

RESOLUTION 24-08

RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF NORTH TEXAS MUNICIPAL WATER DISTRICT UPPER EAST FORK WASTEWATER INTERCEPTOR SYSTEM CONTRACT REVENUE ECP REFUNDING BONDS, PLEDGING REVENUES FOR THE PAYMENT OF THE BONDS, APPROVING AN OFFICIAL STATEMENT, AND AUTHORIZING OTHER INSTRUMENTS AND PROCEDURES RELATING THERETO

THE STATE OF TEXAS §
COUNTIES OF COLLIN, DALLAS, KAUFMAN, AND ROCKWALL §
NORTH TEXAS MUNICIPAL WATER DISTRICT §

WHEREAS, North Texas Municipal Water District (the "Issuer") is a political subdivision of the State of Texas, being a conservation and reclamation district created and functioning under Article 16, Section 59 of the Texas Constitution, pursuant to Chapter 62, Acts of 1951, 52nd Legislature of Texas, Regular Session, as amended (the "Act");

WHEREAS, the Board of Directors of the Issuer is authorized to issue the bonds hereinafter authorized pursuant to Chapter 30, Texas Water Code, as amended, Chapter 1371, Texas Government Code, as amended ("Chapter 1371"), and other applicable laws.

WHEREAS, among other bonds, pursuant to a Master Resolution Establishing the North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Extendable Commercial Paper Financing Program And Authorizing Upper East Fork Wastewater Interceptor System Contract Revenue Bonds - Extendable Commercial Paper Mode, adopted on May 27, 2021 (the "Master Resolution"), and a Resolution amending the Master Resolution adopted on March 23, 2023, the Issuer has previously authorized to be outstanding the following described junior lien bonds:

North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Bond - Extendable Commercial Paper Mode (the "*ECP Bonds*");

WHEREAS, the Issuer now desires to authorize refunding bonds, in one or more series, to refund all or part of the of the outstanding ECP Bonds (the "Refundable Bonds"), and those Refundable Bonds designated by the Authorized Officer in the Approval Certificate, each as defined herein, the "Refunded Bonds"; and

WHEREAS, the issuance of the Bonds (hereinafter defined) and the application of the proceeds of the Bonds to refund the Refunded Bonds, which consist of bonds in an extendable commercial paper mode, makes it impracticable to determine the maximum amount by which the aggregate amount of payments to be made under the Bonds exceeds the aggregate amount of payments that would have been made under the terms of the Refunded Bonds for purposes of Section 1207.008(a)(2), Texas Government Code; and

WHEREAS, the Issuer will authorize the Bonds pursuant to the District Act and Chapters 1207, and 1371, Texas Government Code, as amended; and

WHEREAS, the meeting was open to the public and public notice of the time, place and purpose of said meeting was given pursuant to Chapter 551, Texas Government Code.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF NORTH TEXAS MUNICIPAL WATER DISTRICT, THAT:

Section 1. AMOUNT AND PURPOSE OF THE BONDS. Bonds of the Issuer are hereby authorized to be issued for the purpose of obtaining funds (i) to refund a portion of the Issuer's outstanding Refundable Bonds, and (ii) to pay costs of issuance of such bonds.

Section 2. DESIGNATION OF THE BONDS. Each bond issued pursuant to this Resolution shall be designated: "NORTH TEXAS MUNICIPAL WATER DISTRICT UPPER EAST FORK WASTEWATER INTERCEPTOR SYSTEM CONTRACT REVENUE ECP REFUNDING BOND", and initially there shall be issued, sold, and delivered hereunder a single fully registered bond, without interest coupons, payable in installments of principal (the "Initial Bond"), but the Initial Bond may be assigned and transferred and/or converted into and exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, having serial maturities, and in the denomination or denominations of \$5,000 or any integral multiple of \$5,000, all in the manner hereinafter provided. The term "Bonds" as used in this Resolution shall mean and include collectively the Initial Bond and all substitute bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term "Bond" shall mean any of the Bonds.

Section 3. INITIAL DATE, DENOMINATION, NUMBER, MATURITIES, INITIAL REGISTERED OWNER, AND CHARACTERISTICS OF THE INITIAL BOND.

(a) As authorized by Chapter 1207 and Chapter 1371, the Executive Director, the Deputy Director - Administrative Services, and Assistant Deputy-Finance of the Issuer are each hereby designated as an "Authorized Officer" of the Issuer, and each is hereby authorized, appointed, and designated as the officer or employee of the Issuer authorized to act on behalf of the Issuer, which actions shall be evidenced by a certificate executed by such Authorized Officer (the "Approval Certificate") for a period not to extend beyond February 21, 2025, 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 and the date of delivery of the Bonds, any additional or different designation or title by which the Bond shall be known, the price at which the Bonds will be sold (but in no event less than 97% of the principal amount of the Bonds), the principal amount (not exceeding \$150,000,000) of the Bonds in one or more series, 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 (but in no event to result in the net effective interest rate on the Bonds exceeding 10%), the initial interest payment date, the date or dates of optional redemption thereof, any mandatory sinking fund redemption provisions, and procuring bond insurance, if any, approving modifications to this

Resolution and executing such instruments, documents and agreements as may be necessary with respect thereto, and all other matters relating to the issuance, sale and delivery of the Bonds; the Issuer acknowledges that the refunding accomplished through the issuance of the Bonds is undertaken for debt restructuring purposes.

(b) The Initial Bond is hereby authorized to be issued, sold, and delivered hereunder as a single fully registered Bond, without interest coupons, in the denomination and aggregate principal amount set forth in the Approval Certificate (not exceeding \$150,000,000), numbered TR-1, payable in annual installments of principal to the initial registered owner thereof or to the registered assignee or assignees of said Initial Bond or any portion or portions thereof (in each case, the "registered owner"), with the annual installments of principal of the Initial Bond to be payable on the dates, respectively, and in the principal amounts, respectively, and may and shall be prepaid or redeemed prior to the respective scheduled due dates of installments of principal thereof, all as set forth in the Approval Certificate.

(c) The Initial Bond (i) if so provided in the Approval Certificate, may and/or shall be prepaid or paid on the respective scheduled due dates of installments of principal thereof, (ii) may be assigned and transferred, (iii) may be converted and exchanged for other bonds, (iv) shall have the characteristics, and (v) shall be signed and sealed, and the principal of and interest on the Initial Bond shall be payable, all as provided, and in the manner required or indicated, in the FORM OF INITIAL BOND set forth in this Resolution.

Section 4. INTEREST. The unpaid principal balance of the Initial Bond shall bear interest from the date of the Initial Bond to the respective scheduled due dates, or to the respective dates of prepayment or redemption, of the installments of principal of the Initial Bond, and said interest shall be payable, all in the manner provided and at the rates and on the dates stated in the Approval Certificate and the FORM OF INITIAL BOND set forth in this Resolution.

Section 5. FORM OF INITIAL BOND. The form of the Initial Bond, including the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be endorsed on the Initial Bond, shall be substantially as follows:

FORM OF INITIAL BOND

NO. TR-1

\$ _____ *

UNITED STATES OF AMERICA
STATE OF TEXAS
NORTH TEXAS MUNICIPAL WATER DISTRICT
UPPER EAST FORK WASTEWATER INTERCEPTOR SYSTEM
CONTRACT REVENUE ECP REFUNDING BOND,
[(TAXABLE)]**

NORTH TEXAS MUNICIPAL WATER DISTRICT (the "Issuer"), being a political subdivision of the State of Texas, hereby promises to pay to _____ *, or to the registered assignee or assignees of this Bond or any portion or portions hereof (in each

* From Approval Certificate.

** Include only if the Bonds are issued on a taxable basis

case, the "registered owner") the aggregate principal amount of _____
 _____ * DOLLARS in annual installments of principal due and payable
 on June 1 in each of the years, and in the respective principal amounts, as set forth in the following
 schedule:

<u>Year*</u>	<u>Principal Amount*</u>	<u>Year*</u>	<u>Principal Amount*</u>
--------------	------------------------------	--------------	------------------------------

and to pay interest, calculated on the basis of a 360-day year composed of twelve 30-day months,
 from the date of initial delivery of this Bond to the Purchaser (as defined in the Bond Resolution
 (hereinafter defined)), on the balance of each such installment of principal, respectively, from time
 to time remaining unpaid, at the rates as follows:

<u>Year*</u>	<u>Rate*</u>	<u>Year*</u>	<u>Rate*</u>
--------------	--------------	--------------	--------------

with said interest being payable semiannually on each June 1 and December 1, commencing _____,
 _____ *, while this Bond or any portion hereof is outstanding and unpaid.

THE INSTALLMENTS OF PRINCIPAL OF AND THE INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The installments of principal and the interest on this Bond are payable to the registered owner hereof through the services of THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, in Dallas, Texas, which is the "Paying Agent/Registrar" for this Bond. Payment of all principal of and interest on this Bond shall be made by the Paying Agent/ Registrar to the registered owner hereof on each principal and/or interest payment date by check dated as of such 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 shall be sent by the Paying Agent/Registrar by United States mail, first- class postage prepaid, on each such principal and/or interest payment date, to the registered owner hereof, at the address of the registered owner, as it appeared on the 15th 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. The Issuer covenants with the registered owner of this Bond that on or before each principal and/or 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 this Bond, when due.

* From Approval Certificate.

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 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 has been authorized in accordance with the Constitution and laws of the State of Texas for the purpose of obtaining funds (i) to refund a portion of the Issuer's outstanding "North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Bonds—Extendable Commercial Paper Mode" and (ii) to pay costs of issuance of the Bonds.

ON _____, _____,* or on any date whatsoever thereafter, the unpaid installments of principal of this Bond may be prepaid or redeemed prior to their scheduled due dates, at the option of the Issuer, with funds derived from any available source, as a whole, or in part, and, if in part, the particular portion of this Bond to be prepaid or redeemed shall be selected and designated by the Issuer (provided that a portion of this Bond may be redeemed only in an integral multiple of \$5,000), at the prepayment or redemption price of the par or principal amount thereof, plus accrued interest to the date fixed for prepayment or redemption.

**[THE PRINCIPAL INSTALLMENTS OF THIS BOND maturing on June 1, _____ and June 1, _____ are subject to mandatory prepayment or redemption prior to maturity in part, at a price equal to the principal amount of this Bond or portions hereof to be prepaid or redeemed plus accrued interest to the date of prepayment or redemption, on June 1 in each of the years and in the amounts as follows:

Principal Installment due on June 1, _____

Years

Amounts

Principal Installment due on June 1, _____

Years

Amounts

The amount of any principal installment of this Bond required to be prepaid or redeemed pursuant to the operation of such mandatory prepayment or redemption provisions shall be reduced, at the option and direction of the Issuer, by the principal amount of such principal installment of this Bond which, at least 50 days prior to the mandatory prepayment or redemption date (1) shall have been acquired by the Issuer at a price not exceeding such principal amount plus accrued interest to the date of purchase thereof, (2) shall have been purchased by the Paying Agent/Registrar at the request of the Issuer at a price not exceeding such principal amount plus accrued interest to the date

* From Approval Certificate.

** From Approval Certificate; if applicable.

of purchase, or (3) shall have been prepaid or redeemed pursuant to the optional prepayment or redemption provisions and not theretofore credited against a mandatory prepayment or redemption requirement.]

AT LEAST 30 days prior to the date fixed for any such prepayment or redemption a written notice of such prepayment or redemption shall be mailed by United States mail, postage prepaid, by the Paying Agent/Registrar to the registered owner hereof at the address of such registered owner appearing on the registration books of the Issuer kept by the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing of such notice. Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the registered owner receives such notice. By the date fixed for any such prepayment or redemption due provision shall be made by the Issuer with the Paying Agent/Registrar for the payment of the required prepayment or redemption price for this Bond or the portion hereof which is to be so prepaid or redeemed, plus accrued interest thereon to the date fixed for prepayment or redemption. If such written notice of prepayment or redemption is given, and if due provision for such payment is made, all as provided above, this Bond, or the portion thereof which is to be so prepaid or redeemed, thereby automatically shall be treated as prepaid or redeemed prior to its scheduled due date, and shall not bear interest after the date fixed for its prepayment or redemption, and shall not be regarded as being outstanding except for the right of the registered owner to receive the prepayment or redemption price plus accrued interest to the date fixed for prepayment or redemption from the Paying Agent/Registrar out of the funds provided for such payment.

THIS BOND, to the extent of the unpaid or unredeemed principal balance hereof, or any unpaid and unredeemed portion hereof in any integral multiple of \$5,000, may be assigned by the initial registered owner hereof and shall be transferred only in the Registration Books of the Issuer kept by the Paying Agent/Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Bond Resolution. Among other requirements for such transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar for cancellation, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment by the initial registered owner of this Bond, or any portion or portions hereof in any integral multiple of \$5,000, to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. Any instrument or instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any such portion or portions hereof by the initial registered owner hereof. A new bond or bonds payable to such assignee or assignees (which then will be the new registered owner or owners of such new Bond or Bonds) or to the initial registered owner as to any portion of this Bond which is not being assigned and transferred by the initial registered owner, shall be delivered by the Paying Agent/Registrar in conversion of and exchange for this Bond or any portion or portions hereof, but solely in the form and manner as provided in the next paragraph hereof for the conversion and exchange of this Bond or any portion hereof. The registered owner of this Bond shall be deemed and treated by the Issuer and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

AS PROVIDED above and in the Bond Resolution, this Bond, to the extent of the unpaid principal balance hereof, may be converted into and exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, payable to the assignee or assignees duly designated in writing by the initial registered owner hereof, or to the initial registered owner as to any portion of this Bond which is not being assigned and transferred by the initial registered owner, in any denomination or denominations in any integral multiple of \$5,000 (subject to the requirement hereinafter stated that each substitute bond issued in exchange for any portion of this Bond shall have a single stated principal maturity date), 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. If this Bond or any portion hereof is assigned and transferred or converted each bond issued in exchange for any portion hereof shall have a single stated principal maturity date corresponding to the due date of the installment of principal of this Bond or portion hereof for which the substitute bond is being exchanged, and shall bear interest at the rate applicable to and borne by such installment of principal or portion thereof. Such bonds, respectively, shall be subject to redemption prior to maturity on the same dates and for the same prices as the corresponding installment of principal of this Bond or portion hereof for which they are being exchanged. No such bond shall be payable in installments, but shall have only one stated principal maturity date. AS PROVIDED IN THE BOND RESOLUTION, THIS BOND IN ITS PRESENT FORM MAY BE ASSIGNED AND TRANSFERRED OR CONVERTED ONCE ONLY, and to one or more assignees, but the bonds issued and delivered in exchange for this Bond or any portion hereof may be assigned and transferred, and converted, subsequently, as provided in the Bond Resolution. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for transferring, converting, and exchanging this Bond or any portion thereof, but the one requesting such transfer, conversion, and exchange shall pay any taxes or governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make any such assignment, 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 portion thereof called for prepayment or redemption prior to maturity, within 45 days prior to its prepayment or redemption date.

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 promptly will cause written notice thereof to be mailed to the registered owner of this Bond.

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, together with other parity bonds, constitutes a special obligation of the Issuer payable from and secured by a first lien on and pledge of the Issuer's Gross Revenues from an "Upper East Fork Wastewater Interceptor System Contract", dated as of July 26, 1984 (the "Initial Contract"), among the Issuer and the Cities of Allen, McKinney, Plano, and Richardson, Texas (the "Initial Contracting Parties"), a "North Texas Municipal Water District - Upper East Fork Wastewater Interceptor System First Supplemental Contract (City of Frisco, Texas)", dated November 19, 1996 (the "Frisco Contract"),

between the Issuer and the City of Frisco, Texas ("Frisco"), a "North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Supplemental Contract (City of Princeton, Texas)", dated November 26, 1996 (the "Princeton Contract") between the Issuer and the City of Princeton, Texas ("Princeton"), a "North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Supplemental Contract (Town of Prosper, Texas)", dated February 24, 2004 (the "Prosper Contract") between the Issuer and the Town of Prosper, Texas ("Prosper"), and a "North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Supplemental Contract (City of Melissa, Texas) dated April 1, 2019 (the "Melissa Contract"), between the Issuer and the City of Melissa, Texas ("Melissa") (the Initial Contract, the Frisco Contract, the Princeton Contract, the Prosper Contract, the Melissa Contract, and any similar future contracts with Additional Parties, as defined and permitted therein, the "Contract"), (the Initial Contracting Parties, Frisco, Princeton, Prosper, Melissa, and any other Additional Parties, the "Contracting Parties"), with respect to a wastewater transportation and disposal system to serve the Contracting Parties and others in the area of the Upper East Fork of the Trinity River, and designated as the "Interceptor System" in the Contract. It is specifically provided in the Contract that the Contracting Parties are obligated to make payments in amounts sufficient to pay the principal of and interest on this Bond, when due.

THIS BOND is on a parity in all respects with currently outstanding bonds of those issues of North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Refunding and Improvement Bonds, Series 2012, authorized by a resolution adopted by the Board on August 23, 2012, North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Refunding and Improvement Bonds, Series 2015, authorized by a resolution adopted by the Board on March 26, 2015, North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Refunding and Improvement Bonds, Series 2016, authorized by a resolution adopted by the Board on August 25, 2016, North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Bonds, Series 2017, authorized by a resolution adopted by the Board on March 23, 2017, North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Refunding Bonds, Series 2017, authorized by a resolution adopted by the Board on November 29, 2017, North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Bonds, Series 2018, authorized by a resolution adopted by the Board on February 22, 2018, North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Bonds, Series 2019, authorized by a resolution adopted by the Board on July 25, 2019, North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Bonds, Series 2020, authorized by a resolution adopted by the Board on May 28, 2020; and North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Bonds, Series 2021, authorized by a resolution adopted by the Board on August 26, 2021.

THE ISSUER has reserved the right, subject to the restrictions stated 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 Gross Revenues.

THE ISSUER also has reserved the right to amend the Bond Resolution with the approval of the holders owners of 51% in principal amount of all outstanding bonds secured by and payable

from a first lien on and pledge of the aforesaid Gross Revenues, subject to the restrictions stated in said Bond Resolution.

THE REGISTERED OWNER hereof shall never have the right to demand payment of this Bond or the interest hereon out of any funds raised or to be raised by taxation 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 the 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, has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond, and has caused this Bond to be dated as of _____.*

XXXX
Secretary, Board of Directors,
North Texas Municipal Water District

XXXX
President, Board of Directors,
North Texas Municipal Water District

(SEAL)

FORM OF REGISTRATION CERTIFICATE OF THE
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'S SEAL)

Comptroller of Public Accounts of the State of Texas

* From Approval Certificate.

Section 6. ADDITIONAL CHARACTERISTICS OF THE BONDS. Registration and Transfer. (a) The Issuer shall keep or cause to be kept at the principal corporate trust office of THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, in Dallas, Texas (the "Paying Agent/Registrar") books or records of the registration and transfer 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 transfers and registrations under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfers and registrations 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. Registration of each Bond may be transferred in the Registration Books only upon presentation and surrender of such Bond to the Paying Agent/Registrar for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing (i) the assignment of the Bond, or any portion thereof in any integral multiple of \$5,000, to the assignee or assignees thereof, and (ii) the right of such assignee or assignees to have the Bond or any such portion thereof registered in the name of such assignee or assignees. Upon the assignment and transfer of any Bond or any portion thereof, a new substitute Bond or Bonds shall be issued in conversion and exchange therefor in the manner herein provided. The Initial Bond, to the extent of the unpaid or unredeemed principal balance thereof, may be assigned and transferred by the initial registered owner thereof once only, and to one or more assignees designated in writing by the initial registered owner thereof. All Bonds issued and delivered in conversion of and exchange for the Initial Bond shall be in any denomination or denominations of any integral multiple of \$5,000 (subject to the requirement hereinafter stated that each substitute Bond shall have a single stated principal maturity date), shall be in the form prescribed in the FORM OF SUBSTITUTE BOND set forth in this Resolution, and shall have the characteristics, and may be assigned, transferred, and converted as hereinafter provided. If the Initial Bond or any portion thereof is assigned and transferred or converted the Initial Bond must be surrendered to the Paying Agent/Registrar for cancellation, and each Bond issued in exchange for any portion of the Initial Bond shall have a single stated principal maturity date, and shall not be payable in installments; and each such Bond shall have a principal maturity date corresponding to the due date of the installment of principal or portion thereof for which the substitute Bond is being exchanged; and each such Bond shall bear interest at the single rate applicable to and borne by such installment of principal or portion thereof for which it is being exchanged. If only a portion of the Initial Bond is assigned and transferred, there shall be delivered to and registered in the name of the initial registered owner substitute Bonds in exchange for the unassigned balance of the Initial Bond in the same manner as if the initial registered owner were the assignee thereof. If any Bond or portion thereof other than the Initial Bond is assigned and transferred or converted each Bond issued in exchange therefor shall have the same principal maturity date and bear interest at the same rate as the Bond for which it is exchanged. A form of assignment shall be printed or endorsed on each Bond, excepting the Initial Bond, which shall be executed by the registered owner or its duly authorized attorney or

representative to evidence an assignment thereof. Upon surrender of any Bonds or any portion or portions thereof for transfer of registration, an authorized representative of the Paying Agent/Registrar shall make such transfer in the Registration Books, and shall deliver a new fully registered substitute Bond or Bonds, having the characteristics herein described, payable to such assignee or assignees (which then will be the registered owner or owners of such new Bond or Bonds), or to the previous registered owner in case only a portion of a Bond is being assigned and transferred, all in conversion of and exchange for said assigned Bond or Bonds or any portion or portions thereof, in the same form and manner, and with the same effect, as provided in Section 6(d), below, for the conversion and exchange of Bonds by any registered owner of a Bond. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such transfer and delivery of a substitute Bond or Bonds, but the one requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make transfers of registration of any Bond or any portion thereof (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.

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

(c) 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, and to act as its agent to convert and exchange or replace 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.

(d) Conversion and Exchange or Replacement; Authentication. Each Bond issued and delivered pursuant to this Resolution, to the extent of the unpaid or unredeemed principal balance or principal amount thereof, may, upon surrender of such Bond at the principal corporate trust office of the Paying Agent/Registrar, together with a written request therefor duly executed by the registered owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, may, at the option of the registered owner or such assignee or assignees, as appropriate, be converted into and exchanged for fully registered bonds, without interest coupons, in the form prescribed in the FORM OF SUBSTITUTE BOND set forth in this Resolution, in the denomination of \$5,000, or any integral multiple of \$5,000 (subject to the requirement hereinafter stated that each substitute Bond shall have a single stated maturity date), as requested in writing by such registered owner or such assignee or assignees, in an aggregate principal amount equal to the unpaid or unredeemed principal balance or principal amount of any Bond or Bonds so surrendered, and payable to the appropriate registered

owner, assignee, or assignees, as the case may be. If the Initial Bond is assigned and transferred or converted each substitute Bond issued in exchange for any portion of the Initial Bond shall have a single stated principal maturity date, and shall not be payable in installments; and each such Bond shall have a principal maturity date corresponding to the due date of the installment of principal or portion thereof for which the substitute Bond is being exchanged; and each such Bond shall bear interest at the single rate applicable to and borne by such installment of principal or portion thereof for which it is being exchanged. If any Bond or portion thereof (other than the Initial Bond) is assigned and transferred or converted, each Bond issued in exchange therefor shall have the same principal maturity date and bear interest at the same rate as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall convert and exchange or replace Bonds as provided herein, and each fully registered bond delivered in conversion of and exchange for or replacement of any Bond or portion thereof as permitted or required by any provision of this Resolution shall constitute one of the Bonds for all purposes of this Resolution, and may again be converted and exchanged or replaced. It is specifically provided that any Bond authenticated in conversion of and exchange for or replacement of another Bond on or prior to the first scheduled Record Date for the Initial Bond shall bear interest from the date of the Initial Bond, but each substitute Bond so authenticated after such first scheduled Record Date shall bear interest from the interest payment date next preceding the date on which such substitute Bond was so authenticated, unless such Bond is authenticated after any Record Date but on or before the next following interest payment date, in which case it shall bear interest from such next following interest payment date; provided, however, that if at the time of delivery of any substitute Bond the interest on the Bond for which it is being exchanged is due but has not been paid, then such Bond shall bear interest from the date to which such interest has been paid in full. THE INITIAL BOND issued and delivered pursuant to this Resolution is 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 or replacement of any Bond or Bonds issued under this Resolution there shall be printed a certificate, in the form substantially as follows:

"PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Bond Resolution described in this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue 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.

THE BANK OF NEW YORK MELLON TRUST COMPANY,
NATIONAL ASSOCIATION,
Paying Agent/Registrar

Dated

By: _____
Authorized Representative"

An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the above Certificate, and no such Bond shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all Bonds surrendered for conversion and exchange or replacement. 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 or replacement 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 Chapter 1201, Texas Government Code, the duty of conversion and exchange or replacement of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the above Paying Agent/Registrar's Authentication Certificate, the converted and exchanged or replaced Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Initial Bond which originally was issued pursuant to this Resolution, approved by the Attorney General, and registered by the Comptroller of Public Accounts. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for transferring, converting, and exchanging any Bond or any portion thereof, but the one requesting any such transfer, conversion, and exchange shall pay any taxes or governmental charges required to be paid with respect thereto as a condition precedent to the exercise of such privilege of conversion and exchange. The Paying Agent/Registrar shall not be required to make any such conversion and exchange or replacement of Bonds or any portion thereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

(e) In General. All Bonds issued in conversion and exchange or replacement of any other Bond or portion thereof, (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 be redeemed prior to their schedule maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed and sealed, and (vii) the principal of and interest on the Bonds shall be payable, all as provided, and in the manner required or indicated, in the FORM OF SUBSTITUTE BOND set forth in this Resolution.

(f) Payment of Fees and Charges. The Issuer hereby covenants with the registered owners of the Bonds that it will (i) pay the standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on the Bonds, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer of registration of Bonds, and with respect to the conversion and exchange of Bonds solely to the extent above provided in this Resolution.

(g) 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.

Section 7. FORM OF SUBSTITUTE BONDS. The form of all Bonds issued in conversion and exchange or replacement of any other Bond or portion thereof, including the form of Paying Agent/Registrar's Certificate to be printed on each of such Bonds, and the Form of Assignment to be printed on each of the Bonds, shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution.

FORM OF SUBSTITUTE BOND

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

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

NO. R-__

PRINCIPAL AMOUNT
\$ _____

STATE OF TEXAS
NORTH TEXAS MUNICIPAL WATER DISTRICT
UPPER EAST FORK WASTEWATER INTERCEPTOR SYSTEM
CONTRACT REVENUE ECP REFUNDING BOND,
[(TAXABLE)]*

INTEREST RATE

MATURITY DATE

ISSUE DATE

CUSIP NO.

_____%

JUNE 1, _____

_____, ____**

ON THE MATURITY DATE specified above NORTH TEXAS MUNICIPAL WATER DISTRICT (the "Issuer"), being a political subdivision of the State of Texas, hereby promises to pay to CEDE & CO., or to the registered assignee hereof (either being hereinafter called the "registered owner") the principal amount of _____ and to pay interest thereon, calculated on the basis of a 360-day year composed of twelve 30-day months, from the Issue Date specified above, to the Maturity Date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; with interest being payable semiannually on each June 1 and December 1, commencing _____, ____**, except that if the date of authentication of this Bond is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date (hereinafter defined) but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date.

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 THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, in 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 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 the Bonds (the "Bond Resolution") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check 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 the address of the registered owner, as it appeared on the 15th 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. However, notwithstanding the foregoing provisions, the payment of such interest may be made by any other method acceptable to the Paying Agent/Registrar and requested by, and at the risk and expense of, the registered owner hereof. Any accrued interest due upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner at the principal corporate trust office of the Paying Agent/Registrar 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.

* Include only if Bonds are issued on a taxable basis

** From Approval Certificate.

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 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 has been authorized in accordance with the Constitution and laws of the State of Texas for the purpose of obtaining funds (i) to refund a portion of the Issuer's outstanding "North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Bonds—Extendable Commercial Paper Mode" and (ii) to pay costs of issuance of the Bonds.

ON _____, _____,* or on any date whatsoever thereafter, the unpaid installments of principal of this Bond may be prepaid or redeemed prior to their scheduled due dates, at the option of the Issuer, with funds derived from any available source, as a whole, or in part, and, if in part, the particular portion of this Bond to be prepaid or redeemed shall be selected and designated by the Issuer and within a maturity the particular Bonds or portions thereof to be selected by the Paying Agent/Registrar by lot or other customary method of random selection (provided that a portion of this Bond may be redeemed only in an integral multiple of \$5,000), at the prepayment or redemption price of the par or principal amount thereof, plus accrued interest to the date fixed for prepayment or redemption.

**[THE BONDS maturing on June 1, _____ and June 1, _____ (the "Term Bonds") are subject to mandatory redemption prior to maturity in part, by lot or other customary random method selected by the Paying Agent/Registrar, at a redemption price equal to the principal amount of the Term Bonds or portions thereof to be redeemed plus accrued interest to the redemption date, on June 1 in each of the years and in the principal amounts as follows:

Term Bonds maturing on June 1, _____

Years	Amounts
-------	---------

Term Bonds maturing on June 1, _____

Years	Amounts
-------	---------

* From the Approval Certificate.

** From Approval Certificate, if applicable.

The principal amount of the Term Bonds of a maturity required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option and direction of the Issuer, by the principal amount of the Term Bonds of such 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 Term 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 Term 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.]

DURING ANY PERIOD in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Issuer and the securities depository.

AT LEAST 30 days prior to the date fixed for any such redemption a written notice of such redemption shall be mailed by United States mail, postage prepaid, by the Paying Agent/Registrar to the registered owner hereof at the address of such registered owner appearing on the registration books of the Issuer kept by the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing of such notice. Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the registered owner receives such notice. By the date fixed for any such redemption due provision shall be made by the Issuer with the Paying Agent/Registrar for the payment of the required redemption price for this Bond or the portion hereof which is to be so redeemed, plus accrued interest thereon to the date fixed for prepayment or redemption. If such written notice of redemption is given, and if due provision for such payment is made, all as provided above, this Bond, or the portion thereof which is to be so redeemed, thereby automatically shall be treated as redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for its redemption, and shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price plus accrued interest to the date fixed for redemption 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 principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Resolution.

THIS BOND OR ANY PORTION OR PORTIONS HEREOF IN ANY INTEGRAL MULTIPLE OF \$5,000 may be assigned and shall be transferred only in the Registration Books of the Issuer kept by the Paying Agent/Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions 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 transferred and registered. The form of Assignment printed or endorsed on this Bond shall be executed by the registered owner or its duly authorized attorney or representative, to evidence the assignment hereof. A new Bond or Bonds payable to such assignee or assignees (which then will be the new registered owner or owners of such new Bond or Bonds), or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Paying Agent/Registrar in conversion of and exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the conversion and exchange of other Bonds. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such transfer, but the one requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make transfers of registration of this Bond or any portion hereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date or (ii) with respect to any Bond or portion thereof called for redemption prior to maturity within 45 days prior to its redemption date. The registered owner of this Bond shall be deemed and treated by the Issuer and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

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 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 maturity date, and bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate 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. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for transferring, converting, and exchanging any Bond or any portion thereof, but the one requesting such transfer, conversion, and exchange shall pay any taxes or governmental charges required to be paid with respect thereto as a condition precedent to the exercise of such privilege of conversion and exchange. The Paying Agent/Registrar shall not be required to make any such conversion and exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date or (ii) with respect to any Bond or portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

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 promptly will 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, together with other parity bonds, constitutes a special obligation of the Issuer payable from and secured by a first lien on and pledge of the Issuer's Gross Revenues from an "Upper East Fork Wastewater Interceptor System Contract", dated as of July 26, 1984 (the "Initial Contract"), among the Issuer and the Cities of Allen, McKinney, Plano, and Richardson, Texas (the "Initial Contracting Parties"), a "North Texas Municipal Water District - Upper East Fork Wastewater Interceptor System First Supplemental Contract (City of Frisco, Texas)", dated November 19, 1996 (the "Frisco Contract"), between the Issuer and the City of Frisco, Texas ("Frisco"), a "North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Supplemental Contract (City of Princeton, Texas)", dated November 26, 1996 (the "Princeton Contract") between the Issuer and the City of Princeton, Texas ("Princeton"), a "North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Supplemental Contract (Town of Prosper, Texas)", dated February 24, 2004 (the "Prosper Contract") between the Issuer and the Town of Prosper, Texas ("Prosper"), and a "North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Supplemental Contract (City of Melissa, Texas) dated April 1, 2019 (the "Melissa Contract")", between the Issuer and the City of Melissa, Texas ("Melissa") (the Initial Contract, the Frisco Contract, the Princeton Contract, the Prosper Contract, the Melissa Contract, and any similar future contracts with Additional Parties, as defined and permitted therein, the "Contract"), (the Initial Contracting Parties, Frisco, Princeton, Prosper, Melissa, and any other Additional Parties, the "Contracting Parties"), with respect to a wastewater transportation and disposal system to serve the Contracting Parties and others in the area of the Upper East Fork of the Trinity River, and designated as the "Interceptor System" in the Contract. It is specifically provided in the Contract that the Contracting Parties are obligated to make payments in amounts sufficient to pay the principal of and interest on this Bond, when due.

THIS BOND is on a parity in all respects with currently outstanding bonds of those issues of North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Refunding and Improvement Bonds, Series 2012, authorized by a resolution adopted by the Board on August 23, 2012, North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Refunding and Improvement Bonds, Series 2015, authorized by a resolution adopted by the Board on March 26, 2015, North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Refunding and Improvement Bonds, Series 2016, authorized by a resolution adopted by the Board on August 25, 2016, North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Refunding Bonds, Series 2017, authorized by a resolution adopted by the Board on March 23, 2017, North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Refunding Bonds, Series 2017, authorized by a resolution adopted by the Board on November 29, 2017, North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Bonds, Series 2018, authorized by a resolution adopted by the Board on February 22, 2018, North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Bonds, Series 2019, authorized by a resolution adopted by the Board on July 25, 2019, North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Bonds, Series 2020, authorized by a resolution adopted by the Board on May 28,

2020; and North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Bonds, Series 2021, authorized by a resolution adopted by the Board on August 26, 2021.

THE ISSUER has reserved the right, subject to the restrictions stated in the Bond Resolution, to issue Additional Bonds payable from and secured by a first lien on and pledge of the aforesaid Gross Revenues on a parity with this Bond and the series of which it is a part.

THE ISSUER also has reserved the right to amend the Bond Resolution with the approval of the holders of 51% in principal amount of all outstanding bonds secured by and payable from a first lien on and pledge of the aforesaid Gross 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 out of any funds raised or to be raised by taxation 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.

(facsimile signature)
Secretary, Board of Directors,
North Texas Municipal Water District

(facsimile signature)
President, Board of Directors,
North Texas Municipal Water District

(DISTRICT SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Bond Resolution described in this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue 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.

THE BANK OF NEW YORK MELLON TRUST COMPANY,
NATIONAL ASSOCIATION,
Paying Agent/Registrar

Dated

Authorized Representative

FORM OF ASSIGNMENT

ASSIGNMENT

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

Please Insert Social Security or
Other Identifying Number of Assignee

/_____/

(Name and Address of Assignee)

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

Date: _____

Signature Guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever; and

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

Section 8. ADDITIONAL DEFINITIONS AND PLEDGE. (a) In addition to terms defined elsewhere in this Resolution, as used in this Resolution the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

The term "Additional Bonds" shall mean the additional parity revenue bonds permitted to be issued in the future as permitted by the 1985 Bond Resolution and this Resolution.

The term "Board" shall mean the Board of Directors of the Issuer, being the governing body of the Issuer, and it is further resolved that the declarations and covenants of the Issuer contained in this Resolution are made by, and for and on behalf of the Board and the Issuer, and are binding upon the Board and the Issuer for all purposes.

The terms "Bond Resolution" and "Resolution" mean this resolution authorizing the Bonds.

The term "Contract" shall mean the Upper East Fork Wastewater Interceptor System Contract, dated as of July 6, 1984, among the Issuer and the Initial Contracting Parties, a "North Texas Municipal Water District - Upper East Fork Wastewater Interceptor System First Supplemental Contract (City of Frisco, Texas)," dated November 19, 1996, between the Issuer and the City of Frisco, Texas, a "North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Supplemental Contract (City of Princeton, Texas)," dated November 26, 1996, between the Issuer and the City of Princeton, Texas, a "North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Supplemental Contract (Town of Prosper, Texas)," dated February 24, 2004, between the Issuer and the Town of Prosper, Texas, and a "North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Supplemental Contract (City of Melissa, Texas)," dated April 1, 2019 between the Issuer and the City of Melissa, Texas, with respect to the acquisition and construction by the Issuer, for the benefit of the Contracting Parties and others, of the Interceptor System, together with similar contracts, if any, which may be executed in the future between the Issuer and Additional Contracting Parties, as defined and permitted in the aforesaid contract.

The term "Contracting Parties" shall mean the Initial Contracting Parties, the City of Frisco, Texas, the City of Princeton, Texas, the Town of Prosper, Texas, the City of Melissa, Texas together with any other party or parties which becomes one of the Contracting Parties by becoming an Additional Contracting Party as defined in and permitted by the Contract.

The term "Gross Revenues" shall mean all of the revenues or payments received by the Issuer under the Contract.

The terms "Interceptor System" and "System" shall mean a wastewater transportation and disposal system in the area of the Upper East Fork of the Trinity River and designated as the "Interceptor System" in the Contract.

The term "Initial Contracting Parties" shall mean collectively the Cities of Allen, McKinney, Plano, and Richardson, Texas.

The term "1985 Bond Resolution" shall mean the resolution adopted by the Board on February 28, 1985, authorizing the issuance of the "North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Revenue Bonds, Series 1985," the initial issuance of bonds by the Issuer to provide the System

The term "Parity Bonds" shall mean collectively the Bonds, any Additional Bonds, and the unpaid and unrefunded bonds out of the following described Series which will be outstanding after the issuance and delivery of the Bonds: North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Refunding and Improvement Bonds, Series 2012, authorized by a resolution adopted by the Board on August 23, 2012, North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Refunding and Improvement Bonds, Series 2015, authorized by a resolution adopted by the Board on March 26, 2015, North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Refunding and Improvement Bonds, Series 2016, authorized by a resolution adopted by the Board on August 25, 2016, North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Bonds, Series 2017, authorized by a resolution adopted by the Board on March 23, 2017, North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Refunding Bonds, Series 2017, authorized by a resolution adopted by the Board on November 29, 2017, North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Bonds, Series 2018, authorized by a resolution adopted by the Board on February 22, 2018, North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Bonds, Series 2019, authorized by a resolution adopted by the Board on July 25, 2019, North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Bonds, Series 2020, authorized by a resolution adopted by the Board on May 28, 2020, and North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue Bonds, Series 2021, authorized by a resolution adopted by the Board on August 26, 2021.

The term "year" shall mean the 12 month period beginning each October 1, or such other 12 month period hereafter established by the Issuer as a fiscal year for the purposes of this Resolution.

(b) The Bonds authorized by this Resolution are hereby designated as, and shall be, additional parity revenue bonds as permitted by Section 17 of the 1985 Bond Resolution and it is hereby determined, declared, and resolved that all of the Parity Bonds, including the Bonds authorized by this Resolution, are and shall be secured and payable equally and ratably on a parity, and that Sections 8 through 23 of this Resolution substantially restate and are supplemental to and cumulative of Sections 8 through 23 of the resolutions authorizing the issuance of the Parity Bonds, with Sections 8 through 23 of this Resolution being equally applicable to all of the Parity Bonds, including the Bonds.

(c) It is specifically recognized that the Contracting Parties are required to make payments to the Issuer pursuant to the Contract, and particularly under Sections 11 and 14 thereof, sufficient to enable the Issuer to make all deposits and payments provided for herein, and that all Parity Bonds, and the interest thereon, are and shall be payable from and secured by a first lien on and pledge of all of the Gross Revenues, and the Gross Revenues are further pledged irrevocably to the establishment and maintenance of the Funds hereinafter described.

Section 9. SPECIAL FUNDS. All Gross Revenues shall be accounted for separate and apart from all other funds of the Issuer, and the following special Funds have been created and established and are hereby confirmed and shall be maintained on the books of the Issuer, so long as any of the Parity Bonds, or interest thereon, are outstanding and unpaid:

- (a) the Revenue Fund;
- (b) the Interest and Sinking Fund (which shall be kept and maintained at The Bank of New York Mellon Trust Company, National Association, Dallas, Texas); and
- (c) the Reserve Fund (which shall be kept and maintained at The Bank of New York Mellon Trust Company, National Association, Dallas, Texas).

Section 10. REVENUE FUND. All Gross Revenues shall be credited as received by the Issuer to the Revenue Fund, and shall be deposited from the Revenue Fund into the other Funds created by this Resolution, in the manner and amounts hereinafter provided, and each of such Funds shall have priority as to such deposits in the order in which they are treated in the following Sections.

Section 11. INTEREST AND SINKING FUND. There shall be deposited into the Interest and Sinking Fund the following:

- (a) immediately after the delivery of the Initial Bond all accrued interest, if any, from the proceeds from the sale of the Initial Bond shall be deposited to the credit of the Interest and Sinking Fund.
- (b) on or before the last day of the month preceding each interest payment date for the Bonds, an amount equal to the interest and/or principal and interest coming due on all Parity Bonds on the next succeeding interest payment date, including any principal required to be redeemed prior to maturity on such date.

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 12. RESERVE FUND. Out of proceeds of the Bonds, there shall be deposited to the credit of the Reserve Fund an amount, if any, sufficient to result in there being on deposit in the Reserve Fund, money and/or investments at least equal in market value to the average annual principal and interest requirements for all the Parity Bonds which will be outstanding after the delivery of the Initial Bond (the "Reserve Required Amount"). No deposits shall be made into the

Reserve Fund as long as the money and investments in the Reserve Fund are at least equal in market value to the Reserve Required Amount; but if and whenever the market value of money and investments in the Reserve Fund is reduced below said Reserve Required Amount because of a decrease in market value of investments, then the Issuer shall require the Contracting Parties to increase their payments under the Contract as soon as practicable, and in any event within one year, in an amount sufficient to restore the Reserve Fund to the Reserve Required Amount; and in the event the Reserve Fund is used to pay the principal of or interest on any Parity Bonds because of insufficient amounts being available in the Interest and Sinking Fund, then the Issuer shall require the Contracting Parties to increase their payments under the Contract in an amount sufficient to restore the Reserve Fund to the Reserve Required Amount, and the Issuer shall deposit, in the Reserve Fund, in approximately equal periodic payments, not less than annual, such amounts as are required to restore the Reserve Fund to the Reserve Required Amount within five years from any date of the use of the Reserve Fund to pay such principal or interest. The Reserve Fund shall be used solely to pay the principal of or interest on the Parity Bonds at any time when there is not sufficient money available in the Interest and Sinking Fund for such purpose, or finally to pay and retire the last of the outstanding Parity Bonds.

Section 13. INVESTMENTS. Money in any Fund maintained pursuant to this Resolution may, at the option of the Issuer, be placed in secured time deposits or certificates of deposit secured by obligations of the type hereinafter described, or be invested in direct obligations of the United States of America, obligations guaranteed or insured by the United States of America, obligations guaranteed or insured by the United States of America, which, in the opinion of the Attorney General of the United States, are backed by its full faith and credit or represent its general obligations, or invested in indirect obligations of the United States of America, including, but not limited to, evidences of indebtedness issued, insured, or guaranteed by such governmental agencies as the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Government National Mortgage Association, United States Postal Service, Farmers Home Administration, Federal Home Loan Mortgage Association, Small Business Administration, Federal Housing Association, or Participation Certificates in the Federal Assets Financing Trust. 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 at the bank at which the Fund is maintained for the benefit of the owners of the Parity 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. It is provided, however, that when the Reserve Fund contains an amount in excess of the Required Reserve Amount, such excess shall be deposited into the Interest and Sinking Fund, and thereby reduce the amounts which otherwise would be required to be deposited into the Interest and Sinking Fund, with the result that the Contracting Parties' semiannual principal and/or interest payments under the Contract shall be reduced accordingly.

Section 14. DEFICIENCIES IN FUNDS. If the Issuer should fail at any time to deposit into any Fund maintained pursuant to this Resolution the full amounts required, amounts equivalent to such deficiencies shall be set apart and paid into said Funds from the first available Gross Revenues, and such payments shall be in addition to the amounts otherwise required to be deposited into said Funds.

Section 15. ISSUER'S EXPENSES. The Gross Revenues in excess of those necessary to maintain the Funds as required in this Resolution, or as hereafter may be required in connection with the issuance of additional parity revenue bonds, shall be used by the Issuer to pay its expenses attributable to the Parity Bonds and the Interceptor System, as described in the Contract and acquired and constructed in accordance with the Contract, including the fees and charges of the Paying Agent/Registrar, and all costs and expenses of operating and maintaining the Interceptor System.

Section 16. SECURITY FOR FUNDS. All Funds maintained pursuant to this Resolution shall be secured in the manner and to the fullest extent permitted or required by law for the security of public funds, and such Funds shall be used only for the purposes and in the manner permitted or required by this Resolution.

Section 17. ADDITIONAL BONDS. The Issuer reserves the right to issue additional parity revenue bonds only for the purpose of refunding any Parity Bonds and/or for the purpose of completing the acquisition and construction of the "Interceptor System", as described in the Contract, and/or to improve and/or extend the Interceptor System. Such additional parity revenue bonds shall be considered, constitute, and be defined as "Bonds" and "Parity Bonds", respectively, for all purposes of the Contract and this Resolution, and when issued and delivered, they shall be payable from and secured by a first lien on and pledge of the Gross 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 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 the Reserve Fund each contains the amount then required to be on deposit therein;

(b) the resolution authorizing the issuance of such installment or series of bonds shall provide for the payment of the principal of and interest on such bonds, and that the aggregate amount to be accumulated and maintained in the Reserve Fund shall, if and to the extent necessary, be increased (within five years from the date of such installment or series of bonds, and in approximately equal deposits, not less than annual) to an aggregate amount at least equal to the average annual principal and interest requirements for all Parity Bonds to be outstanding after the issuance and delivery of the installment or series of Parity Bonds then proposed to be issued;

(c) all calculations of average annual principal and interest requirements made pursuant to this Section are to be made as of and from the date of the installment or series of Parity Bonds then proposed to be issued.

Section 18. 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 Contract. The Issuer shall have said books audited once each Issuer fiscal year by a Certified Public Accountant.

Section 19. ACCOUNTING REPORTS. Within ninety days after the close of each Issuer fiscal year the Issuer will furnish, without cost, to the original purchasers of the Parity Bonds, and to any owner of any outstanding Parity Bond who may so request, 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 Gross Revenues;
- (b) Balance sheet as of the end of said fiscal year.

Section 20. INSPECTION. Any owner or owners 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 maintained pursuant to this Resolution.

Section 21. SPECIAL COVENANTS. The Issuer further covenants as follows:

(a) that other than for the payment of the Parity Bonds the Gross 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 bonds expressly permitted by this Resolution to be issued, additionally encumber the Gross 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 Contracting Parties to carry out all of their obligations under the Contract, for the benefit of the Issuer and the owners of the Parity Bonds, by all legal and equitable means, including the use of mandamus proceedings against the Contracting Parties.

Section 22. PARITY BONDS ARE SPECIAL OBLIGATIONS. The Parity Bonds shall be special obligations of the Issuer payable solely from the pledged Gross Revenues, and the registered owner 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 by the Issuer.

Section 23. AMENDMENT OF RESOLUTION. (a) The owners of Parity Bonds aggregating 51% in principal amount of the aggregate principal amount of then outstanding Parity Bonds shall have the right to approve any amendment to any resolution authorizing the issuance of Parity Bonds, 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 said resolutions 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 of less than all of the Parity Bonds then outstanding;
- (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 a resolution under this Section, the Issuer shall cause notice of the proposed amendment to be published in a financial newspaper or journal published in the City of New York, New York, or in the City of Austin, Texas, once during each calendar week for at least two successive calendar weeks. 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 each Paying Agent/Registrar for the Parity Bonds for inspection by all owners of Parity Bonds. Such publication is not required, however, if notice in writing is given to each owner 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 notice or other service of written notice the Issuer shall receive an instrument or instruments executed by the owners of at least 51% 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 as aforesaid, 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 being amended shall be deemed to be amended in accordance with the amendatory resolution, and the respective rights, duties, and obligations of the Issuer and all the holders or owners of the then outstanding Parity Bonds and all future Parity Bonds shall thereafter be determined, exercised, and enforced hereunder, subject in all respects to such amendment.

(e) Any consent given by the 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 owners of the same Parity 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 owner who gave such consent, or by a successor in title, by filing notice thereof with each Paying Agent/Registrar for the Parity Bonds, and the Issuer, but such revocation shall not be effective if the owners of 51% in 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 ownership of all Parity Bonds shall be ascertained by the registration books pertaining thereto kept by the Paying Agent/Registrar. The Issuer may conclusively assume that such holding or ownership continues until written notice to the contrary is served upon the Issuer.

Section 24. DEFEASANCE OF BONDS. (a) The Initial Bond and each of the other Bonds 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, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption), 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 for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Government Obligations which 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 Gross Revenues as provided in this Resolution, and such principal and interest shall be payable solely from such money or Government Obligations.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer also be invested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from such Government Obligations received by the Paying Agent/Registrar which 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.

(c) The term "Government Obligations" as used in this Section shall mean (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, and (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Board of Directors adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent.

(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.

Section 25. 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 Chapter 1201, Texas Government Code, this Section of this Resolution 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 6(d) of this Resolution for Bonds issued in conversion and exchange for other Bonds.

Section 26. COVENANTS REGARDING TAX-EXEMPTION. The provisions of this Section 26 shall apply to the Bonds only if the Bonds are issued as tax-exempt obligations as designated in the Approval Certificate. (a) Covenants. The Issuer covenants to refrain from any action which would adversely affect, or to take such action to assure, the treatment of the Bonds as obligations described in section 103 of the Internal Revenue Code of 1986 (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:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code, or

if more than 10 percent of the proceeds or the projects financed therewith are so used, such 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;

(2) to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds five percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of five 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;

(3) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or five 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;

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

(5) 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;

(6) 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 of 3 years or less or, in the case of a refunding bond, for a period of 90 days or less 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;

(7) 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);

(8) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the

Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings); and

(9) 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.

(b) Compliance with Code. For purposes of the foregoing, 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 failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the 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 its President, Executive Director, Deputy Director - Administrative Services, and Assistant Deputy - Finance 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. The Issuer covenants to comply with the covenants contained in this Section after defeasance of the Bonds.

(c) Rebate Fund. In order to facilitate compliance with the above covenant (a)(9), 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.

(d) Written Procedures. Unless superseded by another action of the Issuer to ensure compliance with the covenants contained herein regarding private business use, remedial actions, arbitrage and rebate, the Issuer hereby adopts and establishes the instructions attached hereto as Exhibit A as their written procedures applicable to Bonds issued pursuant to the Contract.

Section 27. DISPOSITION OF PROJECT. If the Bonds are issued on a tax-exempt basis, the Issuer covenants that the property financed or refinanced with proceeds of the Bonds (the "Project") 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 28. ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR THE PROJECT. If the Bonds are issued on a tax-exempt basis, the Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the Project on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed. The foregoing notwithstanding, the Issuer shall not expend sale proceeds or investment earnings thereon more than 60 days after the later of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired, unless the Issuer obtains an opinion of nationally-recognized bond counsel 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 29. INTEREST EARNINGS ON BOND PROCEEDS. Interest earnings derived from the investment of proceeds from the sale of the Initial Bond shall be used along with other proceeds for the improvement and extension of the Project, provided that after completion of the Project, if any of such interest earnings remain on hand such interest earnings shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest earnings on Initial Bond proceeds which are required to be rebated to the United States of America pursuant to this Resolution to prevent the Bonds from being "arbitrage bonds" within the meaning of the Code shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 30. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION, CUSIP NUMBERS, AND PREAMBLE. The President of the Board and any Authorized Officer is hereby authorized to have control of the Initial Bond issued hereunder and all necessary records and proceedings pertaining to the Initial Bond pending its delivery and its investigation, examination, and approval by the Attorney General of the State of Texas, and its registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Initial Bond said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate on or attached to the Initial Bond, and the seal of said Comptroller shall be impressed, or placed in facsimile, on the Initial Bond. 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 Initial Bond or on any Bond 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. The preamble to this Resolution is hereby adopted and made a part hereof for all purposes.

Section 31. SALE OF BONDS; PURCHASE AGREEMENT. Pursuant to the authorizations in Section 3 hereof, as approved by an Authorized Officer, the Bonds may be sold either pursuant to the taking of bids therefor or pursuant to a purchase agreement (the "Purchase Agreement") with

a purchaser or purchasers (collectively, the "Purchaser") to be approved by an Authorized Officer, and any supplements thereto which may be necessary to accomplish the issuance of Bonds. Such Purchase Agreement is hereby authorized to be dated, executed and delivered on behalf of the Issuer by an Authorized Officer, with such changes therein as shall be approved by an Authorized Officer, the execution thereof by an Authorized Officer to constitute evidence of such approval. The delegation of authority to an Authorized Officer to approve the final terms of the Bonds as set forth in this Resolution is, and the decisions made by an Authorized Officer pursuant to such delegated authority will be, in the best interests of the Issuer, and an Authorized Officer is authorized to make a finding to such effect in the Approval Certificate.

Section 32. OFFICIAL STATEMENT. A Preliminary Official Statement relating to the Bonds is hereby authorized to be approved by an Authorized Officer distributed to prospective investors and other interested parties in connection with an underwriting and sale of the Bonds, with such changes therein as shall be approved by an Authorized Officer, including such changes as are necessary for distribution as a final Official Statement. It is further officially found, determined, and declared that the statements and representations contained in said Preliminary Official Statement are true and correct in all material respects. The use and distribution by the Purchaser of the Official Statement relating to the Bonds, is hereby approved. For the purpose of review by the Purchaser prior to purchasing the Bonds, the Issuer deems said Preliminary Official Statement to have been "final as of its date" within the meaning of Securities and Exchange Commission Rule 15c2-12.

Section 33. DTC REGISTRATION. The Bonds initially issued in exchange and substitution for the Initial Bond shall be issued and delivered in such manner that no physical distribution of the Bonds will be made to the public, and the Depository Trust Company ("DTC"), New York, New York, initially will act as depository for the Bonds. DTC has represented that it is a limited purpose trust company incorporated under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered under Section 17A of the federal Securities Exchange Act of 1934, as amended, and the Issuer accepts, but in no way verifies, such representations. The Initial Bond authorized by this Resolution shall be delivered to and registered in the name of the Purchaser. However, it is a condition of delivery and sale that the Purchaser, immediately after such delivery, shall cause the Paying Agent/Registrar, as provided for in this Resolution, to cancel said Initial Bond and deliver in exchange therefor a substitute Bond for each maturity of the Initial Bond, as provided for in this Resolution, with each such substitute Bond to be registered in the name of CEDE & CO., the nominee of DTC, and it shall be the duty of the Paying Agent/Registrar to take such action. It is expected that DTC will hold the Bonds on behalf of the Purchaser and/or the DTC Participants, as defined and described in the Official Statement referred to and approved in Section 32 hereof (the "DTC Participants"). So long as each Bond is registered in the name of CEDE & CO., the Paying Agent/Registrar shall treat and deal with DTC in all respects the same as if it were the actual and beneficial owner thereof. It is expected that DTC will maintain a book entry system which will identify beneficial ownership of the Bonds by DTC Participants in integral amounts of \$5,000, with transfers of ownership being effected on the records of DTC and the DTC Participants pursuant to rules and regulations established by them, and that the substitute Bonds initially deposited with DTC shall be immobilized and not be further exchanged for substitute Bonds except as hereinafter provided. The Issuer is not responsible or liable for any functions of DTC, will not be responsible for paying any fees or charges with respect to its services, will not be responsible or liable for

maintaining, supervising, or reviewing the records of DTC or the DTC Participants, or protecting any interests or rights of the beneficial owners of the Bonds. It shall be the duty of the Purchaser and the DTC Participants to make all arrangements with DTC to establish this book-entry system, the beneficial ownership of the Bonds, and the method of paying the fees and charges of DTC. The Issuer does not represent, nor does it in any way covenant that the initial book-entry system established with DTC will be maintained in the future. The Issuer reserves the right and option at any time in the future, in its sole discretion, to terminate the DTC (CEDE & CO.) book-entry only registration requirement described above, and to permit the Bonds to be registered in the name of any owner. If the Issuer exercises its right and option to terminate such requirement, it shall give written notice of such termination to the Paying Agent/Registrar and to DTC, and thereafter the Paying Agent/Registrar shall, upon presentation and proper request, register any Bond in any name as provided for in this Resolution. Notwithstanding the initial establishment of the foregoing book-entry system with DTC, if for any reason any of the originally delivered substitute Bonds is duly filed with the Paying Agent/Registrar with proper request for transfer and substitution, as provided for in this Resolution, substitute Bonds will be duly delivered as provided in this Resolution, and there will be no assurance or representation that any book-entry system will be maintained for such Bonds.

Section 34. FURTHER PROCEDURES. The President and Secretary, respectively, of the Board of Directors of the Issuer and any Authorized Officer, 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 all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Bond Resolution, the Bonds, the sale of the Bonds, and any Notice of Sale and/or Official Statement. 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 35. CONTINUING DISCLOSURE UNDERTAKING.

(a) Annual Reports.

The Issuer shall provide or cause to be provided annually to the MSRB, (1) within six months after the end of each fiscal year ending in or after 2024, financial information and operating data of the general type included in the final Official Statement authorized by Section 32 of this Resolution, (i) with respect to the Issuer, in tables numbered _____, and (ii) with respect to each Significant Obligated Person in Appendix C, and (2) when and if available, audited financial statements of the Issuer and each Significant Obligated Person. Any financial statements so to be provided shall be prepared in accordance with generally accepted accounting principles or such other accounting principles as the Issuer or any such Significant Obligated Person may be required to employ from time to time pursuant to state law or regulation. If the audit of such financial statements of the Issuer or a Significant Obligated Person is not complete within 12 months after the respective fiscal year end, then the Issuer shall provide or cause to be provided by each Significant

Obligated Person unaudited financial statements within such 12-month period and audited financial statements when and if the audit report on such statements become available.

If the Issuer or any such Significant Obligated Person changes its fiscal year, the Issuer will notify or cause the Significant Obligated Person to notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer or any such Significant Obligated Person otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating date 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 (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC

(b) Event Notices.

The Issuer shall notify the MSRB, in a timely manner, of any of the following events with respect to the Bonds, not in excess of ten Business Days after occurrence of the event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. If the Bonds are issued as tax-exempt obligations, 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 security, or other material events affecting the tax status of the security;
7. Modifications to the rights of security holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the securities, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer or a Significant Obligated Person;

13. The consummation of a merger, consolidation, or acquisition involving the Issuer or a Significant Obligated Person or the sale of all or substantially all of the assets of the Issuer or a Significant Obligated Person, 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; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer or a Significant Obligated Person, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph 12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer or a Significant Obligated Person in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the Issuer or a Significant Obligated Person 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 or a Significant Obligated Person and (b) as used in clauses 15 and 16 above, the term "Financial Obligation" means: (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include Municipal Securities as to which a final official statement has been provided to the MSRB consistent with the Rule; the term "Municipal Securities" means securities which are direct obligations of, or obligations guaranteed as to principal or interest by, a state or any political subdivision thereof, or any agency or instrumentality of a state or any political subdivision thereof, or any municipal corporate instrumentality of one or more states and any other Municipal Securities described by Section 3(a)(29) of the Securities Exchange Act of 1934, as the same may be amended from time to time.

The Issuer shall notify or cause the appropriate Significant Obligated Person to notify, in an electronic format as prescribed by the MSRB, the MSRB, in a timely manner, of any failure by the Issuer or any such Significant Obligated Person to provide financial information or operating data in accordance with Section 35(a) of this Resolution by the time required by such Section.

(c) Limitations, Disclaimers, and Amendments.

The Issuer shall be obligated to observe and perform or cause a Significant Obligated Person to observe and perform the covenants specified in this Section for so long as, but only for so long as, such Significant Obligated persons remains a "Significant Obligated Person" with respect to the Bonds, except that the Issuer in any event will give notice of any deposit made in accordance with Section 26 hereof that causes Bonds no longer to be Outstanding.

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

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

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

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

The provisions of this Section may be changed prior to delivery of the Bonds in order to conform to the requirements of any amendments to the Rule which become applicable to the Bonds prior to the delivery thereof to the purchaser. Any such changes shall be approved by the Authorized Officer as evidenced by the Approval Certificate.

The provisions of this Section may be amended by the Issuer from time to time after issuance of the Bonds to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identify, nature, status, or type of operations of the Issuer or any Significant Obligated Person, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a Person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the Holders and beneficial owners of the Bonds. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with Subsection (a) hereof an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Issuer may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

(d) Definitions.

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

"SEC" means the United States Securities and Exchange Commission and any successor to its duties.

"*Significant Obligated Person*" means, at any point in time, any Contracting Party, Additional Contracting Party, or other party contracting with the Issuer, in any case whose payments to the Issuer for the use of or service from the System in the calendar year preceding any such determination, exceeded 10% of the Gross Revenues of the System.

Section 36. REFUNDING OF REFUNDED BONDS; DEPOSIT AGREEMENT. Concurrently with the delivery of the Initial Bond the Issuer shall cause to be deposited an amount from the proceeds from the sale of the Initial Bond and other available sources, if any, the transfer of which is hereby authorized, with The Bank of New York Mellon Trust Company, National Association, Dallas, Texas (the legal successor to all paying agent/registrars and other corporate trust functions of The Bank of New York Trust Company, National Association), as bank (the "Bank"), sufficient to provide for the refunding of all of the Refunded Bonds, as defined and described in the preamble to this Resolution, in accordance with Chapter 1207, Texas Government Code, as amended. The President and the Secretary of the Board of Directors of the Issuer are hereby

authorized, for and on behalf of the Issuer, to execute a Deposit Agreement in substantially the form set forth in Exhibit B hereto, to accomplish such purpose. In addition, an Authorized Officer is authorized to transfer and deposit such cash from available funds (including surplus funds in the Interest and Redemption Fund and/or the Reserve Fund), as may be necessary for the Escrow Fund described in such Deposit Agreement. If, prior to the delivery of the Initial Bond, another entity should become the legal successor to the corporate trust and paying agent/registrar functions of The Bank of New York Mellon Trust Company, National Association, the President and Secretary are authorized to execute such appropriate Deposit Agreement with such successor Bank. It is hereby found and determined that the refunding of the Refunded Bonds is advisable and necessary in order to restructure the principal and interest requirements of the Issuer, and that the issuance of the Bonds will result in a reduction in the amount of principal and interest which otherwise would be payable from the Gross Revenues with respect to the Refunded Bonds, both on an actual and a present value basis.

Section 37. REDEMPTION OF REFUNDED BONDS. (a) There is attached to this Resolution as Exhibit C, and made a part hereof for all purposes, a NOTICE OF REDEMPTION (the "Notice"), applicable to the Refunded Bonds.

(b) As soon as practicable after the adoption of this Resolution and delivery of the Bonds, a copy of the Notice shall be published and mailed in accordance with the requirements of the Master Resolution and the Bank, as paying agent for the Refunded Bonds, is hereby directed to so publish and mail.

(c) Subject to delivery of the Bonds and receipt by or on behalf of the Issuer of the proceeds thereof, the Refunded Bonds are hereby called for redemption prior to maturity in accordance with the Notice.

Section 38. ATTORNEY GENERAL FEES. The Issuer hereby authorizes and directs payment, from legally available funds of the Issuer, of the nonrefundable examination fee of the Attorney General of the State of Texas required by Section 1202.004, Texas Government Code, as amended.

Section 39. 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.

Section 40. SECURITY INTEREST. Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the Gross Revenues granted by the Issuer under Section 9 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 Gross Revenues granted by the Issuer under Section 9 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 41. ATTORNEY GENERAL FEES. The Issuer hereby authorizes and directs payment, from legally available funds of the Issuer, of the nonrefundable examination fee of the Attorney General of the State of Texas required by Section 1202.004, Texas Government Code, as amended.

Section 42. EFFECTIVENESS. This Resolution shall be effective from and after the date of adoption thereof by the Issuer; provided, however, if the Bonds authorized by this Resolution are not issued prior to February 21, 2025, this Resolution shall be void ab initio and shall be of no force and effect.

EXHIBIT "A"

WRITTEN PROCEDURES RELATING TO CONTINUING COMPLIANCE WITH FEDERAL TAX COVENANTS

A. Arbitrage. With respect to the investment and expenditure of the proceeds of the Bonds and any Additional Bonds (the "Obligations") the Issuer's Executive Director, Deputy Director - Administrative Services, and Assistant Deputy - Finance (the "Responsible Persons") will:

For Obligations issued for newly acquired property or constructed property:

- instruct the appropriate person or persons that the construction, renovation or acquisition of the facilities must proceed with due diligence and that binding contracts for the expenditure of at least 5% of the proceeds of the Obligations will be entered into within 6 months of the date of delivery of the Obligations (the "Issue Date");
- monitor that at least 85% of the proceeds of the Obligations to be used for the construction, renovation or acquisition of any facilities are expended within 3 years of the Issue Date;
- restrict the yield of the investments (other than those in the Reserve Fund) to the yield on the Obligations after 3 years of the Issue Date;
- monitor all amounts deposited into a sinking fund or funds, e.g., the Interest and Redemption Fund and the Reserve Fund, to assure that the maximum amount invested at a yield higher than the yield on the Obligations does not exceed an amount equal to the debt service on the Obligations in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Obligations for the immediately preceding 12-month period;
- assure that no more than 50% of the proceeds of the Obligations are invested in an investment with a guaranteed yield for 4 years or more;
- assure that the maximum amount of the Reserve Fund invested at a yield higher than the yield on the Obligations will not exceed the lesser of (1) 10% of the original principal amount of the Obligations, (2) 125% of the average annual debt service on the Obligations measured as of the Issue Date, or (3) 100% of the maximum annual debt service on the Obligations as of the Issue Date;

For Obligations issued for refunding purposes:

- monitor the actions of the escrow agent (to the extent an escrow is funded with proceeds) to assure compliance with the applicable provisions of the escrow agreement, including with respect to reinvestment of cash balances;

For all Obligations:

- maintain any official action of the Issuer (such as a reimbursement resolution) stating its intent to reimburse itself or the City with the proceeds of the Obligations any amount expended prior to the Issue Date for the acquisition, renovation or construction of the facilities;
- assure that the applicable information return (e.g., IRS Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS;
- assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (i) at least every 5 years after the Issue Date and (ii) within 30 days after the date the Obligations are retired.

B. Private Business Use. With respect to the use of the facilities financed or refinanced with the proceeds of the Obligations the Responsible Persons will:

- monitor the date on which the facilities are substantially complete and available to be used for the purpose intended;
- monitor whether, at any time the Obligations are outstanding, any person, other than the Issuer or the City, the employees of the Issuer or the City, the agents of the Issuer or the City or members of the general public has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;
- monitor whether, at any time the Obligations are outstanding, any person, other than the Issuer or the City, the employees of the Issuer or the City, the agents of the Issuer or the City or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);
- monitor whether, at any time the Obligations are outstanding, any person, other than the Issuer or the City, the employees of the Issuer or the City, the agents of the Issuer or the City or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;
- determine whether, at any time the Obligations are outstanding, any person, other than the Issuer or the City, has a naming right for the facilities or any other contractual right granting an intangible benefit;
- determine whether, at any time the Obligations are outstanding, the facilities are sold or otherwise disposed of; and
- take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the resolution authorizing the Obligations.

C. Record Retention. The Responsible Persons will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Obligations and the use of the facilities financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Obligations. If any portion of the Obligations is refunded with the proceeds of another series of tax-exempt obligations, such records shall be maintained until the three (3) years after the refunding obligations are completely extinguished. Such records can be maintained in paper or electronic format.

D. Responsible Persons. Each Responsible Person shall receive appropriate training regarding the Issuer's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the facilities financed with the proceeds of the Obligations. The foregoing notwithstanding, the Responsible Persons are authorized and instructed to retain such experienced advisors and agents as may be necessary to carry out the purposes of these instructions.

EXHIBIT "B"

FORM OF DEPOSIT AGREEMENT DEPOSIT AGREEMENT

THIS DEPOSIT AGREEMENT (the "Agreement"), dated as of _____, _____, made by and between North Texas Municipal Water District (the "Issuer"), a political subdivision of the State of Texas acting by and through the President and Secretary of the Board of Directors of the Issuer (the "Board"), and _____ (the "Bank"), a banking association organized and existing under the laws of the United States of America,

WITNESSETH:

WHEREAS, the Issuer has heretofore issued and delivered and there is currently outstanding the obligations described on Exhibit "A" hereto (hereinafter called the "Refunded Obligations"); and

WHEREAS, in accordance with the provisions of Chapters 1207 and 1371, Texas Government Code (collectively, the "Act"), the Issuer is authorized to sell refunding bonds in an amount sufficient to provide for the full and complete payment of obligations, deposit the proceeds of such refunding bonds with the place of payment for the obligations being refunded and enter into an escrow or similar agreement with such place of payment for the safekeeping, investment, reinvestment, administration and disposition of such deposit, upon such terms and conditions as the parties may agree; and

WHEREAS, the Issuer on _____, _____, pursuant to a resolution (the "Bond Resolution") passed and adopted by the Board, authorized the issuance of bonds known as "North Texas Municipal Water District Upper East Fork Wastewater Interceptor System Contract Revenue ECP Refunding Bonds" (the "Bonds"), and such Bonds are being issued to refund, discharge and make final payment of the principal of and interest on the Refunded Obligations; and

WHEREAS, a portion of the proceeds of sale of the Bonds, together with other available funds of the Issuer, are to be deposited with the Bank under this Agreement, which deposit of funds will be sufficient to pay and redeem in full the Refunded Obligations on _____, (the Redemption Date);

NOW, THEREFORE, in consideration of the mutual agreements herein contained and the payment to the Bank of amounts provided in Section 8 hereof, and to secure the payment of the principal of and the interest on the Refunded Obligations, the Issuer and the Bank hereby agree as follows:

SECTION 1. A trust clearing account (hereinafter called the "Payment Account") shall be maintained at the Bank for the benefit of the holders of the Refunded Obligations, and, immediately following the delivery of the Bonds, the Issuer agrees and covenants to cause to be deposited with the Bank for the credit of the Payment Account the sum of \$_____.

The Bank agrees to establish such Payment Account and further agrees to receive said moneys, apply the same as set forth herein, and to hold uninvested the cash deposited and credited

to the Payment Account for application and disbursement for the payment and redemption of the Refunded Obligations on the Redemption Date.

SECTION 2. In reliance upon the Sufficiency Certificate of Financial Advisor, a copy of which is attached hereto as Exhibit "B", the Issuer represents that the amount deposited to the credit of the Payment Account, as provided in Section 1 hereof, will be sufficient to pay and redeem in full all the Refunded Obligations on the Redemption Date, and the Bank acknowledges the sufficiency of the deposit for said purpose.

The Bank acknowledges receipt of a copy of the Bond Resolution providing for the redemption of the Refunded Obligations on the Redemption Date at the price of par and accrued interest and acknowledges receipt of the form of notice of redemption attached hereto. The Bank will give the notice of redemption as required by the order authorizing the issuance of the Refunded Bonds.

SECTION 3. The Bank agrees that all funds held in the Payment Account shall constitute a dedicated interest and sinking fund for the payment of the principal of and interest on the Refunded Obligations which will mature and become due on and after the date of this Agreement, such funds deposited to the credit of the Payment Account shall be applied solely in accordance with the provisions of this Agreement and the Issuer shall have no right or title with respect thereto, except as otherwise provided herein. Such funds shall not be subject to checks or drafts drawn by the Issuer.

SECTION 4. If, for any reason, the funds on hand in the Payment Account shall be insufficient to pay the redemption price of the Refunded Obligations on the Redemption Date, notice of any such insufficiency shall be immediately given by the Bank to the Issuer by the fastest means possible.

SECTION 5. The Bank represents that the deposit covered by this Agreement shall constitute firm banking arrangements to insure payment of the Refunded Obligations and such deposit is collateralized to insure against any loss or diminution by virtue of any action of the Bank or as a result of its lack of financial integrity by a pledge of direct obligations of the United States of America, in the par or face amount at least equal to the principal amount of said monies to the extent such money is not insured by the Federal Deposit Insurance Corporation.

SECTION 6. The Bank, as paying agent for the Refunded Obligations, shall, without further direction from anyone, including the Issuer, cause to be paid with funds on deposit in the Payment Account the amount required to pay and redeem in full the Refunded Obligations on the Redemption Date when such obligations are presented for payment in accordance with their terms.

SECTION 7. The Bank shall have no lien whatsoever upon any of the moneys deposited to the credit of the Payment Account for payment of services rendered hereunder, services rendered as Paying Agent for the Refunded Obligations, or for any costs or expenses incurred hereunder and reimbursable from the Issuer.

SECTION 8. Moneys on deposit in the Payment Account shall be held uninvested pending the disbursement of moneys. In consideration for the services rendered hereunder, the Issuer shall

pay to the Bank the sum of \$ _____. No investment of funds deposited to the credit of the Payment Account shall be made on or after the Redemption Date. Neither the Issuer nor the Bank shall invest any moneys deposited in the Payment Account.

SECTION 9. The Bank hereby agrees that the compensation noted in Section 8 is full and complete payment for the administration of this Agreement, and the Bank acknowledges and agrees that such amount is and represents the total amount of compensation due the Bank for services rendered as paying agent for the Refunded Obligations. The Bank hereby agrees to pay, assume and be fully responsible for any additional charges that it may incur in the performance of its duties and responsibilities as paying agent for the Refunded Obligations.

SECTION 10. The Bank shall not be responsible for any recital herein, except with respect to its organization, its powers and authority and to the safety and security of the deposit of funds to be made by the Issuer hereunder. As to the existence or nonexistence of any fact relating to the Issuer or as to the sufficiency or validity of any instrument, paper or proceedings relating to the Issuer, the Bank shall be entitled to rely upon a certificate signed on behalf of the Issuer by its Issuer Secretary as sufficient evidence of the facts therein contained. The Bank may accept a certificate of the Secretary of the Board under the Issuer's seal, to the effect that a resolution or other instrument in the form therein set forth has been adopted by the Board, as conclusive evidence that such resolution or other instrument has been duly adopted and is in full force and effect.

The duties and obligations of the Bank shall be determined solely by the express provisions of this Agreement, and the Bank shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Bank.

In the absence of bad faith on the part of the Bank, the Bank may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Bank, conforming to the requirements of this Agreement; but notwithstanding any provision of this Agreement to the contrary, in the case of any such certificate or opinion or any evidence which by any provision hereof is specifically required to be furnished to the Bank, the Bank shall be under a duty to examine the same to determine whether it conforms to the requirements of this Agreement.

The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer or Officers of the Bank unless it shall be proved that the Bank was negligent in ascertaining or acting upon the pertinent facts. The Bank shall not be responsible or liable to any person in any manner whatever for the sufficiency, correctness, genuineness, effectiveness, or validity of the deposits made pursuant to this Agreement, or for the form or execution thereof, or for the identity or authority or any person making or executing such deposits.

The term "Responsible Officers" of the Bank, as used in this Agreement, shall mean and include the Chairman of the Board of Directors, the President, any Vice President and any Second Vice President, the Secretary and any Assistant Secretary, the Treasurer and any Assistant Treasurer, and ever other officer and assistant officer of the Bank customarily performing functions similar to those performed by the persons who at the time shall be officers, respectively, or to whom any corporate trust matter is referred, because of his knowledge of an familiarity with a particular

subject; and the term "Responsible Officer" of the Bank, as used in this Agreement, shall mean and include any of said officers or persons.

SECTION 11. This Agreement is between the Issuer and the Bank only, and in connection herewith the Bank is authorized by the Issuer to rely upon the representations of the Issuer with respect to this Agreement and the deposits made pursuant hereto and as to the Issuer's right and power to execute and deliver this Agreement, and the Bank shall not be liable in any manner as a result of such reliance. The duties of the Bank hereunder shall only be to the Issuer and the holders of the Refunded Obligations. In the event conflicting demands or notices are made upon the Bank growing out of or relating to this Agreement or the Bank in good faith is in doubt as to what action should be taken hereunder, the Bank shall have the right at its election to:

(a) Withhold and stop all further proceedings in, and performance of, this Agreement with respect to the issue in question and of all instructions received hereunder in regard to such issue; and

(b) File a suit in interpleader and obtain an order from a court of appropriate jurisdiction requiring all persons involved to interplead and litigate in such court their several claims and rights among themselves.

In the event the Bank becomes involved in litigation in connection with this Section, the Issuer, to the extent permitted by law agrees to indemnify and save the Bank harmless from all loss, cost, damages, expenses and attorney fees suffered or incurred by the Bank as a result thereof. The obligations of the Bank under this Agreement shall be performable at the principal corporate office of the Bank in Dallas, Texas.

The Bank may consult with legal counsel in the event of any dispute or question regarding the construction of any of the provisions hereof or its duties hereunder, and in the absence of negligence or bad faith on the part of the Bank, no liability shall be incurred by the Bank for any action taken pursuant to this Section and the Bank shall be fully protected in acting in accordance with the opinion and instructions of legal counsel that is knowledgeable and has expertise in the field of law addressed in any such legal opinion with respect to the instructions given.

Nothing in this Agreement shall be construed to require the Bank to expend or risk its own funds in the performance of any of its duties or the exercise of any of its rights hereunder.

SECTION 12. Time shall be of the essence in the performance of obligations from time to time imposed upon the Bank by this Agreement.

SECTION 13. Following the final payment and redemption of the Refunded Obligations, the Bank shall forward by letter to the Issuer, to the attention of the President, or other designated official of the Issuer, a final accounting statement with respect to the payment and discharge of the Refunded Obligations, together with all canceled Refunded Obligations.

SECTION 14. Any notice, authorization, request or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed as follows:

North Texas Municipal Water District
P.O. Box 2408
Wylie, Texas 75098

Attention: Assistant Deputy - Finance

Attention: Corporate Trust Services

The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery.

Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten (10) days prior notice thereof.

SECTION 15. Whenever under the terms of this Agreement the performance date of any provision hereof, including the date of maturity of interest on or principal of the Refunded Obligations, shall be a Sunday or a legal holiday or a day on which the Bank is authorized by law to close, then the performance thereof, including the payment of principal of and interest on the Refunded Obligations, need not be made on such date but may performed or paid, as the case may be, on the next succeeding business day of the Bank with the same force and effect as if made on the date of performance or payment and with respect to a payment, no interest shall accrue for the period after such date.

SECTION 16. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Agreement, in any and every said Refunded Obligation as executed, authenticated and delivered and in all proceedings pertaining thereto as said Refunded Obligations shall have been modified as provided in this Agreement. The Issuer covenants that it is duly authorized under the Constitution and laws of the State of Texas to execute and deliver this Agreement, that all actions on its part for the payment of said Refunded Obligations as provided herein and the execution and delivery of this Agreement have been duly and effectively taken and that said Refunded Obligations and coupons in the hands of the holders and owners thereof are and will be valid and enforceable obligations of the Issuer according to the import thereof as provided in this Agreement.

SECTION 17. If any one or more of the covenants or agreements provided in this Agreement on the part of the parties to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 18. This Agreement shall terminate either (i) when the Refunded Obligations and coupons appertaining thereto have been paid and discharged in accordance with the provisions of this Agreement or (ii) at the expiration of four (4) years after the Redemption Date, whichever circumstance shall first occur. Subject to applicable unclaimed property laws of the State, moneys held in the Payment Account at the termination of this Agreement shall be remitted and transferred to the Issuer.

SECTION 19. Neither the Issuer nor the Bank shall assign or attempt to assign or transfer any interest hereunder or any portion of any such interest. Any such assignment or attempted assignment shall be in direct conflict with this Agreement and be without effect.

SECTION 20. This Agreement shall inure to the benefit of and be binding upon the Bank and the Issuer and their respective successors.

SECTION 21. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument. This Agreement shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers and attested as of the date first written above.

NORTH TEXAS MUNICIPAL WATER DISTRICT

President

ATTEST:

Secretary

(Issuer Seal)

Title: _____

EXHIBIT "A"

Schedule of Refunded Obligations