000.00	135,000.00
	8/1/2032	140,000.00	2.150%	100.000	140,000.00	140,000.00
	8/1/2033	140,000.00	2.150%	100.000	140,000.00	140,000.00
	8/1/2034	140,000.00	2.150%	100.000	140,000.00	140,000.00
	8/1/2035	145,000.00	2.150%	100.000	145,000.00	145,000.00
	8/1/2036	145,000.00	2.150%	100.000	145,000.00	145,000.00
		2,040,000.00			2,040,000.00	2,040,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	8/1/2036	2.150%	145,000.00	145,000.00		
Entire Issue			2,040,000.00	2,040,000.00	8.2575	2.1502%

Proceeds used for accrued interest

Proceeds used for bond issuance costs (including underwriters' discount) 47,469.17

Proceeds used for credit enhancement

Proceeds allocated to reasonably required reserve or replacement fund

Proceeds used to refund prior tax-exempt bonds 1,994,379.42

Proceeds used to refund prior taxable bonds

Remaining WAM of prior tax-exempt bonds (years) 8.5844

Remaining WAM of prior taxable bonds (years)

Last call date of refunded tax-exempt bonds 4/8/2021

2011 Form 8038 Statistics

Proceeds used to currently refund prior issues 1,994,379.42

Proceeds used to advance refund prior issues

Remaining weighted average maturity of the bonds to be currently refunded 8.5844

Remaining weighted average maturity of the bonds to be advance refunded

Form 8038 Statistics
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021)
****Final Numbers****

<u>Refunded Bonds</u>						
Bond Component	Date	Principal	Coupon	Price	Issue Price	
\$2,715,000 Contract Revenue Bonds, Series 2010:						
TERM	8/1/2021	95,000.00	3.250%	98.446	93,523.70	
TERM	8/1/2022	95,000.00	3.250%	98.446	93,523.70	
TERM	8/1/2023	100,000.00	3.250%	98.446	98,446.00	
TERM02	8/1/2024	100,000.00	3.500%	98.289	98,289.00	
TERM02	8/1/2025	105,000.00	3.500%	98.289	103,203.45	
TERM03	8/1/2026	110,000.00	4.000%	100.806	110,886.60	
TERM03	8/1/2027	115,000.00	4.000%	100.806	115,926.90	
TERM04	8/1/2028	120,000.00	3.750%	96.709	116,050.80	
TERM04	8/1/2029	125,000.00	3.750%	96.709	120,886.25	
TERM05	8/1/2030	130,000.00	4.000%	97.916	127,290.80	
TERM05	8/1/2031	135,000.00	4.000%	97.916	132,186.60	
TERM06	8/1/2032	140,000.00	4.250%	97.693	136,770.20	
TERM06	8/1/2033	145,000.00	4.250%	97.693	141,654.85	
TERM06	8/1/2034	150,000.00	4.250%	97.693	146,539.50	
TERM06	8/1/2035	155,000.00	4.250%	97.693	151,424.15	
TERM06	8/1/2036	160,000.00	4.250%	97.693	156,308.80	
		1,980,000.00			1,942,911.30	

	Last Call Date	Issue Date	Remaining Weighted Average Maturity
\$2,715,000 Contract Revenue Bonds, Series 2010	4/8/2021	9/28/2010	8.5844
All Refunded Issues	4/8/2021		8.5844

Proof of Arbitrage Yield
Livingston Regional Water Supply System Project
Contract Revenue Refunding Bonds, Series 2021
Interest calculated at 2.15% (Per Regions 3/4/2021)

****Final Numbers****

		Present
		Value to
		04/08/2021
		@
		2.150181978
Date	Debt Service	3%
8/1/2021	123,767.19	122,939.10
2/1/2022	20,747.50	20,389.48
8/1/2022	130,747.50	127,124.61
2/1/2023	19,565.00	18,820.53
8/1/2023	134,565.00	128,067.83
2/1/2024	18,328.75	17,258.25
8/1/2024	128,328.75	119,548.36
2/1/2025	17,146.25	15,803.19
8/1/2025	132,146.25	120,499.77
2/1/2026	15,910.00	14,353.49
8/1/2026	135,910.00	121,309.42
2/1/2027	14,620.00	12,910.60
8/1/2027	139,620.00	121,983.88
2/1/2028	13,276.25	11,475.88
8/1/2028	138,276.25	118,253.53
2/1/2029	11,932.50	10,096.10
8/1/2029	141,932.50	118,811.95
2/1/2030	10,535.00	8,725.06
8/1/2030	145,535.00	119,249.74
2/1/2031	9,083.75	7,363.95
8/1/2031	144,083.75	115,562.44
2/1/2032	7,632.50	6,056.54
8/1/2032	147,632.50	115,903.19
2/1/2033	6,127.50	4,759.40
8/1/2033	146,127.50	112,294.14
2/1/2034	4,622.50	3,514.45
8/1/2034	144,622.50	108,785.93
2/1/2035	3,117.50	2,320.06
8/1/2035	148,117.50	109,057.35
2/1/2036	1,558.75	1,135.48
8/1/2036	146,558.75	105,626.29
	2,402,174.69	2,040,000.00

Proceeds Summary

Delivery date	4/8/2021
Par Value	2,040,000.00

Target for yield calculation	2,040,000.00

April 13, 2021

VIA UPS NEXT DAY AIR #1Z 564 04W 01 9875 8078

Internal Revenue Service Center
1973 North Rulon White Boulevard
Ogden, Utah 84201-1000

Re: Information Reporting - Tax-Exempt Bonds
Trinity River Authority of Texas
Contract Revenue Refunding Bond, Series 2021
(Livingston Regional Water Supply System Project)

Ladies and Gentlemen:

Pursuant to the requirements of Section 149(e) of the Internal Revenue Code of 1986, enclosed please find an original of Form 8038-G which is hereby submitted to you for the above-captioned bonds issued April 8, 2021.

Sincerely,

McCALL, PARKHURST & HORTON L.L.P.



Stefano Taverna

ST: vd
Enclosures
cc: Mr. Jeff H. Gulbas

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name Trinity River Authority of Texas		2 Issuer's employer identification number (EIN) 75-6005084	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) None		3b Telephone number of other person shown on 3a N/A	
4 Number and street (or P.O. box if mail is not delivered to street address) P.O. Box 60	Room/suite	5 Report number (For IRS Use Only) 3	
6 City, town, or post office, state, and ZIP code Arlington, Texas 76004		7 Date of issue 04/08/2021	
8 Name of issue Contract Revenue Refunding Bond, Series 2021 (Livingston Regional Water Supply System Project)		9 CUSIP number None	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Alison Mackey, Chief Financial Officer		10b Telephone number of officer or other employee shown on 10a (817) 493-5118	

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.		
11	Education	11
12	Health and hospital	12
13	Transportation	13
14	Public safety	14
15	Environment (including sewage bonds)	15
16	Housing	16
17	Utilities	17 2,040,000
18	Other. Describe ►	18
19a	If bonds are TANs or RANs, check only box 19a	<input type="checkbox"/>
b	If bonds are BANs, check only box 19b	<input type="checkbox"/>
20	If bonds are in the form of a lease or installment sale, check box	<input type="checkbox"/>

Part III Description of Bonds. Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	08/01/2036	\$ 2,040,000	\$ 2,040,000	8.25 years	2.1501 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)		
22	Proceeds used for accrued interest	22 0
23	Issue price of entire issue (enter amount from line 21, column (b))	23 2,040,000
24	Proceeds used for bond issuance costs (including underwriters' discount)	24 47,469
25	Proceeds used for credit enhancement	25 0
26	Proceeds allocated to reasonably required reserve or replacement fund	26 0
27	Proceeds used to refund prior tax-exempt bonds. Complete Part V	27 1,992,531
28	Proceeds used to refund prior taxable bonds. Complete Part V	28 0
29	Total (add lines 24 through 28)	29 2,040,000
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30 0

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.	
31	Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded 8.58 years
32	Enter the remaining weighted average maturity of the taxable bonds to be refunded N/A years
33	Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY) 04/08/2021
34	Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY) 09/28/2010

Part VI Miscellaneous

- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) **35** **0**
- 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions **36a** **0**
- b** Enter the final maturity date of the GIC ► (MM/DD/YYYY) _____
- c** Enter the name of the GIC provider ► _____
- 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units **37** **0**
- 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box ► ☐ and enter the following information:
- b** Enter the date of the master pool bond ► (MM/DD/YYYY) _____
- c** Enter the EIN of the issuer of the master pool bond ► _____
- d** Enter the name of the issuer of the master pool bond ► _____
- 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ► ☐
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ► ☐
- 41a** If the issuer has identified a hedge, check here ► ☐ and enter the following information:
- b** Name of hedge provider ► _____
- c** Type of hedge ► _____
- d** Term of hedge ► _____
- 42** If the issuer has superintegrated the hedge, check box ► ☐
- 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ► ☒
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box ► ☒
- 45a** If some portion of the proceeds was used to reimburse expenditures, check here ► ☐ and enter the amount of reimbursement ► _____
- b** Enter the date the official intent was adopted ► (MM/DD/YYYY) _____

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

Signature of issuer's authorized representative *Alison A. Mackey*

Date *4/6/21*

Type or print name and title **Alison Mackey, Chief Financial Officer**

Paid Preparer Use Only

Print/Type preparer's name
Harold T. Flanagan

Preparer's signature *Harold T. Flanagan*

Date
03/24/2021

Check ☐ if self-employed

PTIN
P01071147

Firm's name ► **McCall, Parkhurst & Horton L.L.P.**

Firm's EIN ► **75-0799392**

Firm's address ► **717 N. Harwood, Suite 900, Dallas, TX 75201**

Phone no. **214-754-9200**

CLOSING CERTIFICATE

I, the undersigned General Manager of the Trinity River Authority of Texas (the "Issuer"), hereby certify as follows:

1. This certificate is executed for and on behalf of said Issuer with reference to the issuance and delivery of the Trinity River Authority of Texas Contract Revenue Refunding Bond, Series 2021 (Livingston Regional Water Supply System Project), authorized by a resolution (the "Bond Resolution") adopted by the Board of Directors of the Issuer on February 24, 2021 (the "Bond") pursuant to the Private Bond Purchase Agreement by and between the Issuer and Regions Capital Advantage, Inc., a Tennessee corporation, as the purchaser of the Bond (the "Purchase Contract").

2. The representations and warranties of the Issuer contained in the Purchase Contract are true and correct in all material respects on and as of the date of Closing (as defined in the Purchase Contract) as if made on the date of Closing.

3. No litigation or proceeding or tax challenge against the Issuer is pending or, to my knowledge, threatened in any court or administrative body nor, to my knowledge, is there a basis for litigation which would (a) contest the right of the members or officials of the Issuer to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Issuer or the Issuer's authority to own and operate the water transmission system facilities for the City of Livingston (as defined in the Bond Resolution), (c) contest the validity, due authorization and execution of the Bond, the Purchase Contract or the Contract (as defined in the Bond Resolution), (d) attempt to limit, enjoin or otherwise restrict or prevent the Issuer from functioning and collecting revenues, including for making payments on the Bond, pursuant to the Bond Resolution, or pledging Net Revenues (as defined in the Bond Resolution) to the payment of the principal of and interest on the Bond or (e) contest the validity, due authorization or enforceability of the Contract.

4. The Bond Resolution was duly adopted by the Issuer, is in full force and effect and has not been modified, amended or repealed, and the Purchase Contract has been duly executed and delivered by the General Manager of the Issuer and is in full force and effect and has not been modified, amended or repealed.

5. There has not been any materially adverse change in the financial condition of the Issuer since November 30, 2019, the latest date as of which audited financial information is available.

DATED: April 8, 2021.


J. Kevin Ward; General Manager

TRINITY RIVER AUTHORITY OF TEXAS

March 5, 2021

Regions Bank
1900 Fifth Avenue N, Suite 2400
Birmingham, AL 35203

Regions Bank
1717 McKinney Ave, Suite 1100
Dallas, TX 75202

Re: \$2,040,000 Trinity River Authority of Texas Contract Revenue Refunding Bond,
Series 2021 (Livingston Regional Water Supply System Project)

Ladies and Gentlemen:

The Issuer of the Trinity River Authority of Texas Contract Revenue Refunding Bond, Series 2021 (Livingston Regional Water Supply System Project) (the "*Bond*") has designated your bank as the place, and as their agent, for the delivery and payment of the Bond. The Bond, which initially has been issued as a single fully registered bond, will be sent to you in the near future, together with a certified copy of the resolution authorizing the Bond.

Upon your receipt of the final unqualified approving legal opinion of McCall, Parkhurst & Horton L.L.P. as to the validity of the Bond, you are authorized and directed to deliver the Bond to the Purchaser thereof, when you have received payment for the Bond, in accordance with the closing instructions *attached hereto*.

You are further authorized and directed to cause the proceeds of the Bond to be distributed and deposited, and the Bond to be delivered to the Purchaser and the closing documents to be dated and distributed, in accordance with the attached Closing Memorandum.

Sincerely yours,

Trinity River Authority of Texas

By: 
J. Kevin Ward, General Manager

Attachments: Closing Memorandum

April 8, 2021

Regions Capital Advantage, Inc.
as Purchaser
Att'n: Jose Razo
1900 5th Ave, North, Suite 2400
Birmingham, AL 35203
(205) 264-4765
jose.razo@regions.com
ambur.rhee@regions.com
michael.bradford@regions.com
kyle.portwood@regions.com

Bank of New York Mellon, N.A.
As Paying Agent for Refunded Bonds
2001 Bryan Street, 11th Floor
Dallas, Texas 75201

Elizabeth Bernard-Polk
(214) 468-5053
elizabeth.bernard-polk@bnymellon.com

Trinity River Authority of Texas
as Issuer
Att'n: Kevin Ward
5300 S. Collins
Arlington, Texas 76018
(817) 468-5113
wardk@trinityra.org

Alison Mackey
(817) 493-5118
mackeya@trinityra.org
clevelandp@trinityra.org
lia@trinityra.org

McCall, Parkhurst & Horton L.L.P.
as Bond Counsel
Att'n: Chuck Kobdish/Jeff Gulbas
717 North Harwood, Ninth Floor
Dallas, Texas 75201-6587
(214) 220-2800
ckobdish@mphlegal.com
jgulbas@mphlegal.com

Hilltop Securities, Inc.
as Financial Advisor
Att'n: Mary Williams
1201 Elm Street, Suite 3500
Dallas, Texas 75270
(214) 953-4021
mary.williams@hilltopsecurities.com

Ester Flores
(214) 953-8863
ester.flores@hilltopsecurities.com

Orrick
As Bank Counsel
Att'n: Todd Brewer
609 Main Street, 40th Floor
Houston, Texas 77002-3106
(713) 658-6410
tbrewer@orrick.com

Donna McIntosh
(713) 658-6785
dmcintosh@orrick.com

CLOSING MEMORANDUM

RE: \$2,040,000 Trinity River Authority of Texas Contract Revenue Refunding Bond, Series 2021 (Livingston Regional Water Supply System Project) (the "Bond").

1. Date of Closing: Thursday, April 8, 2021
2. Time of Closing: 10:00 A.M. CT
3. Location of Closing: McCall, Parkhurst & Horton L.L.P., Dallas, Texas

Sources:

Bond Proceeds	\$ 2,040,000.00
Transfer from prior Debt Service Reserve Fund	1,848.59
	<hr/>
	\$ 2,041,848.59

Uses:

Cash Deposit of Refunding Escrow	\$ 1,994,379.42
Costs of Issuance	47,469.17
	<hr/>
	\$ 2,041,848.59

Thursday, April 8, 2021,

1. By 10:00 AM on the Date of Closing, Trinity River Authority will wire \$1,848.59 to Bank of New York Mellon (the "Bank") representing the transfer of prior debt service reserve funds to be applied for the redemption of the Livingston Regional Water Supply System Contract Revenue Bonds, Series 2010 ("Refunded Bonds")

Wiring instructions for Bank of New York Mellon are as follows:

To: The Bank of New York Mellon, 2001 Bryan Street, 10th Floor, Dallas, Texas 75201
ABA: 021000018
Acct #: 4284958400
Account Name: Dallas Agency Bond Proceeds
ATTN: Elizabeth Bernard-Polk (214) 468-5053

2. By 10:00 AM on the Date of Closing, Regions Capital Advantage, Inc. will wire **\$2,040,000.00** to the Bank representing (i) \$1,992,530.83 in proceeds of the Series 2021 Bond to be applied to redeem the Refunded Bonds and (ii) \$47,469.17 of costs of issuance and rounding amount.

Wiring instructions for Bank of New York Mellon are as follows:

To: The Bank of New York Mellon, 2001 Bryan Street, 10th Floor, Dallas, Texas 75201
ABA: 021000018
Acct #: 4284958400
Account Name: Dallas Agency Bond Proceeds
ATTN: Elizabeth Bernard-Polk (214) 468-5053

The Bank of New York Mellon will receive a total of **\$2,041,848.59**.

- A. The Bank will apply **\$1,994,379.42** to pay \$1,980,000.00 principal and \$14,379.42 interest of the Refunded Bonds on April 8, 2021.
- B. The Bank will retain **\$500.00** representing the redemption notice fee of the Refunded Bonds as set forth in Exhibit A.
- C. The Bank will wire transfer **\$21,340.00** to Plains Capital Bank, 325 N. St. Paul St., Suite 175, Dallas, Texas 75201, ABA #1113-2299-4, Account #7542113500 (for credit to McCall, Parkhurst, & Horton L.L.P. Operating Account) Reference # 2512.041 TRA, representing \$17,800.00 payment of bond counsel fees, \$1,500.00 of expenses and \$2,040.00 reimbursement of the Attorney General fee as set forth in Exhibit A.
- D. The Bank will wire transfer **\$18,129.17** to JPMorgan Chase Bank, N.A., ABA #021-000-021, Beneficiary: Hilltop Securities, Inc., Account #08805076955, FFC #: 0250-143, TRA Livingston Regional Water Supply System Project Series 2021, Attention: Settlement Dept., for payment of financial advisory services and miscellaneous expenses set forth in Exhibit A.
- E. The Bank will wire transfer **\$7,500.00** to Wells Fargo, Account Name: Orrick, Herrington & Sutcliffe LLP, Account Number: 4123701088, ABA Transit: 121000248, Invoice #: 2026185, representing the Bank Counsel fee to Orrick as set forth in Exhibit A.

Please call Mary Williams (214-953-4021) or Ester Flores (214-953-8863) with any questions or comments regarding the above information.

Exhibit A

Costs of Issuance

Financial Advisory Fee.....	\$	14,200.00
Financial Advisory Expenses.....	\$	250.00
Bond Counsel.....	\$	17,800.00
Bond Counsel Expenses.....	\$	1,500.00
Attorney General.....	\$	2,040.00
Bank Counsel.....	\$	7,500.00
Redemption Fee (BONY)	\$	500.00
Miscellaneous (Includes rounding)	\$	3,679.17
	\$	47,469.17

April 8, 2021

Trinity River Authority of Texas
5300 South Collins
Arlington, Texas 7601834

Regions Capital Advantage, Inc.
1900 5th Avenue North, Suite 2400
Birmingham, Alabama 35203

**TRINITY RIVER AUTHORITY OF TEXAS
CONTRACT REVENUE REFUNDING BOND, SERIES 2021
(LIVINGSTON REGIONAL WATER SUPPLY SYSTEM PROJECT)**

IN THE AGGREGATE PRINCIPAL AMOUNT OF \$2,040,000

AS BOND COUNSEL FOR THE TRINITY RIVER AUTHORITY OF TEXAS (the "*Issuer*") of the Bond described above (the "*Bond*"), we have examined into the legality and validity of the Bond, which are payable, bear interest and are subject to further provisions, all in accordance with the terms and conditions stated in the text of the Bond and the resolution of the Issuer authorizing the issuance of the Bond, including the Pricing Certificate of General Manager authorized thereby (collectively, the "*Resolution*").

WE HAVE EXAMINED the Constitution and laws of the State of Texas, certified copies of the proceedings of the Issuer and other documents authorizing and relating to the issuance of said Bond, including the executed Bond Number TR-1.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that said Bond has been authorized, issued and duly delivered in accordance with law; and that except as may be limited by governmental immunity, bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws now or hereafter enacted relating to creditor's rights generally or by principles of equity which permit the exercise of judicial discretion, (i) the covenants and agreements in the Resolution constitute valid and binding obligations of the Issuer, and the Bond constitutes valid and legally binding special obligations of the Issuer which, together with other parity bonds, are secured by and payable from a first lien on and pledge of the Issuer's "Net Revenues" (as defined in the Bond Resolution) from the "Trinity River Authority of Texas - City of Livingston Water System Services Contract", entered into as of February 22, 1978, as amended by the "Trinity River Authority of Texas - City of Livingston Water System Services Amendatory Contract", entered into as of June 26, 1991, between the Issuer and the City of Livingston, Texas, and (ii) said "Trinity River Authority of Texas - City of Livingston Water System Services Contract", entered into as of



February 22, 1978, as amended by the "Trinity River Authority of Texas - City of Livingston Water System Services Amendatory Contract", are authorized by law, each has been duly executed, is valid, and is legally binding upon and enforceable by the parties thereto in accordance with its terms and provisions.

THE ISSUER has reserved the right, subject to the restrictions stated in the Resolution, to issue additional parity revenue bonds which also may be secured by and made payable from a first lien on and pledge of the aforesaid Pledged Revenues on a parity with the Bond.

THE ISSUER also has reserved the right, subject to the restrictions stated in the Resolution, to amend the Resolution with the approval of the owners of a majority of the aggregate principal amount of all outstanding parity bonds which are secured by and payable from a first lien on and pledge of the aforesaid Pledged Revenues.

THE REGISTERED OWNERS of the Bond shall never have the right to demand payment of the principal thereof or interest thereon from any source whatsoever other than specified in the Resolution.

IT IS FURTHER OUR OPINION, except as discussed below, that the interest on the Bond is excludable from the gross income of the owners thereof for federal income tax purposes under the statutes, regulations, published rulings and court decisions existing on the date of this opinion. We are further of the opinion that the Bond is not a "specified private activity bond" and that, accordingly, interest on the Bond will not be included as an individual or corporate alternative minimum tax preference item under Section 57(a)(5) of the Internal Revenue Code of 1986 (the "*Code*"). In expressing the aforementioned opinions, we have relied on, and assume compliance by the Issuer with, certain covenants regarding the use and investment of the proceeds of the Bond and the use of the property financed therewith. We call your attention to the fact that if such representations are determined to be inaccurate or upon failure by the Issuer to comply with such covenants, interest on the Bond may become includable in gross income retroactively to the date of issuance of the Bond.

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

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

OUR SOLE ENGAGEMENT in connection with the issuance of the Bond is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering an opinion with respect to the legality and validity of the Bond under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Bond for federal income tax purposes, and for no other reason or purpose. We have not been requested to investigate or verify, and have not independently investigated or verified any records, data, or other material relating to the financial condition or capabilities of the



Issuer or the Initial Contracting Parties or the disclosure thereof in connection with the sale of the Bond and have not assumed any responsibility with respect thereto or with respect to the adequacy of the Pledged Revenues. We express no opinion and make no comment with respect to the marketability of the Bond and have relied solely on certificates executed by officials of the Issuer as to the current outstanding indebtedness of, and sufficiency of the Net Revenues.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of a result and are not binding on the Internal Revenue Service (the "*Service*"). Rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bond. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Issuer as the taxpayer. We observe that the Issuer has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bond as includable in gross income for federal income tax purposes.

Respectfully,

McAll, Parkhurst & Horton LLP