

RESOLUTION NO. R-2026-074

RESOLUTION APPROVING A RESOLUTION OF THE BRUSHY CREEK REGIONAL UTILITY AUTHORITY, INC. AUTHORIZING THE ISSUANCE OF CONTRACT REVENUE REFUNDING BONDS

CITY OF ROUND ROCK §
COUNTIES OF TRAVIS AND WILLIAMSON §
STATE OF TEXAS §

WHEREAS, the City of Round Rock, Texas (the "City") is a participating and founding member of the Brushy Creek Regional Utility Authority, Inc. ("BCRUA"); and

WHEREAS, the City has approved and executed an "Amended and Restated Master Contract for the Financing, Construction and Operation of the Brushy Creek Regional Utility Authority Water Treatment and Distribution System," dated as of April 23, 2025 (the "Master Contract"), which amended and restated the "Master Contract for the Financing, Construction and Operation of the BCRUA Regional Water Treatment and Distribution Project," dated as of September 2, 2008, and the subsequent amendments thereto;

WHEREAS, the Master Contract provides for the financing, construction and operation of the BCRUA Regional Water Treatment and Distribution Project between the Cities of Cedar Park, Leander and Round Rock, Texas (collectively, the "Member Cities") and BCRUA, pursuant to which BCRUA will construct, operate and maintain water treatment and distribution facilities for the benefit of the Member Cities; and

WHEREAS, BCRUA has previously issued its "Brushy Creek Regional Utility Authority, Inc. City of Round Rock, Texas Contract Revenue Refunding Bonds, (Brushy Creek Regional Water Treatment and Distribution Project), Series 2016," in the aggregate original principal amount of \$53,995,000 (the "Series 2016 Bonds") pursuant to the Master Contract to finance the City's share of the first phase of the System (as defined in the Master Contract); and

WHEREAS, the Board of Directors of BCRUA has adopted the resolution attached hereto as Exhibit "A" (the "Refunding Bond Resolution") authorizing issuance of refunding bonds (the "Bonds") to refund the Series 2016 Bonds, or a portion thereof, for a debt service savings as further set forth therein; and

WHEREAS, pursuant the Refunding Bond Resolution and to Section 4.1(d) of the Master Contract, prior to adoption of a bond resolution by BCRUA's Board of Directors for a Member City, a substantially final copy of the Bond Resolution for the Member City and the sale and offering documents, if any, shall be presented to the City Council of the Member City for review and approval; and

WHEREAS, it is hereby further officially found and determined that public notice of the time, place, and purpose of this meeting was given, all as required by Texas Government Code, Chapter 551.

NOW, THEREFOR, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROUND ROCK, TEXAS:

SECTION 1. RECITALS. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section. Capitalized terms used herein shall have the meaning assigned in the preamble hereof or the Master Contract, unless otherwise defined.

SECTION 2. BOND RESOLUTION. The Refunding Bond Resolution attached hereto as Exhibit "A" has been presented to the City Council for review and is hereby approved as to form and content by the City Council. The City hereby acknowledges that the payment of principal of and interest on the Bonds is payable, in whole or in part, from the Bond Payments (as defined in the Master Contract) to be made by the City to BCRUA under and pursuant to the Master Contract. The Refunding Bond Resolution, including the Award Certificate executed thereunder, shall constitute a Bond Resolution under the Master Contract for all purposes.

SECTION 3. OFFERING DOCUMENT. The Preliminary Official Statement related to the issuance of the Bonds is hereby authorized to be approved by the City Manager or an Assistant City Manager with such approval being set forth in the approval certificate attached hereto as Exhibit "B". The City further approves the distribution of the final Official Statement in the reoffering of the Bonds by the underwriters or initial purchasers in final form, with such changes therein or additions thereto as City Manager or an Assistant City Manager may deem advisable.

SECTION 4. CONTINUING DISCLOSURE UNDERTAKING. In Article X of the Master Contract, the City has agreed to provide continuing disclosure of certain financial and operating data so long as the Bonds are outstanding in accordance with Rule 15c2-12 (the "Rule") of the United States Securities and Exchange Commission (the "SEC"). Due to amendments to the Rule, the City hereby undertakes as follows in order to comply with the requirements of the Rule as currently in effect:

(a) Annual Reports. The City shall provide annually to the MSRB, (1) within six months after the end of each fiscal year of the City ending in or after 2026, financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by Section 3 of this Resolution, being information of the type described in Exhibit "C" hereto, including financial statements of the City if audited financial statements of the City are then available, and (2) if not provided as part of such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements to be provided shall be (i) prepared in accordance with accountant the accounting principles described in Exhibit "C" hereto or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation and in substantially the form included in the Official Statement and (ii) audited, if the City commissions an audit of such financial statements

and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the City shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available. If the City changes its fiscal year, it will file notice of the change (and of the date of the new fiscal year end) with the MSRB prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

(b) Event Notices. The City shall file notice of any of the following events with respect to the Bonds with the MSRB in a timely manner and not more than 10 business days after the occurrence of the event:

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

(15) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

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 City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the City in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City, and (b) the City intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

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

(c) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the City in any event will give notice of deposit made in accordance with Section 32 the Bond Resolution that causes the Bonds no longer to be outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City'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 City makes no 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 CITY 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 CITY, WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF

ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under the Master Contract for purposes of any other provision of the Master Contract.

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

The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this 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 to the date of such amendment as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The City may also repeal or amend the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the City also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds, giving effect to (i) such provisions as so amended and (ii) any amendments or interpretations of the Rule. If the City so amends the provisions of this Section, the City shall include with any amended financial information or operating data next provided in accordance with this subsection (a) of this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

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

Financial information and operating data to be provided pursuant to subsection (a) of this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public on the MSRB's Internet Web site or filed with the SEC.

SECTION 5. CERTIFICATES. The City Manager or an Assistant City Manager is authorized to sign an approval affidavit and approval certificate attached hereto as Exhibit "B" reflecting the final interest rates and terms of the Bonds. The Mayor, City Clerk, City Manager

and Assistant City Manager are authorized to sign all certificates and are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Resolution and the issuance of the Bonds.

SECTION 6. IMMEDIATE EFFECT. This Resolution shall take effect immediately from and after its adoption in accordance with the law.

PASSED AND APPROVED this March 26, 2026.

Mayor
City of Round Rock, Texas

ATTEST:

City Clerk

[Signature Pg]

EXHIBIT "A"
REFUNDING BOND RESOLUTION

RESOLUTION NO. R-2026-___

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE BRUSHY CREEK REGIONAL UTILITY AUTHORITY, INC. AUTHORIZING THE ISSUANCE OF "BRUSHY CREEK REGIONAL UTILITY AUTHORITY, INC. CITY OF ROUND ROCK, TEXAS CONTRACT REVENUE REFUNDING BONDS (BRUSHY CREEK REGIONAL WATER TREATMENT AND DISTRIBUTION PROJECT), SERIES 2026"; ESTABLISHING THE PROCEDURES FOR SELLING AND DELIVERING THE BONDS AND RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY OF SUCH BONDS

ADOPTED MARCH 25, 2026

RESOLUTION NO. R-2026-___

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE BRUSHY CREEK REGIONAL UTILITY AUTHORITY, INC. AUTHORIZING THE ISSUANCE OF "BRUSHY CREEK REGIONAL UTILITY AUTHORITY, INC. CITY OF ROUND ROCK, TEXAS CONTRACT REVENUE REFUNDING BONDS (BRUSHY CREEK REGIONAL WATER TREATMENT AND DISTRIBUTION PROJECT), SERIES 2026"; ESTABLISHING THE PROCEDURES FOR SELLING AND DELIVERING THE BONDS AND RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY OF SUCH BONDS

WHEREAS, the Brushy Creek Regional Utility Authority, Inc. (the "BCRUA") is a non-profit corporation of the State of Texas (the "State"), created by the Cities of Cedar Park, Leander and Round Rock, Texas (collectively, the "Cities" or singularly, a "City") and existing under the laws of the State, including Subchapter D of Chapter 431, as amended, Texas Transportation Code (the "Authority Act"); and

WHEREAS, pursuant to the Authority Act, BCRUA, is empowered to acquire and construct water facilities including water conservation, storage, transportation, treatment and distribution facilities and to deliver this water to the Cities; and

WHEREAS, the Authority Act also authorizes BCRUA acting through its Board of Directors (the "Board") to issue revenue bonds to finance such water projects, payable solely from the revenues derived from payments to be made to BCRUA by each respective City for which a series of bonds are issued for the purpose of defraying such City's share of the cost of financing, acquiring, and constructing the BCRUA Project (as hereinafter defined); and

WHEREAS, BCRUA has previously issued separate series of such revenue bonds for the City of Cedar Park, Texas, the City of Leander, Texas ("Leander") and the City of Round Rock, Texas ("Round Rock") to finance their respective share of costs of the BCRUA Project, with each such series payable from and secured solely by payments made by each respective City under the Contract (as hereinafter defined); and

WHEREAS, pursuant to the Authority Act, BCRUA and the Cities have entered into an "Amended and Restated Master Contract for the Financing, Construction and Operation of the Brushy Creek Regional Utility Authority Water Treatment and Distribution System," dated as of April 23, 2025 (the "Contract"), which amended and restated the "Master Contract for the Financing, Construction and Operation of the BCRUA Regional Water Treatment and Distribution Project," dated as of September 2, 2008, and the subsequent amendments thereto; and

WHEREAS, pursuant to the Contract, BCRUA has agreed to design, finance, construct, maintain and operate the BCRUA Project in a manner that will allow BCRUA to deliver potable water to the Cities on a regional basis and under which each of the Cities agree to pay their share of the BCRUA Project and to make payments to or on behalf of BCRUA in amounts sufficient to meet all of BCRUA's obligations under the Contract including relating to a City's respective series

of bonds issued to finance and refinance a City's share of the BCRUA Project and to own, operate and maintain the BCRUA Project; and

WHEREAS, the Cities and BCRUA have approved the Contract; and

WHEREAS, BCRUA has previously issued its "Brushy Creek Regional Utility Authority, Inc. City of Round Rock, Texas Contract Revenue Refunding Bonds, (Brushy Creek Regional Water Treatment and Distribution Project), Series 2016," in the aggregate original principal amount of \$53,955,000 (the "Series 2016 Bonds") pursuant to the Contract to finance Round Rock's share of the first phase of the BCRUA Project; and

WHEREAS, BCRUA deems it advisable and in the best interest of BCRUA to refund those Series 2016 Bonds designated by the BCRUA Representative (as defined in Exhibit "A" attached hereto) to be refunded (the "Refunded Obligations"), in order to achieve a net present value debt service savings of not less than 2.0% of the principal amount of the Refunded Obligations net of any contribution with such savings, among other information and terms to be included in an award certificate to be executed by the BCRUA Representative, all in accordance with the provisions of the Authority Act; and

WHEREAS, the Authority Act authorizes BCRUA to issue refunding bonds and to deposit the proceeds from the sale thereof together with any other available funds or resources, directly with a place of payment (paying agent) for the Refunded Obligations or with a trust company or commercial bank that does not act as depository for BCRUA, and such deposit, if made before such payment dates, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; and

WHEREAS, BCRUA is further authorized to enter into an escrow agreement with a paying agent for the Refunded Obligations or with a trust company or commercial bank that does not act as depository for the BRUA with respect to the safekeeping, investment, reinvestment, administration and disposition of any such deposit, upon such terms and conditions as BCRUA and such escrow agent may agree, provided that such deposits may be invested and reinvested in authorized escrow securities pursuant to the terms of the resolution authorizing the Refunded Obligations and State law; and

WHEREAS, all the Refunded Obligations mature or are subject to redemption prior to maturity within 20 years of the date of the bonds hereinafter authorized: and

WHEREAS, this Resolution constitutes a Bond Resolution as that term is defined in the Contract; and

WHEREAS, the principal of the Bonds and the interest thereon are and shall be solely payable from and secured by a lien on and pledge of the portion of the Annual Payments designated as "Bond Payments" to be made by Round Rock pursuant to the Contract in amounts sufficient to pay and redeem, and provide for the payment of the principal of, premium, if any, and interest on the Bonds, when due, and the fees and expenses of the Paying Agent/Registrar for the Bonds, all as required by this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BRUSHY CREEK REGIONAL UTILITY AUTHORITY, INC. THAT:

Section 1. DEFINITIONS. In addition to the definitions set forth in the preamble of this Resolution, the terms used in this Resolution (except as may be otherwise indicated in the FORM OF BOND) and not otherwise defined shall have the meanings given in Exhibit "A" to this Resolution attached hereto and made a part hereof.

Section 2. AMOUNT, PURPOSE AND DESIGNATION OF THE BONDS. (a) *Amount and Designation.* BCRUA's bonds issued pursuant to this Resolution shall each be entitled "BRUSHY CREEK REGIONAL UTILITY AUTHORITY, INC. CITY OF ROUND ROCK, TEXAS CONTRACT REVENUE REFUNDING BONDS (BRUSHY CREEK REGIONAL WATER TREATMENT AND DISTRIBUTION PROJECT), SERIES 2026" and are hereby authorized to be issued and delivered in an aggregate maximum principal amount not to exceed \$38,995,000. The title of the Bonds shall be designated by the year in which such Bonds are awarded pursuant to Section 3 below. The authority of the BCRUA Representative to execute and deliver an Award Certificate for the Bonds shall expire at 5:00 p.m., C.D.T., on March 25, 2027. Bonds priced on or before March 25, 2027 may close after such date.

(b) *Purpose.* The Bonds are to be issued for the following purposes to pay: (i) refunding the Refunded Obligations and (ii) paying the costs of issuance of the Bonds.

Section 3. DATE, DENOMINATIONS, NUMBERS, MATURITIES AND TERMS OF BONDS. (a) *Terms of the Bonds.* The Bonds shall initially be issued, sold, and delivered hereunder as fully registered bonds, without interest coupons, which may be in the form of Current Interest Bonds or Premium Compound Interest Bonds, numbered consecutively from R-1 upward, in the case of Current Interest Bonds, and from PC-1 upward, in the case of Premium Compound Interest Bonds (except the initial Bond delivered to the Attorney General of the State which shall be numbered T-1 and TPC-1 respectively), payable to the respective initial Registered Owners thereof in an Authorized Denomination, maturing not later than August 1, 2038, serially or otherwise on the dates, in the years and in the principal amounts, respectively, dated, all as set forth in the Award Certificate executed by the BCRUA Representative pursuant to subsection (b) below in substantially the form attached hereto as Exhibit "C".

(b) *Award Certificate.* As authorized by the Authority Act, the BCRUA Representative is hereby authorized, appointed, and designated to act on behalf of the Board in selling and delivering the Bonds determining which of the Refundable Obligations shall be refunded and constitute Refunded Obligations under this Resolution and carrying out the other procedures specified in this Resolution, including determining and fixing the Bonds as Taxable Bonds or Tax-Exempt Bonds, the date the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the aggregate principal amount of Current Interest Bonds and Premium Compound Interest Bonds, the rate or rates of interest to be borne by each maturity, the interest payment periods, the dates, price, and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Board, as well as any mandatory

sinking fund redemption provisions for the Bonds and all other matters relating to the issuance, sale, and delivery of the Bonds and the refunding of the Refunded Obligations, all of which shall be specified in a certificate of the BCRUA Representative (the "Award Certificate") the form of which is attached hereto as Exhibit "B"; provided that (i) the price to be paid for the Bonds shall not be less than 90% of the aggregate original principal amount thereof plus accrued interest, if any, thereon from its date to its delivery, (ii) the Bonds shall not bear interest at a net effective interest rate in excess of the maximum rate allowed by law and (iii) the refunding must produce a net present value debt service savings of at least 2.0% of the principal amount of the Refunded Obligations, net of any contribution. In establishing the aggregate principal amount of the Bonds, the BCRUA Representative shall establish an amount not to exceed the amount authorized in Section 2, which shall be sufficient to provide for the purposes for which the Bonds are authorized and to pay the costs of issuing the Bonds.

It is further provided, however, that, notwithstanding the foregoing provisions, the Bonds shall not be delivered unless prior to delivery of the Bonds the Award Certificate has been executed and delivered as required by this Resolution. No such Award Certificate shall be executed and delivered under this Resolution, unless and until the City Council of the City of Round Rock approves this Resolution.

In satisfaction of Section 1201.022(a)(3), Texas Government Code, the Board hereby determines that the delegation of the authority to the BCRUA Representative to approve the method of sale and the final terms and conditions of the Bonds as set forth in this Resolution is, and the decisions made by the BCRUA Representative pursuant to such delegated authority and incorporated in the Award Certificate will be, in BCRUA's best interest and shall have the same force and effect as if such determination were made by the Board, and the BCRUA Representative is hereby authorized to make and include in the Award Certificate an appropriate finding to that effect. The Award Certificate is hereby incorporated by reference into and made a part of this Resolution.

(c) ***Sale of the Bonds.*** To achieve advantageous borrowing costs for BCRUA, the Bonds shall be sold on a negotiated, placement or competitive basis as determined by the BCRUA Representative in the Award Certificate. In determining whether to sell the Bonds by a negotiated, placement or competitive sale, the BCRUA Representative shall take into account the financial condition of BCRUA, any material disclosure issues which might exist at the time, the market conditions expected at the time of the sale and any other matters which, in the judgment of the BCRUA Representative, might affect the net borrowing costs on the Bonds.

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

If the BCRUA Representative determines that the Bonds should be sold by a negotiated sale or placement, the BCRUA Representative shall designate the placement purchaser or the

senior managing underwriter for the Bonds and such additional investment banking firms as the BCRUA Representative deems appropriate to assure that the Bonds are sold on the most advantageous terms. The BCRUA Representative, acting for and on behalf of the Board, is authorized to enter into and carry out a bond purchase contract or other agreement for the Bonds to be sold by negotiated sale or placement at such price, with and subject to such terms as determined by the BCRUA Representative pursuant to subsection (b) above.

(d) ***In General.*** The Bonds (i) may and shall be redeemed prior to the respective scheduled maturity dates, (ii) may be assigned and transferred, (iii) may be exchanged for other Bonds, (iv) shall have the characteristics, (v) shall be signed and sealed, and 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 BOND set forth in Exhibit "C" to this Resolution and as determined by the BCRUA Representative as provided herein, with such changes and additions as are required to be consistent with the terms and provisions shown in the Award Certificate.

Section 4. INTEREST. The Current Interest Bonds shall bear interest, calculated on the basis of a 360-day year composed of twelve 30-day months, from their date of delivery as set forth in the Award Certificate, until maturity or redemption, at the rate or rates set forth in the Award Certificate. Interest shall be payable to the Registered Owner of any such Current Interest Bond in the manner provided and on the dates stated in the FORM OF BOND set forth in Exhibit "C" to this Resolution and the Award Certificate.

The Premium Compound Interest Bonds shall bear interest from the Issuance Date, calculated on the basis of a 360-day year composed of twelve 30-day months (subject to rounding to the Compounded Amounts thereof), compounded on the Compounding Dates as set forth in the Award Certificate, and payable, together with the principal amount thereof, in the manner provided in the Form of Bonds at the rates set forth in the Award Certificate. Attached to the Award Certificate, if Premium Compound Interest Bonds are to be issued, shall be the Accretion Table. The Accreted Value with respect to any date other than a Compounding Date is the amount set forth on the Accretion Table with respect to the last preceding Compounding Date, plus the portion of the difference between such amount and the amount set forth on the Accretion Table with respect to the next succeeding Compounding Date that the number of days (based on 30-day months) from such last preceding Compounding Date to the date for which such determination is being calculated bears to the total number of days (based on 30-day months) from such last preceding Compounding Date to the next succeeding Compounding Date.

Section 5. REGISTRATION, TRANSFER, AND EXCHANGE; AUTHENTICATION; BOOK-ENTRY-ONLY SYSTEM. (a) ***Paying Agent/Registrar.*** The BCRUA Representative in the Award Certificate shall select an eligible institution to serve as paying agent/registrar for the Bonds (the "Paying Agent/Registrar"). The BCRUA Representative is authorized to enter into and carry out a Paying Agent/Registrar Agreement with the Paying Agent/Registrar with respect to the Bonds in substantially the form and substance presented to the Board set forth in Exhibit "D" in connection with the approval of this Resolution with such changes as are acceptable to the BCRUA Representative.

(b) **Registration Books.** BCRUA shall keep or cause to be kept at the designated corporate trust office of the Paying Agent/Registrar (the "Designated Trust Office") the Registration Books, and BCRUA hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, exchanges, and replacements under such reasonable regulations as BCRUA and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, exchanges, and replacements 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. BCRUA shall have the right to inspect the Registration Books at the Designated Trust Office of the Paying Agent/Registrar during regular business hours, 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. A copy of the Registration Books shall be maintained in the State.

(c) **Ownership of Bonds.** The entity or person in whose name any Bond shall be registered in the Registration Books at any time shall be deemed and treated as the absolute owner thereof for all purposes of this Resolution, whether or not such Bond shall be overdue, and, to the extent permitted by law, BCRUA 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.

(d) **Payment of Bonds and Interest.** The Paying Agent/Registrar shall further act as the paying agent for paying the principal of, premium, if any, and interest on the Bonds, all as provided in this Resolution. The Paying Agent/ Registrar shall keep proper records of all payments made by BCRUA and the Paying Agent/Registrar with respect to the Bonds.

(e) **Authentication.** The Bonds initially issued and delivered pursuant to this Resolution shall be authenticated by the Paying Agent/Registrar by execution of the Paying Agent/Registrar's Authentication Certificate unless they have been approved by the Attorney General of the State and registered by the Comptroller of Public Accounts of the State, and on each substitute Bond issued in exchange for any Bond or Bonds issued under this Resolution the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE (the "Authentication Certificate"). The Authentication Certificate shall be in the form set forth in the FORM OF BOND in Exhibit "C" attached hereto.

(f) **Transfer, Exchange, or Replacement.** Each Bond issued and delivered pursuant to this Resolution, to the extent of the unpaid or unredeemed principal amount thereof, may, upon surrender of such Bond at the Designated 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 exchanged for fully registered Bonds, without interest

coupons, in the appropriate form prescribed in the FORM OF BOND set forth in Exhibit "D" to this Resolution, in any Authorized Denomination (subject to the requirement hereinafter stated that each substitute Bond shall be of the same Series and 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 amount of any Bond or Bonds so surrendered, and payable to the appropriate Registered Owner, assignee, or assignees, as the case may be. If a portion of any Bond shall be redeemed prior to its scheduled maturity as provided herein, a substitute Bond or Bonds having the same series designation and maturity date, bearing interest at the same rate, and payable in the same manner, in Authorized Denominations at the request of the Registered Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon surrender thereof for cancellation. If any Bond or portion thereof is assigned and transferred, each Bond issued in exchange therefor shall have the same series designation and maturity date and bear interest at the same rate and payable in the same manner 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 exchange or replace Bonds as provided herein, and each fully registered Bond delivered in exchange for or replacement of any Bond or portion thereof as permitted or required by any provision of this Resolution shall constitute one of the Bonds for all purposes of this Resolution and may again be exchanged or replaced. On each substitute Bond issued in exchange for or replacement of any Bond or Bonds issued under this Resolution there shall be printed an Authentication Certificate, in the form set forth in Exhibit "C" to this Resolution. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the Authentication Certificate, and, except as provided in (e) above, no such Bond shall be deemed to be issued or outstanding unless the Authentication Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all Bonds surrendered for transfer, exchange, or replacement. No additional orders or resolutions need be passed or adopted by BCRUA or any other body or person so as to accomplish the foregoing transfer, 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 in typed or printed form as determined by the BCRUA Representative. Pursuant to Subtitle D, Texas Government Code and particularly Section 1201.063, thereof, the duty of transfer, exchange, or replacement of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the Authentication Certificate, the exchanged or replaced Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which were originally issued pursuant to this Resolution. BCRUA shall pay the Paying Agent/Registrar's standard or customary fees and charges, if any, for transferring, and exchanging any Bond or any portion thereof, but the one requesting any such transfer 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. The Paying Agent/Registrar shall not be required to make any such transfer, 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 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. To the extent possible, any new Bond issued in an exchange, replacement, or transfer of a Bond will be delivered to the Registered Owner or assignee of the Registered Owner not more than three

business days after the receipt of the Bonds to be canceled and the written request as described above.

(g) ***Substitute Paying Agent/Registrar.*** BCRUA covenants with the Registered Owners of the Bonds that at all times while the Bonds are outstanding BCRUA 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. BCRUA reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than ninety (90) days written notice to the Paying Agent/Registrar, to be effective not later than sixty (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, BCRUA 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 BCRUA. Upon any change in the Paying Agent/Registrar, BCRUA 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.

(h) ***Book-Entry-Only System.*** The Bonds issued in exchange for the Bonds initially issued and delivered to the initial purchasers thereof shall be issued in the form of a separate single fully registered Bond for each of the maturities thereof registered in the name of Cede & Co., as nominee of DTC, and except as provided in subsection (i) hereof, all of the Outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC. With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, BCRUA and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest on the Bonds. Without limiting the immediately preceding sentence, BCRUA and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner, as shown on the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Registered Owner, as shown in the Registration Books of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Resolution to the contrary but to the extent permitted by law, BCRUA and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest, with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying

Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Registered Owners, as shown in the Registration Books as provided in this Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge BCRUA's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the obligation of BCRUA to make payments of principal, premium, if any, and interest pursuant to this Resolution. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Resolution with respect to interest checks being mailed to the Registered Owner at the close of business on the Record Date, the word "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

(i) ***Successor Securities Depository; Transfers Outside Book-Entry-Only System.*** In the event that BCRUA or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of BCRUA to DTC (as described in Section 35 of this Resolution) or DTC determines to discontinue providing its services with respect to the Bonds, BCRUA shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Registered Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Resolution.

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

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

of redemption, whether required in the FORM OF BOND or in this Section, shall contain a description of the Bonds to be redeemed including the complete name of the Bonds, the Series, the date of issue, the interest rate or rates, the maturity date, the CUSIP number, a reference to the certificate numbers and the amounts called of each certificate, the publication and mailing date for the notice, the date of redemption, the redemption price, the name of the Paying Agent/Registrar and the address at which the Bonds may be redeemed, including a contact person and telephone number. All redemption payments made by the Paying Agent/Registrar to the registered owners of the Bonds shall include a CUSIP number relating to each amount paid to such Registered Owner.

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

Section 6. FORM OF BOND. The form of the Bond, including the form of the Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State, with respect to the Bonds initially issued and delivered pursuant to this Resolution, shall be, respectively, substantially as set forth in Exhibit "C", with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution and any Award Certificate including specifically information relating to payment dates, the Bond date and redemption provisions.

Section 7. PLEDGE OF BOND PAYMENTS. (a) **Pledge.** BCRUA hereby covenants and agrees that the Bond Payments are hereby irrevocably pledged to the payment and security of the Bonds Similarly Secured including the establishment and maintenance of the special funds or accounts created and established on the books and records of BCRUA for the payment and security thereof, all as hereinafter provided; and it is hereby resolved that the Bonds Similarly Secured, and the interest thereon, shall constitute a lien on and pledge of the Bond Payments and be valid and binding without any physical delivery thereof or further act by BCRUA, and the lien created hereby on the Bond Payments for the payment and security of the Bonds Similarly Secured shall be prior in right and claim as to any other indebtedness, liability, or obligation of BCRUA or the BCRUA Project payable pursuant to the terms of the Contract. BCRUA shall deposit the Bond Payments, as collected and received, into a separate fund and account on the books and records of BCRUA known as the "Round Rock's Debt Service Fund," which has previously been created and is hereby confirmed, to be utilized pursuant to the Contract and Sections 9 and 12 hereof to pay the Bonds; provided, however, that BCRUA may utilize any revenues, including those generated by the Contract, in excess of the Debt Service Requirements on the Bonds Similarly Secured for any lawful purpose in accordance with this Resolution and the Contract.

(b) **Perfection of Pledge.** Chapter 1208, as amended, Texas Government Code, applies to the issuance of the Bonds Similarly Secured and the lien on and pledge of Bond Payments granted by BCRUA under subsection (a) of this Section, and such pledge is therefore valid, effective, and perfected. If State law is amended at any time while the Bonds Similarly Secured are outstanding and unpaid such that the pledge of the Bond Payments granted by BCRUA is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the Registered Owners of the Bonds Similarly Secured the perfection of the security interest in this pledge, BCRUA agrees to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Chapter 9, as amended, Texas Business & Commerce Code and enable a filing to perfect the security interest in this pledge to occur.

Section 8. RATES AND CHARGES. For the benefit of the Registered Owners of the Bonds Similarly Secured and in addition to all provisions and covenants in the laws of the State and in this Resolution, the Contract between BCRUA and Round Rock expressly stipulates and agrees, while any of the Bonds Similarly Secured are Outstanding, Round Rock will fix and collect such rates and charges for services to be supplied by the Round Rock System as will produce gross revenues at all times during the term of the Contract in an amount equal to pay all of the expenses of operation and maintenance of the Round Rock System including Annual Payments and Bond Payments under the Contract and all other amounts required by the laws and the provisions of the ordinances or resolutions authorizing the Round Rock Utility Bonds or other obligations now or hereafter outstanding payable, in whole or in part, from the net revenues of the Round Rock System, including the amounts required to pay all principal of and interest on such Round Rock Utility Bonds and other obligations. BCRUA hereby expressly stipulates that it will maintain rates and charges through the Bond Payments to meet the debt service requirements on the Bonds Similarly Secured and agrees that it will take all appropriate action to enforce such terms of the Contract while any of the Bonds Similarly Secured are Outstanding.

The Registered Owners shall never have the right to demand payment for the Bonds out of any funds raised or to be raised from taxation by Round Rock or BCRUA.

Section 9. DISTRIBUTION OF BOND PAYMENTS. After the Bond Payments have been received by BCRUA such payments shall be further deposited into the Debt Service Fund as required by this Resolution.

Section 10. DEBT SERVICE FUND. For purposes of providing funds to pay the principal of and interest on the Bonds Similarly Secured as the same become due and payable, BCRUA agrees to maintain, at the Depository, a separate and special fund or account to be created and known as the "Brushy Creek Regional Utility Authority, Inc. City of Round Rock, Texas Contract Revenue Bonds (Brushy Creek Regional Water Treatment and Distribution Project), Debt Service Fund" (the "Debt Service Fund"). BCRUA covenants that there shall be deposited into the Debt Service Fund prior to each principal and interest payment date solely from the available Bond Payments made by Round Rock pursuant to Section 9 of this Resolution an amount equal to one hundred per cent (100%) of the amount required to fully pay the interest on and the principal of the Bonds Similarly Secured then falling due and payable, such deposits to pay maturing principal and accrued interest on the Bonds Similarly Secured to be made in substantially equal monthly

installments on or before the first day of each month. If the Bond Payments in any month are insufficient to make the required payments into the Debt Service Fund, then the amount of any deficiency in such payment shall be added to the amount otherwise required to be paid into the Debt Service Fund in the next month.

The required monthly deposits to the Debt Service Fund for the payment of principal of and interest on the Bonds Similarly Secured shall continue to be made as hereinabove provided until such time as (i) the total amount on deposit in the Debt Service Fund is equal to the amount required to fully pay and discharge all Outstanding Bonds Similarly Secured (principal and interest) or, (ii) the Bonds Similarly Secured are no longer Outstanding.

Any surplus proceeds from the sale of the Bonds, including investment income therefrom, not expended for authorized purposes shall be deposited into the Debt Service Fund, and such amounts (i.e., accrued and investment interest) so deposited into the Debt Service Fund shall reduce the sum otherwise required to be deposited in the Debt Service Fund from Bond Payments.

Section 11. DEFICIENCIES - EXCESS BOND PAYMENTS. (a) *Deficiencies.* If on any occasion there shall not be sufficient Bond Payments to make the required deposits into the Debt Service Fund, then such deficiency shall be cured as soon as possible from the next available unallocated Bond Payments and such payments shall be in addition to the amounts required to be paid into these funds or accounts during such month or months.

(b) *Excess Bond Payments.* Subject to making the required deposits to the Debt Service Fund when and as required by this Resolution, any resolution authorizing the issuance of any currently Outstanding Bonds Similarly Secured or any resolution authorizing the issuance of Additional Bonds, any excess Bond Payments may be used by BCRUA for any lawful purpose including, but not limited to, the redemption of any Bonds Similarly Secured.

Section 12. PAYMENT OF BONDS. While any of the Bonds Similarly Secured are Outstanding, the General Manager or other authorized BCRUA official, shall cause to be transferred to the Paying Agent/Registrar therefor, from funds on deposit in the Debt Service Fund, if necessary, amounts sufficient to fully pay and discharge promptly each installment of interest on and principal of the Bonds Similarly Secured as such installment accrues or matures; such transfer of funds must be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar for the Bonds at the close of the Business Day next preceding the date a debt service payment is due on the Bonds Similarly Secured.

Section 13. INVESTMENTS. Funds held in any fund or account created, established, or maintained pursuant to this Resolution shall be invested as permitted by the provisions of BCRUA's investment policy and the Public Funds Investment Act, as amended, Chapter 2256, Texas Government Code and secured (to the extent not insured by the Federal Deposit Insurance Corporation) to the fullest extent required by the Public Funds Collateral Act, as amended, Chapter 2257, Texas Government Code. All interest and income derived from deposits and investments in any fund shall immediately be credited to, and any losses debited from, the fund from which such funds were derived. All such investments shall be sold promptly when necessary to prevent any default in connection with the Bonds.

Section 14. ISSUANCE OF ADDITIONAL BONDS. In addition to the right to issue bonds of inferior lien as authorized by the laws of this State, BCRUA reserves the right hereafter to issue Additional Bonds. The Additional Bonds, when issued, shall be payable from and secured by a lien on and pledge of the Bond Payments in the same manner and to the same extent as the Bonds and the other Bonds Similarly Secured, and shall in all respects be of equal dignity. The Additional Bonds may be issued in one or more series provided, however, that no Additional Bonds, shall be issued unless and until the following conditions have been met:

(i) Except for a refunding to cure a default, BCRUA is not then in default as to any covenant, condition or obligation prescribed in the resolutions authorizing the issuance of the Bonds Similarly Secured or the Contract (including any amendment or supplement thereto) and the funds under the resolution authorizing the same contains the amounts then required to be therein;

(ii) A consulting engineer certifies to BCRUA the need for an estimated amount of additional financing required for completion, expansion, enlargement or improvement of the BCRUA Project as now or hereafter defined in the Contract; provided, however this certification shall not be necessary for the issuance of any refunding bonds;

(iii) Round Rock, shall have approved the resolution(s) authorizing the issuance of the Additional Bonds as to form and content and acknowledged that the payment of principal of and interest on such Additional Bonds is payable, in whole or in part, from the Bond Payments to be made to BCRUA under and pursuant to the Contract;

(iv) The resolution authorizing the issuance of the Additional Bonds provides for deposits to be made to the Debt Service Fund in amounts sufficient to pay the principal of and interest on such Additional Bonds as the same become due; and

(v) Based upon an opinion of legal counsel to BCRUA that there are legal, valid and bindings contracts then in effect pursuant to which Round Rock and others, if any, which are parties to such contracts are obligated to make payments to BCRUA during each fiscal year (including periods when services of the BCRUA Project may not be available to such contracting parties and others) in such amounts as shall be necessary to provide to BCRUA sufficient funds to pay when due all principal and interest on all Bonds, Additional Bonds and other Bonds Similarly Secured to be Outstanding after the issuance of the proposed Additional Bonds.

The Bonds Similarly Secured may be refunded (pursuant to any law then available) upon such terms and conditions as the Board of BCRUA may deem to be in the best interest of BCRUA; provided, however, such refunding bonds do not have to comply with paragraph (ii) of this Section 14.

Section 15. SPECIAL PROJECT BONDS. BCRUA further reserves the right to issue bonds in one or more installments for the purchase, construction, improvement, extension, replacement, enlargement or repair of utility facilities necessary under a contract or contracts with persons, corporations, municipal corporations, political subdivisions, or entities including Round

Rock, such bonds to be payable from and secured by the proceeds of such contract or contracts (other than the Contract). BCRUA further reserves the right to refund such bonds and secure the payment of the debt service requirements on the refunding bonds in the same manner or as otherwise permitted by the laws of the State.

Section 16. MAINTENANCE OF BCRUA PROJECT - INSURANCE. BCRUA covenants, agrees, and affirms its covenants that while the Bonds Similarly Secured remain outstanding it will maintain and operate the BCRUA Project with all possible efficiency and maintain casualty and other insurance on the properties of the BCRUA Project and its operations of a kind and in such amounts customarily carried by municipal corporations in the State engaged in a similar type of business (which must be in an amount sufficient to protect the interests of the Registered Owners of the Bonds Similarly Secured in the BCRUA Project); and that it will faithfully and punctually perform all duties with reference to the BCRUA Project required by the laws of the State. All money received from losses under such insurance policies, other than public liability policies, shall be retained for the benefit of the Registered Owners of the Bonds Similarly Secured until and unless the proceeds are paid out in making good the loss or damage in respect of which such proceeds are received, either by replacing the property destroyed or repairing the property damaged, and adequate provision for making good such loss or damage must be made within ninety (90) days after the date of loss. The payment of premiums for all insurance policies required under the provisions hereof shall be considered Maintenance and Operating Expenses of the BCRUA Project. Nothing in this Resolution shall be construed as requiring BCRUA to expend any funds which are derived from sources other than the operation of the BCRUA Project but nothing herein shall be construed as preventing BCRUA from doing so.

Section 17. RECORDS AND ACCOUNTS - ANNUAL AUDIT. BCRUA covenants, agrees, and affirms its covenants that so long as any of the Bonds Similarly Secured remain Outstanding, it will keep and maintain separate and complete records and accounts pertaining to the operations of the BCRUA Project in which complete and correct entries shall be made of all transactions relating thereto as provided by applicable law. The Registered Owners of any Bonds Similarly Secured or any duly authorized agent or agents of such Registered Owners shall have the right to inspect the BCRUA Project and all properties comprising the same. BCRUA further agrees that following (and in no event later than six (6) months after) the close of each Fiscal Year, it will cause an audit of such books and accounts to be made by an independent firm of Certified Public Accountants. BCRUA will provide such the annual audit performed by an independent firm of Certified Public Accountants as set forth in Section 30 of this Resolution. Expenses incurred in making the annual audit of the operations of the BCRUA Project are to be regarded as Maintenance and Operating Expenses of the BCRUA Project.

Section 18. SALE OR ENCUMBRANCE OF BCRUA PROJECT. While any Bonds remain Outstanding, BCRUA will not sell, dispose of or further encumber the BCRUA Project or any substantial part thereof; provided, however, that this provision shall not prevent BCRUA from (i) pledging the Bond Payments to Additional Bonds or Special Project Bonds as set forth in Sections 14 and 15 of this Resolution or (ii) disposing of any part of the BCRUA Project which is being replaced or is deemed by BCRUA to be obsolete, worn out, surplus or no longer needed for the proper operation of the BCRUA Project. Any agreement pursuant to which the BCRUA contracts with a person, corporation, municipal corporation or political subdivision to operate the

BCRUA Project or to lease and/or operate all or part of the BCRUA Project shall not be considered as an encumbrance of the BCRUA Project; provided, however, no such agreement shall impair the pledge and lien on the Bond Payments.

Section 19. COMPETITION. To the extent it legally may, BCRUA will not grant any franchise or permit for the acquisition, construction or operation of any competing facilities which might be used as a substitute for the BCRUA Project and will prohibit the operation of any such competing facilities.

Section 20. SPECIAL COVENANTS. BCRUA further covenants and agrees that: (a) **Title.** BCRUA lawfully owns or will own and is or will be lawfully possessed of the lands or easements upon which its BCRUA Project is and will be located, and has or will purchase good and indefeasible estate in such lands in fee simple, or has or will lawfully obtain any necessary easements to operate the BCRUA Project, and it warrants that it has or will obtain and will defend, the title to all the aforesaid lands and easements for the benefit of the Registered Owners of the Bonds against the claims and demands of all persons whomsoever, that it is lawfully qualified to pledge the Bond Payments to the payment of the Bonds Similarly Secured, in the manner prescribed herein, and that it has lawfully exercised such rights.

(b) **Liens.** BCRUA will from time to time and before the same become delinquent pay and discharge all taxes, assessments, and governmental charges, if any, which shall be lawfully imposed upon it, or its BCRUA Project, and it will pay all lawful claims for rents, royalties, labor, materials, and supplies which if unpaid might by law become a lien or charge upon its BCRUA Project, provided, however, that no such tax, assessment, or charge, and that no such claims which might be or other lien or charge, shall be required to be paid while the validity of the same shall be contested in good faith by BCRUA.

(c) **Performance.** BCRUA will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in the resolutions authorizing the issuance of Bonds Similarly Secured, and in each and every of the Bonds Similarly Secured and pay from the Bond Payments the principal of and interest on every Bonds Similarly Secured on the dates and in the places and manner prescribed in such resolutions and Bonds Similarly Secured; and that it will, at the times and in the manner prescribed, or cause to be deposited from the Bond Payments the amounts required to be deposited into the Debt Service Fund; and the Registered Owners of the Bonds Similarly Secured may require BCRUA, its officials, agents, and employees to carry out, respect, or enforce the covenants and obligations of this Resolution or any resolution authorizing the issuance of Bonds Similarly Secured, as the case may be, including, but without limitation, the use and filing of mandamus proceedings, in any court of competent jurisdiction, against BCRUA, its officials, agents, and employees.

(d) **Legal Authority.** BCRUA is duly authorized under the laws of the State to issue the Bonds Similarly Secured; that all action on its part for the authorization and issuance of the Bonds Similarly Secured has been duly and effectively taken, and the Bonds Similarly Secured in the hands of the Registered Owners thereof are and will be valid and enforceable special obligations of BCRUA in accordance with their terms payable solely from the Bond Payments.

(e) **Budget.** BCRUA will prepare, adopt, and place into effect an annual budget (the "Annual Budget") for Maintenance and Operation Expenses of the BCRUA Project for each Fiscal Year, including in each Annual Budget such items as are customarily and reasonably contained in a utility system budget under generally accepted accounting procedures.

(f) **Permits.** BCRUA will comply with all of the terms and conditions of any and all franchises, permits, and authorizations applicable to or necessary with respect to the BCRUA Project and which have been obtained from any governmental agency; and BCRUA has or will obtain and keep in full force and effect all franchises, permits, authorizations, and other requirements applicable to or necessary with respect to the acquisition, construction, equipment, operation, and maintenance of the BCRUA Project.

Section 21. LIMITED OBLIGATIONS OF BCRUA. The Bonds Similarly Secured are limited, special obligations of BCRUA payable from and equally and ratably secured solely by a lien on and pledge of the Bond Payments, and the Registered Owners thereof shall never have the right to demand payment of the principal of or interest on the Bonds Similarly Secured from any funds raised or to be raised through taxation by Round Rock or BCRUA.

Section 22. DEFAULT AND REMEDIES. (a) **Events of Default.** Each of the following occurrences or events for the purpose of this Resolution is hereby declared to be an Event of Default:

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

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

(iii) a default by Round Rock under the Contract.

(b) **Remedies for Event of Default.**

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

ability to enforce the provisions of the Contract for such period that a default exists under the Contract.

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

(iii) As long as an Insurer is not in payment default on the related Insurance Policy for the Bonds, the Insurer shall be deemed to be the sole Registered Owner of such Bonds insured by it for purposes of enforcing remedies in the Event of Default under this Resolution.

(c) ***Remedies Not Exclusive.***

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

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

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

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

Section 23. AMENDMENT OF RESOLUTION. (a) ***Amendments Without Consent.*** This Resolution and the rights and obligations of BCRUA and of the Registered Owners of the Bonds may be modified or amended at any time without notice to or the consent of any Registered Owner of the Bonds or any Bonds Similarly Secured, solely for any one or more of the following purposes:

(i) To add to the covenants and agreements of BCRUA contained in this Resolution, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon BCRUA in this Resolution;

(ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in this Resolution, upon receipt by BCRUA of an opinion of counsel, that the same is needed for such purpose, and will more clearly express the intent of this Resolution;

(iii) To supplement the security for the Bonds, replace or provide additional Credit Agreement, or change the form of the Bonds or make such other changes in the provisions hereof as BCRUA may deem necessary or desirable and which shall not, in the judgment of BCRUA, materially adversely affect the interests of the owners of the Outstanding Bonds;

(iv) To make any changes or amendments requested by any bond rating agency then rating or requested to rate the Bonds, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of BCRUA, materially adversely affect the interests of the owners of the Outstanding Bonds;

(v) To make such changes, modifications or amendments as are permitted by Section 30(c) of this Resolution;

(vi) To make such other changes in the provisions hereof as BCRUA may deem necessary or desirable and which shall not, in the judgment of BCRUA, materially adversely affect the interests of the owners of the Outstanding Bonds; or

(vii) To assign the Contract to a trustee.

(b) ***Amendments With Consent.*** Subject to the other provisions of this Resolution, the Registered Owners of Outstanding Bonds aggregating 51% in Outstanding principal amount shall have the right from time to time to approve any amendment, other than amendments described in Subsection (a) of this Section, to this Resolution which may be deemed necessary or desirable by BCRUA; provided, however, that nothing herein contained shall permit or be construed to permit, without the approval of the owners of all of the Outstanding Bonds, the amendment of the terms and conditions in this Resolution or in the Bonds so as to:

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

(c) **Notice.** (i) If at any time BCRUA shall desire to amend this Resolution other than pursuant to subsection (a) above, BCRUA shall cause notice of the proposed amendment to be published in a financial newspaper or journal of general circulation in The City of New York, New York or the State including in the Texas Bond Reporter once during each calendar week for at least two (2) 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 the Paying Agent/Registrar for inspection by all owners of Bonds. Such publication is not required, however, if BCRUA gives or causes to be given such notice in writing to each Registered Owner of Bonds.

(ii) In the event S&P and/or Moody's maintains a rating on the Bonds, copies of any modification or amendment to this Resolution shall be sent to S&P and/or Moody's, as applicable, at least ten (10) days prior to the effective date thereof.

(d) **Receipt of Consents.** Whenever at any time not less than thirty (30) days, and within one (1) year, from the date of the first publication of said notice or other service of written notice of the proposed amendment BCRUA shall receive an instrument or instruments executed by all of the owners or the owners of at least 51% in Outstanding principal amount of Bonds, as appropriate, 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, BCRUA may adopt the amendatory resolution in substantially the same form.

(e) **Effect of Amendments.** Upon the adoption by BCRUA of any resolution to amend this Resolution pursuant to the provisions of this Section, this Resolution shall be deemed to be amended in accordance with the amendatory resolution, and the respective rights, duties, and obligations of BCRUA and all the owners of then Outstanding Bonds and all future Bonds shall thereafter be determined, exercised, and enforced under the resolution and this Resolution, as amended.

(f) **Consent Irrevocable.** Any consent given by any owner of Bonds pursuant to the provisions of this Section shall be irrevocable for a period of six (6) months from the date of the first publication or other service of the notice provided for in this Section and shall be conclusive and binding upon all future owners of the same Bonds during such period. Such consent may be revoked at any time after six (6) 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 the Registrar and BCRUA, but such revocation shall not be effective if the owners of 51% in Outstanding principal amount of Bonds, prior to the attempted revocation, consented to and approved the amendment.

(g) **Ownership.** For the purpose of this Section, the ownership and other matters relating to all Bonds registered as to ownership shall be determined from the Registration Books kept by the Paying Agent/Registrar therefor. The Paying Agent/Registrar may conclusively assume that such ownership continues until written notice to the contrary is served upon the Paying Agent/Registrar.

(h) **Insurer Consent.** Notwithstanding the foregoing provisions of this Section, so long as any Insurer is not in payment default under its policy, no amendment or supplement to this Resolution may become effective except upon obtaining the prior written consent of any such Insurer.

Section 24. COVENANTS REGARDING TAX-EXEMPTION OF INTEREST ON THE TAX-EXEMPT BONDS. (a) **Covenants.** BCRUA covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Tax-Exempt Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "IRS Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, BCRUA covenants as follows for all Bonds issued as Tax-Exempt Bonds:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds or the projects financed or refinanced therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the IRS Code or, if more than 10 percent of the proceeds of the Bonds or the projects financed or refinanced therewith are so used, such amounts, whether or not received by BCRUA, 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 IRS Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed or refinanced therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the IRS 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 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the IRS Code;

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

(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 IRS Code and to pay to the United States of America, not later than sixty (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 IRS Code; and

(10) to establish reasonable expectations to prevent using the proceeds of the Bonds in contravention of the requirements of section 149(g) of the Code (relating to hedge bonds).

(b) **Rebate Fund.** In order to facilitate compliance with the above covenant (9), a "Rebate Fund" is hereby established by BCRUA 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 IRS Code.

(c) **Proceeds.** BCRUA 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 BCRUA that the covenants contained herein are intended to assure compliance with the IRS 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 IRS Code, as applicable to the Bonds, BCRUA 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 IRS Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, BCRUA 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 IRS Code. In furtherance of such intention, BCRUA hereby authorizes and directs the BCRUA Representative to execute any documents, certificates or reports required by the IRS Code and to make such elections, on behalf of BCRUA, which may be permitted by the IRS Code as are consistent with the purpose for the issuance of the Bonds.

(d) ***Disposition of Project.*** BCRUA covenants that the property constituting the BCRUA Project will not be sold or otherwise disposed in a transaction resulting in the receipt by BCRUA of cash or other compensation, unless BCRUA 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 this subsection, the portion of the property comprising personal property and disposed of in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes of this subsection, BCRUA shall not be obligated to comply with this covenant if it obtains an opinion of nationally-recognized bond counsel to the effect that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) ***Taxable Bonds.*** In connection with the issuance of any Taxable Bonds, the BCRUA Representative may establish additional accounts or funds as necessary to distinguish Taxable Bond proceeds from Tax-Exempt Bond proceeds.

Section 25. RESOLUTION TO CONSTITUTE A CONTRACT; EQUAL SECURITY. In consideration of the acceptance of the Bonds, the issuance of which is authorized hereunder, by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between BCRUA and the Registered Owners from time to time of the Bonds and the pledge made in this Resolution by BCRUA and the covenants and agreements set forth in this Resolution to be performed by BCRUA shall be for the equal and proportionate benefit, security, and protection of all Registered Owners, without preference, priority, or distinction as to security or otherwise of any of the Bonds authorized hereunder over any of the others by reason of time of issuance, sale, or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Resolution.

Section 26. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements, or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements, or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Bonds issued hereunder.

Section 27. PAYMENT AND PERFORMANCE ON BUSINESS DAYS. Except as provided to the contrary in the FORM OF BOND, whenever under the terms of this Resolution or the Bonds, the performance date of any provision hereof or thereof, including the payment of principal of or interest on the Bonds, shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the Bonds, need not be made on such day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the date of performance or payment.

Section 28. LIMITATION OF BENEFITS WITH RESPECT TO THE RESOLUTION. With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Resolution or the Bonds is intended or should be construed to confer upon or give to any person other than BCRUA, the Registered Owners, and the Paying Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason of or in respect to this Resolution or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Resolution and all of the covenants, conditions, stipulations, promises, agreements, and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of BCRUA, the Registered Owners, and the Paying Agent/Registrar as herein and therein provided.

Section 29. CUSTODY, APPROVAL, BOND COUNSEL'S OPINION, CUSIP NUMBERS, PREAMBLE AND INSURANCE. BCRUA Representative is hereby authorized to have control of the Bonds issued hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and approval by the Attorney General of the State. The BCRUA Representative is hereby authorized, to the extent deemed necessary or advisable thereby, in the discretion thereof, to request that the Attorney General approve the Bonds as permitted by Chapter 1202, Texas Government Code, in which case the BCRUA Representative also is authorized to request the Comptroller of Public Accounts register the Bonds, and to cause an appropriate legend reflecting such approval and registration to appear on the Bonds and the substitute Bonds. The BCRUA Representative is hereby authorized to execute the engagement letter submitted herewith for McCall, Parkhurst & Horton L.L.P. to serve as BCRUA's Bond Counsel for the issuance of the Bonds. The approving legal opinion of BCRUA's Bond Counsel and the assigned CUSIP numbers may, at the option of BCRUA, be printed on the Bonds and on any Bonds issued and delivered in 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 of this Resolution for all purposes. If insurance is obtained on any of the Bonds, the Bonds shall bear, as appropriate and applicable, a legend concerning insurance as provided by the municipal bond insurance company issuing any such insurance.

Section 30. COMPLIANCE WITH RULE 15c2-12. (a) *Annual Reports.* BCRUA shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, within six months after the end of each Fiscal Year, financial information and operating data with respect to BCRUA including financial statements of the BCRUA as determined by the BCRUA Representative at the time the Bonds are sold. The Award Certificate shall specify such financial and operating data of the general type included in the final Official Statement authorized by Section

33 or this Resolution. Any financial statements to be so provided shall be prepared in accordance with generally accepted auditing standards by a certified public account or licensed public accountant or such other accounting principles as BCRUA may be required to employ from time to time pursuant to state law or regulation. BCRUA shall commission an annual audit of such statements and if the audit is completed within the period during which they must be provided, a copy of such audit also shall be provided in accordance with the Rule. If such audit of such financial statements is not complete within such period, then BCRUA shall provide unaudited financial statements within the required time period and audited financial statements for the applicable fiscal year to the MSRB, when the audit report on such statements become available.

If BCRUA changes its fiscal year, it will file notice of the change (and of the date of the new fiscal year end) with the MSRB prior to the next date by which BCRUA otherwise would be required to provide financial information and operating data pursuant to this Section.

(b) **Event Notices.** BCRUA shall file notice of any of the following events with respect to the Bonds with the MSRB in a timely manner and not more than 10 business days after the occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of BCRUA;
- (13) The consummation of a merger, consolidation, or acquisition involving BCRUA or the sale of all or substantially all of the assets of BCRUA, other than in the ordinary course of

business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of BCRUA, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of BCRUA, 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 BCRUA, 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 BCRUA 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 BCRUA, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of BCRUA 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 BCRUA, and (b) BCRUA intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

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

(c) ***Limitations, Disclaimers, and Amendments.*** BCRUA shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, BCRUA remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that BCRUA in any event will give notice of any deposit that causes the Bonds to be no longer 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. BCRUA undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of BCRUA'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. BCRUA makes

no 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 BCRUA 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 BCRUA, WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by BCRUA in observing or performing its obligations under this Section shall constitute 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 BCRUA under federal and state securities laws.

The provisions of this Section may be amended by BCRUA from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of BCRUA, 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 to the date of such amendment as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate principal amount of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with BCRUA (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. BCRUA may also repeal or amend the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and BCRUA also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds, giving effect to (i) such provisions as so amended and (ii) any amendments or interpretations of the Rule. If BCRUA so amends the provisions of this Section, BCRUA shall include with any amended financial information or operating data next provided in accordance with this subsection (a) of this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

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

Financial information and operating data to be provided pursuant to subsection (a) of this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public on the MSRB's Internet Web site or filed with the SEC.

Section 31. APPLICATION OF BOND PROCEEDS. Proceeds from the sale of the Bonds shall, promptly upon receipt thereof, be applied by the BCRUA Representative as follows: (i) any underwriting discount or fees may be retained by and/or wired directly to such parties; (ii) any accrued interest shall be deposited to the Debt Service Fund as provided in Section 10; (iii) an amount sufficient to provide for the refunding of the Refunded Obligations shall be deposited with the Escrow Agent pursuant to the Escrow Agreement to refund the Refunded Obligations; and (iv) an amount sufficient to pay the remaining costs of issuance of the Bonds shall be deposited to a bond proceeds account, if needed, to be used for such purpose.

Any sale proceeds of the Bonds remaining after making all deposits and payments provided for above shall be deposited to the Debt Service Fund as provided in Section 10 and applied to the payment of interest on the Bonds.

Section 32. DEFEASANCE PROVISIONS. (a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Resolution, except to the extent provided in subsections (c) and (e) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date or dates (whether such due date or dates 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 the establishment of irrevocable provisions for the giving of such notice) 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 or an eligible trust company or commercial bank for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by BCRUA with the Paying Agent/Registrar or an eligible trust company or commercial bank for the payment of its services until all Defeased Bonds shall have become due and payable or (3) any combination of (1) and (2). 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 Bond Payments as provided in this Resolution, and such principal and interest shall be payable solely from such money or Defeasance Securities, and thereafter BCRUA will have no further responsibility with respect to amounts available to such Paying Agent/Registrar (or other financial institution permitted by applicable law) for the payment of such Defeased Bond, including any insufficiency therein caused by the failure of the Paying Agent/Registrar (or other financial institution permitted by law) to receive payment when due on the Defeasance Bond.

(b) The deposit under clause (ii) of subsection (a) shall be deemed a payment of a Bond as aforesaid when proper notice of redemption of such Bonds shall have been given or upon the establishment of irrevocable provisions for the giving of such notice, in accordance with this

Resolution. Any money so deposited with the Paying Agent/Registrar or an eligible trust company or commercial bank as provided in this Section may at the discretion of BCRUA also be invested in Defeasance Securities, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Defeasance Securities in possession of the Paying Agent/Registrar or an eligible trust company or commercial bank pursuant to this Section which is not required for the payment of such Bond and premium, if any, and interest thereon with respect to which such money has been so deposited, shall be remitted to BCRUA.

(c) Notwithstanding any provision of any other Section of this Resolution which may be contrary to the provisions of this Section, all money or Defeasance Securities set aside and held in trust pursuant to the provisions of this Section for the payment of principal of the Bonds and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Bonds and premium, if any, and interest thereon, with respect to which such money or Defeasance Securities have been so set aside in trust. 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 BCRUA shall make proper arrangements to provide and pay for such services as required by this Resolution.

(d) Notwithstanding anything elsewhere in this Resolution, if money or Defeasance Securities have been deposited or set aside with the Paying Agent/Registrar or an eligible trust company or commercial bank pursuant to this Section for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment of the provisions of this Section shall be made without the consent of the registered owner of each Bond affected thereby.

(e) Notwithstanding the provisions of subsection (a) immediately above, to the extent that, upon the defeasance of any Defeased Bond to be paid at its maturity, BCRUA retains the right under State law to later call that Defeased Bond for redemption in accordance with the provisions of this Resolution, BCRUA may call such Defeased Bond for redemption upon complying with the provisions of State law and upon the satisfaction of the provisions of subsection (a) immediately above with respect to such Defeased Bond as though it was being defeased at the time of the exercise of the option to redeem the Defeased Bond and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Bond.

Section 33. ESCROW AGREEMENT; REDEMPTION OF REFUNDED OBLIGATIONS; OFFICIAL STATEMENT. (a) *Escrow Agreement.* The discharge and defeasance of Refunded Obligations shall be effectuated pursuant to the terms and provisions of an Escrow Agreement in substantially the form and substance presented to BCRUA set forth in Exhibit "E" in connection with the approval of this Resolution with such changes as are acceptable to the BCRUA Representative, including any insertions, additions, deletions, and modifications as may be necessary (a) to carry out the program designed for BCRUA by the underwriters or purchasers, (b) to maximize the present value savings of the refunding and/or to minimize the costs of refunding, (c) to comply with all applicable laws and regulations relating to the refunding of the Refunded Obligations and (d) to carry out the other intents and purposes of this Resolution; and, the BCRUA Representative is hereby authorized to select the Escrow Agent and execute and deliver such Escrow Agreement, on behalf of BCRUA, in multiple counterparts.

(b) ***Redemption Prior to Maturity of Refunded Obligations.*** To maximize the present value savings and to minimize the costs of refunding, BCRUA hereby authorizes and directs that certain of the Refunded Obligations shall be called for redemption prior to maturity in the amounts, at the dates and at the redemption prices set forth in the Award Certificate, and the BCRUA Representative is hereby authorized and directed to take all necessary and appropriate action to give or cause to be given a notice of redemption to the holders or paying agent/registrar, as appropriate, of such Refunded Obligations, in the manner required by the documents authorizing the issuance of such Refunded Obligations.

(c) ***Purchase of Escrow Securities.*** The BCRUA Representative and the Escrow Agent are each hereby authorized (i) to subscribe for, agree to purchase, and purchase escrow securities that are permitted investments for a defeasance escrow established to defease Refunded Obligations, and to execute any and all subscriptions, purchase agreements, commitments, letters of authorization and other documents necessary to effectuate the foregoing, and any actions heretofore taken for such purpose are hereby ratified and approved and (ii) to authorize such contributions to the escrow fund as are provided in the Escrow Agreement.

(d) ***Official Statement.*** The BCRUA Representative is hereby authorized to approve the Preliminary Official Statement, the Official Statement relating to the Bonds and any addenda, supplement or amendment thereto and to deem such documents final in accordance with Rule 15c2-12. BCRUA further approves the distribution of such Official Statement in the reoffering of the Bonds by the underwriters or initial purchasers in final form, with such changes therein or additions thereto as the BCRUA Representative executing the same may deem advisable, such determination to be conclusively evidenced by his or her execution thereof.

Section 34. FURTHER PROCEDURES. The President of the Board, the BCRUA Representative, and all other officers, employees, and agents of the Board, 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 BCRUA 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 Resolution, the Bonds, the sale and delivery of the Bonds and fixing all details in connection therewith. The BCRUA Representative is authorized to sign this Resolution.

Section 35. DTC LETTER OF REPRESENTATION. BCRUA approves execution by the BCRUA Representative and delivery to DTC of a "Blanket Letter of Representations" with respect to the utilization by BCRUA of DTC's book-entry-only system and BCRUA intends to utilize such book-entry-only system in connection with the Bonds.

Section 36. BOND INSURANCE. (a) In connection with the sale of the Bonds, BCRUA may obtain municipal bond insurance policies from one or more municipal bond insurers (the "Insurer") to guarantee the full and complete payment required to be made by or on behalf of BCRUA on some or all of the Bonds as determined by the BCRUA Representative. The BCRUA Representative is hereby authorized to sign a commitment letter with the Insurer and to pay the premium for the bond insurance policies at the time of the delivery of the Bonds out of the proceeds

of sale of the Bonds or from other available funds and to execute such other documents and certificates as necessary in connection with the bond insurance policies as he or she may deem appropriate. Printing on Bonds covered by the bond insurance policies of a statement describing such insurance, in form and substance satisfactory to the Insurer and the BCRUA Representative, is hereby approved and authorized. The Award Certificate may contain provisions related to the bond insurance policies, including payment provisions thereunder, and the rights of the Insurer or Insurers, and any such provisions shall be read and interpreted as an integral part of this Resolution.

(b) As long as an Insurer is not in default on the related Insurance Policy for the Bonds, the Insurer of a Series shall be deemed to be the sole Registered Owner of such Bonds insured by it for all purposes of this Resolution.

Section 37. 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 38. PUBLIC NOTICE. It is hereby found and determined that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting at which this Resolution was adopted; that this Resolution would be introduced and considered for adoption at said meeting; and that said meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

Section 39. NO PERSONAL LIABILITY. No covenant or agreement contained in the Bonds, this Resolution or any corollary instrument shall be deemed to be the covenant or agreement of any member of the Board or any officer, agent, employee or representative of BCRUA in his or her individual capacity, and neither the directors, officers, agents, employees or representatives of BCRUA nor any person executing the Bonds shall be personally liable thereon or be subject to any personal liability for damages or otherwise or accountability by reason of the issuance thereof, or any actions taken or duties performed, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being expressly released and waived as a condition of and in consideration for the issuance of the Bonds.

Section 40. CREDIT AGREEMENTS. To the extent permitted by law, BCRUA reserves the right to enter into Credit Agreements in connection with the Bonds, upon the written opinion of the BCRUA Representative that such Credit Agreements are in the best interest of BCRUA given the market conditions at the time. The Credit Agreements will constitute a Credit Agreement as defined in this Resolution. Credit Agreements and the obligations thereunder may, pursuant to their terms, constitute (i) debt secured by a pledge of the Bond Payments on parity with the Bonds Similarly Secured (ii) debt secured by an inferior lien secured by a pledge of the Bond Payments subordinate to the Bonds Similarly Secured or (iii) partially parity and partially inferior lien.

Section 41. ELECTRONIC SIGNATURES. The Mayor or Mayor Pro-Tem and the City Clerk hereby authorize the use of their electronic signatures in connection with the offering and sale of the Certificates and hereby authorize the City's Financial Advisor, City Attorney and

Bond Counsel to use such electronic signatures in connection with the offering and sale of the Certificates.

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PASSED AND ADOPTED on this March 25, 2026.

**BRUSHY CREEK REGIONAL
UTILITY AUTHORITY, INC.**

BCRUA Representative

- EXHIBIT A – Definitions
- EXHIBIT B – Form of Award Certificate
- EXHIBIT C – Form of Bond
- EXHIBIT D – Paying Agent/Registrar Agreement
- EXHIBIT E – Escrow Agreement

[Signature Pg]

EXHIBIT A

DEFINITIONS

As used in this Resolution, the following terms and expressions shall have the meanings set forth below, unless the text in this Resolution specifically indicates otherwise.

The term *Accreted Value* means, with respect to a Premium Compound Interest Bond, as of any particular date of calculation, the original principal amount thereof, plus all interest accrued and compounded to the particular date of calculation, as determined in accordance with the Award Certificate and the Accretion Table attached as an exhibit to the Award Certificate relating to the respective Bonds that shows the Accreted Value per \$5,000 maturity amount on the calculation date of maturity to its maturity.

The term *Accretion Table* means the exhibit attached to the Award Certificate that sets forth the rounded original principal amounts at the Issuance Date for the Premium Compound Interest Bonds and the Accreted Values and maturity amounts thereof as of each Compounding Date until final maturity.

The term *Additional Bonds* shall mean the obligations issued in accordance with the terms and conditions prescribed in Section 14 hereof.

The term *Annual Payments* shall have the meaning given in the Contract.

The term *Authorized Denominations* shall mean with respect to the Bonds the denomination of \$5,000 or any integral multiple thereof.

The term *Average Annual Debt Service Requirements* shall mean that average amount which, at the time of computation, will be required to pay the Debt Service Requirements on all outstanding Bonds Similarly Secured when due (either at Stated Maturity or mandatory redemption) and derived by dividing the total of such Debt Service Requirement by the number of Fiscal Years then remaining before Stated Maturity of such Bonds Similarly Secured. For purposes of this definition, a fractional period of a Fiscal Year shall be treated as an entire Fiscal Year. Capitalized interest payments provided from Bond proceeds shall be excluded in making the aforementioned computation.

The term *Award Certificate* shall mean the Certificate executed by the BCRUA Representative in connection with the Bonds that establishes the terms of the Bonds issued pursuant to Section 3 of this Resolution.

The term *BCRUA* shall mean Brushy Creek Regional Utility Authority, Inc. and any other public agency succeeding to the powers, rights, privileges and functions of BCRUA and, when appropriate, the Board of Directors of BCRUA.

The term *BCRUA Project* shall mean the “*System*” as defined in the Contract, which means, collectively the Raw Water Delivery System, the Treatment System, and the Treated Water Distribution System as shown in Exhibit A to the Contract.

The term *BCRUA Project Costs* shall mean the “*System Costs*” as defined in the Contract, which means and includes, without limitation, the following costs incurred for the System by or on behalf of BCRUA or the Cities: (i) the cost of acquisition of the Land Interests, including appraisals, closing costs and title insurance policies; (ii) the cost of acquisition, construction, repair, replacement, improvement or decommissioning of the System, and any structure, item of equipment, or other item, used for, or in connection with, the System; (iii) the cost of site preparation of the Land Interests, including demolition or removal of structures and improvements as necessary or incident to completing the System; (iv) the cost of engineering, legal, architectural or other related services; (v) the preparation cost of plans, specifications, studies, surveys, cost estimates, and other expenses necessary or incident to planning, providing, or financing the System; (vi) the cost of machinery, equipment, furnishings, and facilities necessary or incident to placing the System in operation; (vii) finance charges and interest before, during, and after construction as permitted by the laws of the State; (viii) costs incurred in connection with financing the System, including, without limitation: (1) financing, legal, accounting, financial advisory, rating agency, and auditing fees, expenses and disbursements; (2) the cost of printing, engraving, and reproduction services; and (3) the cost of a trustee’s or paying agent’s initial or acceptance fee and subsequent fees; (ix) all costs, fees and expenses of litigation of all kinds; (x) the cost of property casualty and public liability insurance; (xi) the fees and costs of the underwriters as the anticipated purchasers of the Bonds; (xii) reimbursement of the costs previously incurred by and agreeable to the other Cities with respect to the System; and (xiii) other costs generally recognized as a part of System construction costs.

The term *BCRUA Representative* shall mean the General Manager of BCRUA or in his or her absence the President of the Board of BCRUA or such other person authorized by the Board to act as a BCRUA Representative.

The term *Bond Payments* shall mean the payments defined as “*Bond Payments*” within the Contract that BCRUA expects to receive from the City of Round Rock, Texas pursuant to the terms of the Contract.

The term *Bonds* shall mean and include collectively the Bonds issued and delivered pursuant to this Resolution and the Award Certificate for the Bonds 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.

The term *Bonds Similarly Secured* shall mean the Outstanding Series 2016 Bonds, the Outstanding Series 2017 Bonds, the Outstanding Series 2023 Bonds, the Outstanding Series 2024 Bonds, the Bonds issued pursuant to this Resolution and any Additional Bonds hereafter issued by the BCRUA or bonds issued to refund any of the foregoing if issued in a manner that provides that the refunding bonds are payable from and equally and ratably secured by a lien on and pledge of the Bond Payments

The term *Business Day* shall mean any day which is not a Saturday, Sunday, legal holiday, or a day on which banking institutions in The City of New York, New York or in the city where the Designated Trust Office of the Paying Agent/Registrar is located are authorized by law or executive order to close.

The term *Certified Public Accountant* shall mean an independent certified public accountant or firm of independent certified public accountants.

The term *Closing Date* shall mean the date of physical delivery of the Bonds issued pursuant to this Resolution for the payment in full by the initial purchaser thereof.

The term *Compounded Amount* means, with respect to a Premium Compound Interest Bond, as of any particular date of calculation, the original principal amount thereof plus all interest accrued and compounded to the particular date of calculation.

The term *Compounding Dates* means the dates on which interest is compounded on the Premium Compound Interest Bonds as set forth in the Accretion Table attached to the Award Certificate.

The term *Contract* shall mean the "Amended and Restated Master Contract for the Financing, Construction and Operation of the Brushy Creek Regional Utility Authority Water Treatment and Distribution System," dated as of April 23, 2025, which amended and restated the "Master Contract for the Financing, Construction and Operation of the BCRUA Regional Water Treatment and Distribution Project," dated as of September 2, 2008, and the subsequent amendments thereto.

The term *Credit Agreement* shall mean an insurance policy, a surety bond (including any supporting insurance agreement), a letter or line of credit or other type of enhancement issued in support of any Bonds Similarly Secured by a Credit Agreement Provider at the request of BCRUA.

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

The term *Current Interest Bonds* means the Bonds paying current interest and maturing in each of the years and in the aggregate principal amounts set forth in the Award Certificate.

The term *Debt Service Fund* shall mean the special fund or account created and established by the provisions of Section 10 of this Resolution.

The term *Debt Service Requirements* shall mean as of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by BCRUA as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on such obligations; assuming, in the case of obligations without a fixed numerical rate, that such obligations bear interest calculated by (a) either (i) an interest rate equal to the average rate borne by such Bonds (or by comparable debt in the event that such Bonds have not been outstanding during the preceding 24 months) for any 24 month period ending within 30 days prior to the date of calculation, (ii) if the Bonds bear interest at tax-exempt rates, an interest rate equal to the 24 month average of the Index (as most recently published in The Bond Buyer), unless such index is no longer published in The Bond Buyer, in which case the index to be used in its place shall be that index which the BCRUA Representative determines most closely replicates such index as set forth in a certificate of a BCRUA Representative, (iii) if the Bonds bear interest at taxable rates, an interest rate equal to the rate of the 30 day London Interbank Offered Rate, (iv) that interest rate which, in the judgment of the BCRUA Representative, based, to the extent possible, upon an accepted market index which corresponds with the provisions of the subject Bonds, is the average rate anticipated to be in effect with respect to such Bonds or (v) that interest rate which, in the judgment of the BCRUA Representative, based upon the interest rate methodology in the applicable Credit Agreement if calculating payments under a Credit Agreement, is the average rate anticipated to be in effect; and (b) that the debt service of such bonds is amortized such that annual debt service is substantially level over the remaining stated life of such bonds, and further assuming in the case of obligations required to be redeemed or prepaid as to principal prior to Stated Maturity, the principal amounts thereof will be redeemed prior to Stated Maturity in accordance with the mandatory redemption provisions applicable thereto.

The term *Defeasance Securities* shall mean (i) Federal Securities, (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 adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provides for the funding of an escrow to effect the defeasance of Bonds are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the Board adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provides for the funding of an escrow to effect the defeasance of Bonds, are rated as to investment quality by a nationally recognized investment rating firm no less than "AAA" or its equivalent, and (iv) any other then authorized securities or obligations under applicable State law in existence at the time of such defeasance that may be used to defease obligations such as the Bonds. The foregoing notwithstanding, the BCRUA Representative may elect in the Award Certificate to modify this definition of "Defeasance Securities" by eliminating any securities or obligations set forth in the preceding sentence upon determining that it is in the best interests of BCRUA to do so.

The term *Depository* shall mean an official depository bank of BCRUA.

The term *Designated Trust Office* shall have the meaning ascribed to said term in Section 5(b) of this Resolution.

The term *DTC* shall mean The Depository Trust Company, New York, New York, or any successor securities depository.

The term *DTC Participant* shall mean securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

The term *Escrow Agent* means the financial institution selected by the BCRUA Representative to perform such function in the Award Certificate or any successor escrow agent under the Escrow Agreement.

The term *Escrow Agreement* means the agreement by and between BCRUA and the Escrow Agent relating to the refunding of the Refunded Obligations.

The term *Federal Securities* shall mean direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America.

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

The term *Fiscal Year* shall mean the twelve-month accounting period used by BCRUA in connection with the operation of the BCRUA Project, currently ending on September 30th of each year, which may be any twelve consecutive month period established by BCRUA, but in no event may the Fiscal Year be changed more than one time in any three-calendar year period.

The term *Fitch* shall mean Fitch Investors Service, L.P., its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Fitch shall be deemed to refer to any other nationally recognized securities rating agency designated by BCRUA.

The term *Interest Payment Date* shall mean the date semiannual interest is payable on the Bonds, while any of the Bonds remain Outstanding as established in the Award Certificate.

The term *IRS Code* shall mean the Internal Revenue Code of 1986, as amended.

The term *Land Interests* shall mean the fee simple interests and/or the easements, right-of-way and other interests in real property necessary for the acquisition, construction and operation of the BCRUA Project.

The term *Maintenance and Operation Expenses* shall mean the expenses necessary to provide for the administration, efficient operation and adequate maintenance of BCRUA's System, including the cost of purchasing water, paying necessary wages, salaries, and benefits, the acquisition of property and materials necessary to maintain the System in good condition and to operate it efficiently, together with such other costs and expenses as may now or hereafter be defined by law as proper maintenance and operation expenses of the System, including Operation and Maintenance Expenses (as defined in the Contract).

The term *Maturity* shall mean the date on which the principal of a Bond becomes due and payable as therein and herein provided, whether at Stated Maturity, by redemption or otherwise.

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

The term *MSRB* shall mean the Municipal Securities Rulemaking Board.

The term *Outstanding* shall mean when used in this Resolution with respect to Bonds Similarly Secured means, as of the date of determination, all Bonds Similarly Secured of any series issued and delivered pursuant to this Resolution or the resolution authorizing such Bonds Similarly Secured, as the case may be, except:

- (1) those Bonds Similarly Secured canceled by the applicable Paying Agent/Registrar or delivered to the applicable Paying Agent/Registrar for cancellation;
- (2) those Bonds Similarly Secured for which payment has been duly provided by BCRUA in accordance with the provisions of Section 32 of this Resolution (or similar provisions of a resolution authorizing other Bonds Similarly Secured) by the irrevocable deposit with the Paying Agent/Registrar, or an authorized escrow agent, of money or Defeasance Securities, or both, in the amount necessary to fully pay the principal of, premium, if any, and interest thereon to maturity or redemption, as the case may be, provided that, if such Bonds Similarly Secured are to be redeemed, notice of redemption thereof shall have been duly given pursuant to this Resolution or irrevocably provided to be given to the satisfaction of the applicable Paying Agent/Registrar, or waived; and
- (3) those Bonds Similarly Secured that have been mutilated, destroyed, lost, or stolen and replacement Bonds Similarly Secured have been registered and delivered in lieu thereof as provided in Section 5(f) of this Resolution (or similar provisions of a resolution authorizing other Bonds Similarly Secured).

The terms *Paying Agent/Registrar*, *Paying Agent* or *Registrar* shall mean the agent selected by the BCRUA Representative to perform such function in the Award Certificate or any successor agent under the Paying Agent/Registrar Agreement

The term *Premium Compound Interest Bonds* means the Bonds on which no interest is paid prior to maturity, maturing in various amounts and in the aggregate principal amount as set forth in the Award Certificate.

The term *Rating Agencies* shall mean S&P, Moody's and/or Fitch according to which of such rating agencies then rates the Bonds Similarly Secured of the applicable series; and provided that if no such rating agency then rates any series of Bonds Similarly Secured of such series, the term " *Rating Agency*" shall refer to any national rating agency (if any) which provides such rating.

The term *Raw Water Delivery System* shall mean: (a) the deep-water intake and pumping system in Lake Travis, (b) the tunnel to deliver raw water from the intake system to the raw water pumping station, (c) the raw water pumping station, (d) the line(s) to deliver 26.9 mgd of raw water to the Cedar Park Water Treatment Plant, (e) the line(s) to deliver 12.0 mgd of raw water to the Leander Sandy Creek Water Treatment Plant, and (f) the line(s) to deliver 105.8 mgd of raw water to the Brushy Creek Water Treatment Plant.

The term *Record Date* shall mean, with respect to the Bonds, the Business Day of each month as set forth in the Award Certificate.

The term *Refunded Obligations* means those Refundable Obligations designated by the BCRUA Representative in the Award Certificate to be refunded.

The term *Refundable Obligations* means the Outstanding Series 2016 Bonds.

The term *Registration Books* shall mean the books or records relating to the registration, payment and transfer or exchange of the Bonds maintained by the Paying Agent/Registrar pursuant to Section 5 of this Resolution.

The term *Registered Owner* shall mean the entity or person in whose names any of the Bonds are registered in the Registration Books.

The term *Resolution* shall mean this resolution adopted by the Board on March 25, 2026.

The term *Round Rock* means the City of Round Rock, Texas, a home-rule municipality.

The term *Round Rock System* shall mean the combined water and wastewater system of Round Rock together with all future extensions, improvements, enlargements, and additions thereto, including, to the extent permitted by law, storm sewer and drainage and/or reclaimed water systems which are integrated with the waterworks or wastewater disposal system, and all replacements thereof, provided that, notwithstanding the foregoing, and to the extent now or hereafter authorized or permitted by law, the term Round Rock System shall not include any waterworks or wastewater facilities which are declared by Round Rock not to be a part of the Round Rock System and which

are hereafter acquired or constructed by Round Rock with the proceeds from the issuance of "Special Facilities Bonds," which are not secured by or payable from the net revenues of the Round Rock System, but which are secured by and are payable solely from special contract revenues, or payments received from Round Rock or any other legal entity, or any combination thereof, in connection with such facilities; and such revenues or payments shall not be considered as or constitute gross revenues of the Round Rock System, unless and to the extent otherwise provided in the ordinance or ordinances authorizing the issuance of such "Special Facilities Bonds."

The term *Round Rock Utility Bonds* shall mean the bonds, notes or other obligations issued by Round Rock secured by a lien on and pledge of the net revenues of the Round Rock System or any part thereof regardless of lien priority including such bonds, notes or other obligations now or hereafter outstanding.

The term *Rule* shall mean SEC Rule 15c2-12, as amended from time to time.

The term *S&P* shall mean S&P Global Ratings, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, *S&P* shall be deemed to refer to any other nationally recognized securities rating agency designated by BCRUA.

The term *SEC* shall mean the United States Securities and Exchange Commission.

The term *Series 2016 Bonds* shall mean the "Brushy Creek Regional Utility Authority, Inc. City of Round Rock, Texas Contract Revenue Refunding Bonds (Brushy Creek Regional Water Treatment and Distribution Project), Series 2016."

The term *Series 2017 Bonds* shall mean the "Brushy Creek Regional Utility Authority, Inc. City of Round Rock, Texas Contract Revenue Bonds (Brushy Creek Regional Water Treatment and Distribution Project), Series 2017."

The term *Series 2023 Bonds* shall mean the "Brushy Creek Regional Utility Authority, Inc. City of Round Rock, Texas Contract Revenue Bonds (Brushy Creek Regional Water Treatment and Distribution Project), Series 2023."

The term *Series 2024 Bonds* shall mean the "Brushy Creek Regional Utility Authority, Inc. City of Round Rock, Texas Contract Revenue Bonds (Brushy Creek Regional Water Treatment and Distribution Project), Series 2024."

The term *Special Project Bonds* shall mean obligations which BCRUA expressly reserves the right to issue in Section 15 of this Resolution.

The term *State* shall mean the State of Texas.

The term *Stated Maturity* shall mean, when used with respect to the Bonds, the scheduled maturity or mandatory sinking fund redemption date of a series of the Bonds.

The term *Taxable Bonds* means Bonds bearing interest at a taxable rate.

The term *Tax-Exempt Bonds* shall mean Bonds bearing interest which is excludable from gross income for Federal taxation purposes pursuant to section 103 of the Code.

The term *Treatment System* shall mean: (a) the BCRUA Water Treatment Plant, including the administration building, (b) the on-site water storage tank(s), and (c) the related facilities.

The term *Treated Water Distribution System* shall mean: (a) the distribution lines, valves, meters, and related facilities to deliver treated water to the respective City Systems for the Cities.

EXHIBIT B

FORM OF AWARD CERTIFICATE

(All blanks and any appropriate or necessary insertions or deletions, to be completed as determined by the BCRUA Representative.)

AWARD CERTIFICATE OF THE BCRUA REPRESENTATIVE

COUNTIES OF WILLIAMSON AND TRAVIS §
STATE OF TEXAS §

The undersigned, General Manager, acting as the BCRUA Representative of the Board of Directors of the Brushy Creek Regional Utility Authority, Inc. ("BCRUA"), in connection with "A Resolution by the Board of Directors of the Brushy Creek Regional Utility Authority, Inc. Authorizing the Issuance of "Brushy Creek Regional Utility Authority, Inc. City of Round Rock, Texas Contract Revenue Refunding Bonds (Brushy Creek Regional Water Treatment and Distribution Project), Series 2026"; Establishing the Procedures for Selling and Delivering the Bonds and Resolving Other Matters Incident and Relating to the Issuance, Payment, Security, Sale, and Delivery of Such Bonds" (the "Resolution") adopted by BCRUA on March 25, 2026, do hereby certify the following:

1. Capitalized terms not otherwise defined herein have the meaning assigned in the Resolution and the Bond Purchase Agreement dated of even date herewith between the BCRUA and _____ acting on its own behalf and on behalf of the other underwriters listed therein (the "Underwriters").

2. This certificate is executed for and on behalf of BCRUA and for the benefit of the Attorney General of the State of Texas and the Underwriters as the purchasers of the bonds entitled "Brushy Creek Regional Utility Authority, Inc. City of Round Rock, Texas Contract Revenue Refunding Bonds (Brushy Creek Regional Water Treatment and Distribution Project), Series 2026," in the aggregate principal amount of \$_____ (the "Series 2026 Bonds") authorized by the Resolution.

3. This certificate is the Award Certificate of the BCRUA Representative as required by Section 3 of the Resolution. The City Council of the City of Round Rock, Texas has approved the Resolution in accordance with Section 3(b) of the Resolution.

4. The Series 2026 Bonds are hereby sold to the Underwriters at the purchase price set forth in the Bond Purchase Agreement. Pursuant to Section 3(c) of the Bond Ordinance, the Series 2026 Bonds are being sold on a negotiated basis to assure that the Series 2026 Bonds are sold on the terms most advantageous for BCRUA. The terms of the Series 2026 Bonds are in BCRUA's best interest. The terms and provisions of the Bond Purchase Agreement are hereby approved in accordance with Section 3(c) of the Resolution. The terms of the Series 2026 Bonds are further shown in Exhibit "A".

5. Proceeds of the Series 2026 Bonds are in an amount sufficient to refund the Refunded Obligations set forth in Exhibit "B" hereto and to pay the costs of issuing the Series 2026 Bonds. The Refunded Obligations shall be subject to redemption as set forth in Exhibit "B".

6. The issuance of the Series 2026 Bonds is in the best interest of BCRUA and produces a net present value debt service savings of \$ _____ (_____% of the Refunded Obligations) and a gross debt service savings of \$ _____. Attached hereto as Exhibit "C" is a schedule illustrating the present value savings to be realized by BCRUA as a result of the refunding of the Refunded Obligations by the issuance of the Series 2026 Bonds.

7. In consultation with, and reliance upon the advice of the financial advisor for BCRUA, I hereby find that the terms of sale are the most advantageous reasonably available on the date and time of the pricing of the Series 2026 Bonds given the then existing market conditions and the terms of sale on such date and time.

8. The price to be paid by the Underwriters for the Series 2026 Bonds is not less than 90% of the aggregate original principal amount thereof plus accrued interest to the date of delivery of the Series 2026 Bonds. None of the Series 2026 Bonds bear interest at an interest rate greater than the maximum authorized by law. Additionally, all of the requirements of Sections 3(a) and 3(b) of the Resolution have been met. The \$ _____ of reoffering premium derived from the Series 2026 Bonds is allocated as follows: (i) \$ _____ to the Underwriters' discount, (ii) \$ _____ to the remaining costs of issuance of the Series 2026 Bonds and (iii) \$ _____ to the escrow for the Refunded Obligations

9. The Series 2026 Bonds shall (i) mature in the years and in the principal amounts and be subject to redemption as set forth in Exhibit "A", (ii) bear interest at the rates for each such maturity and such interest shall be payable on the dates set forth in Exhibit "A" and in the Resolution, and (iii) have the other terms and provisions, all as provided in Exhibit "A" and in the Resolution. Each Series 2026 Bond shall reflect the terms set forth in Exhibit "A" and the provisions in the Form of Bond set forth in the Resolution.

10. The Record Date for the interest payable on the Series 2026 Bonds on any interest payment date means the close of business on the fifteenth day of the month preceding such interest payment date.

11. The Preliminary Official Statement dated _____, 2026, has been received by the undersigned and is hereby approved and deemed final as of its date (subject to the permissible omissions described in Rule 15c2-12) and the preparation and distribution of the final Official Statement is hereby approved.

12. Pursuant to Section 30 of the Resolution, BCRUA agrees to provide annually to the MSRB, in an electronic format as prescribed by the MSRB, the updated financial information and operating data to the extent specified, by the times, subject to the exceptions noted, and as provided in the Resolution and the Official Statement under the caption "CONTINUING DISCLOSURE OF INFORMATION - Annual Reports."

13. [In accordance with the Resolution, I hereby determine that it is in the best interest of BCRUA to modify the definition of "Defeasance Securities" set forth in the Resolution to read as follows: "Defeasance Securities" means (i) Federal Securities 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 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.]

14. Pursuant to Section 5(a) of the Resolution, _____, has been selected as the Paying Agent/Registrar for the Series 2026 Bonds. Pursuant to Section 33 of the Resolution, _____, has been selected as the Escrow Agent for the Series 2026 Bonds.

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EXECUTED this ____ day of ____, 2026.

**BRUSHY CREEK REGIONAL
UTILITY AUTHORITY, INC.**

BCRUA Representative

portions thereof within such maturity to be redeemed (provided that a portion of a Bond may be redeemed only in integral multiples of \$5,000 of principal amount).

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EXHIBIT B

NOTICE OF REDEMPTION/DEFEASANCE
BRUSHY CREEK REGIONAL UTILITY AUTHORITY, INC.

NOTICE IS HEREBY GIVEN that the following obligations (the "Obligations") issued by the Brushy Creek Regional Utility Authority, Inc. (the "Issuer") have been defeased and called for redemption prior to their scheduled maturities on ____, 20__, at a price of par plus accrued interest to the date of redemption, to-wit:

Brushy Creek Regional Utility Authority, Inc. City of Round Rock, Texas
Contract Revenue Refunding Bonds (Brushy Creek Regional Water Treatment and Distribution Project), Series 2016, maturing on August 1 in each of the years 20__ through 20__, inclusive, aggregating \$_____ in principal amount.

<u>Maturity</u> <u>August 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Redemption</u> <u>Date</u>	<u>CUSIP</u> <u>Number*</u>
20__	\$	%	August 1, 20__	117467 __

*The CUSIP Numbers have been assigned to this issue by the CUSIP Service Bureau and are included solely for the convenience of the owners of the Obligations. The Issuer shall not be responsible for the selection or the correctness of the CUSIP numbers set forth herein.

The Obligations shall be redeemed on and shall no longer bear interest after the redemption date. Due provision for the payment of the obligations described above has been made with The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Bank"), and said obligations shall be presented for payment either in person or by mail, at the following address:

First Class/Registered/Certified Mail

The Bank of New York Mellon
Trust Company, N.A.
Transfers/Redemptions
500 Ross Street, Suite 625
Pittsburgh, PA 15262

By Overnight or Courier

The Bank of New York Mellon
Trust Company, N.A.
Transfers/Redemptions
500 Ross Street, Suite 625
Pittsburgh, PA 15262

By Hand

The Bank of New York Mellon
Trust Company, N.A.
Corporate Trust Window
500 Ross Street, Suite 625
Pittsburgh, PA 15262

In compliance with section 3406 of the Internal Revenue Code of 1986, as amended, payors making certain payments due on debt securities may be obligated to deduct and withhold a portion of such payment from the remittance to any payee who has failed to provide such payor with a valid taxpayer identification number. To avoid the imposition of this withholding tax, such payees should submit a certified taxpayer identification number when surrendering the Obligations for redemption.

EXHIBIT C

DEBT SERVICE SAVINGS SCHEDULE

EXHIBIT "C"

FORM OF BOND

(All blanks and any appropriate or necessary insertions or deletions, to be completed as determined by the BCRUA Representative in the Award Certificate.)

**REGISTERED
NO. _____**

**REGISTERED
AMOUNT
\$ _____**

**UNITED STATES OF AMERICA
STATE OF TEXAS
BRUSHY CREEK REGIONAL UTILITY AUTHORITY, INC.
CITY OF ROUND ROCK, TEXAS CONTRACT REVENUE REFUNDING BOND
(BRUSHY CREEK REGIONAL WATER TREATMENT AND DISTRIBUTION
PROJECT), SERIES 2026**

**ISSUANCE DATE: STATED MATURITY INTEREST RATE: CUSIP NO.:
_____, 20__ _____, 20__ %**

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ **DOLLARS**

The Brushy Creek Regional Utility Authority, Inc. (the "BCRUA"), a non-profit corporation of the State of Texas, with its principal office in Round Rock, Texas, for value received, hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid principal amount hereof from the Issuance Date, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____* and _____* of each year commencing _____*.

Principal and premium, if any, of this Bond shall be payable to the Registered Owner hereof (the "Holder") upon presentation and surrender, at a corporate trust office of the Paying Agent/Registrar executing the registration certificate appearing hereon or a successor thereof. Interest shall be payable to the Holder of this Bond (or one or more Predecessor Bonds, as defined in the Resolution

* As provided in the Award Certificate. To the extent that the Award Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Award Certificate shall be used in the executed Bonds.

hereinafter referenced) whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the _____* day of the month next preceding each Interest Payment Date. All payments of principal of and interest on this Bond shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. In addition, interest may be paid by such other method, acceptable to the Registered Owner, requested by, and at the risk and expense, of the Registered Owner.

This Bond is one of the series specified in its title dated as of _____, 2026, and issued in the aggregate principal amount of \$_____ (the "Bonds") pursuant to a resolution adopted by the governing body of BCRUA (the "Resolution"), to (i) REFUNDING THE REFUNDED OBLIGATIONS (ii) PAYING THE COSTS OF ISSUANCE OF THE BONDS.

The Bonds stated to mature on and after _____* may be redeemed prior to their Stated Maturities, at the option of BCRUA, on _____*, or on any date thereafter, in whole or in part, and, if in part, BCRUA shall select and designate the maturity or maturities in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar) at the redemption price of par, together with accrued interest to the date of redemption, and upon thirty (30) days prior written notice being given by United States mail, first-class postage prepaid, to Holders of the Bonds to be redeemed, and subject to the terms and provisions relating thereto contained in the Resolution. If this Bond is subject to redemption prior to Stated Maturity and is in a denomination in excess of \$5,000, portions of the principal sum hereof in installments of \$5,000 or any integral multiple thereof may be redeemed, and, if less than all of the principal sum hereof is to be redeemed, there shall be issued, without charge therefor, to the Holder hereof, upon the surrender of this Bond to the Paying Agent/Registrar at its corporate trust office, a new Bond or Bonds of like Stated Maturity and interest rate in any authorized denominations provided in the Resolution for the then unredeemed balance of the principal sum hereof.

If this Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Bond (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if money for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption is held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed. If this Bond is called for redemption, in whole or in part, BCRUA or the Paying Agent/Registrar shall not be required to issue, transfer, or exchange this Bond within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part.

* As provided in the Award Certificate. To the extent that the Award Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Award Certificate shall be used in the executed Bonds.

The Bonds of this series are special obligations of BCRUA payable from and equally and ratably secured solely by a lien on and pledge of the Bond Payments received by BCRUA from the City of Round Rock, Texas pursuant to the provisions of the Contract. In the Resolution, BCRUA reserves and retains the right to issue Additional Bonds, without limitation as to principal amount but subject to any terms, conditions, or restrictions set forth in the Resolution or as may be applicable thereto under law or otherwise. The Bonds do not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any property of BCRUA or BCRUA Project, except with respect to the Bond Payments. The Bonds are not obligations of the State of Texas.

The Holder hereof shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

Reference is hereby made to the Resolution, copies of which are on file in the corporate trust office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description and nature of the Special Payments pledged for the payment of the Bonds; the terms and conditions under which BCRUA may issue Additional Bonds; the terms and conditions relating to the transfer or exchange of the Bonds; the conditions upon which the Resolution may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of BCRUA and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be redeemed or discharged at or prior to the Stated Maturity thereof, and deemed to be no longer Outstanding thereunder; and for the other terms and provisions specified in the Resolution. Capitalized terms used herein have the same meanings assigned in the Resolution.

This Bond, subject to certain limitations contained in the Resolution, may be transferred on the Registration Books upon presentation and surrender at a corporate trust office of the Paying Agent/Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by the Holder hereof, or his duly authorized agent, and thereupon one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued to the designated transferee or transferees.

BCRUA and the Paying Agent/Registrar, and any agent of either, shall treat the Holder hereof whose name appears on the Security Register (i) on the Record Date as the owner hereof for purposes of receiving payment of interest hereon, (ii) on the date of surrender of this Bond as the owner hereof for purposes of receiving payment of principal hereof at its Stated Maturity, or its redemption, in whole or in part, and (iii) on any other date as the owner hereof for all other purposes, and neither BCRUA nor the Paying Agent/Registrar, or any such agent of either, shall be affected by notice to the contrary. In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from BCRUA. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date" - which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address

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 duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____.

Acting Comptroller of Public Accounts
of the State of Texas

(SEAL)

D. Form of Certificate of Paying Agent/Registrar to Appear on Definitive Bonds Only.

This Bond has been duly issued under the provisions of the within-mentioned Resolution; the Bond or Bonds of the above-entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

Registered this date: _____

as Paying Agent/Registrar

By: _____
Authorized Signature

E. Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto
(Print or typewrite name, address, and zip code of transferee): _____

(Social Security or other identifying number): _____

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

DATED: _____

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular.

Signature guaranteed: _____

F. The Initial Bond of each series shall be in the form set forth in paragraph B of this Section, except that the form of a single fully registered Initial Bond shall be modified as follows:

i) immediately under the name of the Bond(s) the headings "Interest Rate" and "Stated Maturity" shall both be completed "as shown below" and "CUSIP No." shall be deleted;

ii) the first two paragraphs shall read as follows:

The Brushy Creek Regional Utility Authority, Inc. (the "BCRUA"), a non-profit corporation of the State of Texas, with its principal office located in Round Rock, Texas, for value received, hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, the Principal Amount specified above on the _____* day of _____* in each of the years and in principal installments and bearing interest at per annum rates in accordance with the following schedule:

<u>Principal Amount</u>	<u>Maturity (_____)</u>	<u>Interest Rate</u>
-----------------------------	-----------------------------	--------------------------

(Information to be inserted from Award Certificate)

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amount hereof from the _____*, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, to Stated Maturity or prior redemption, at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____* and _____*, commencing _____* (the "Interest Payment Date").

Principal and premium, if any, of this Bond shall be payable to the Registered Owner hereof (the Holder), upon its presentation and surrender, at a corporate trust office of _____, _____, _____ (the "Paying Agent/Registrar"). Interest shall be payable to the Holder of this Bond whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the fifteenth day of the month next preceding each Interest Payment Date. All payments of principal of and interest on this Bond shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register

* As provided in the Award Certificate. To the extent that the Award Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Award Certificate shall be used in the executed Bonds.

or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder hereof.

iii) the Initial Bond shall be numbered "T-1."

G. Insurance Legend. If an insurance policy is obtained by the initial purchasers of the Bonds or BCRUA for any Bonds, the definitive Bonds and the Initial Bond shall bear an appropriate legend as provided by the Insurer.

EXHIBIT "D"
PAYING AGENT/REGISTRAR AGREEMENT

PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT entered into as of _____, 2026 (this “Agreement”), by and between the Brushy Creek Regional Utility Authority, Inc. (the “Issuer”), a non-profit corporation created by and acting on behalf of the Cities of Cedar Park, Texas, Leander, Texas and Round Rock, Texas, and The Bank of New York Mellon Trust Company, N.A., a banking corporation duly organized and existing under the laws of the United States of America (the “Bank”).

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its \$ _____ Brushy Creek Regional Utility Authority, Inc. City of Round Rock, Texas Contract Revenue Refunding Bonds (Brushy Creek Regional Water Treatment and Distribution Project), Series 2026 (the “Securities”), such Securities to be issued in fully registered form only as to the payment of principal and interest thereon; and

WHEREAS, the Securities are scheduled to be delivered to the initial purchasers thereof on or about _____, 2026; and

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

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

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01. Appointment.

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

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

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

Section 1.02. Compensation.

As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Schedule A attached hereto for the first year of this Agreement and thereafter the fees and amounts set forth in the Bank's current fee schedule then in effect for services as Paying Agent/Registrar for political subdivisions, which shall be supplied to the Issuer on or before 90 days prior to the close of the Fiscal Year of the Issuer, and shall be effective upon the first day of the following Fiscal Year.

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

**ARTICLE TWO
DEFINITIONS**

Section 2.01. Definitions.

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

“Bank Office” means the designated office for payment of the Bank as indicated on the signature page hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

“Financial Advisor” is Specialized Public Finance Inc.

“Fiscal Year” means the fiscal year of the Issuer, ending September 30.

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

“Issuer Request” and “Issuer Order” means a written request or order signed in the name of the Issuer by an authorized representative, delivered to the Bank.

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

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

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

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

“Resolution” means the Resolutions of the governing body of the Issuer pursuant to which the Securities are issued, certified by the Secretary of the Board or any other officer of the Issuer and delivered to the Bank.

“Responsible Officer” when used with respect to the Bank means any managing director, vice president, senior associate, associate, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

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

“Stated Maturity” means the date specified in the Resolution on which the principal of a Security is scheduled to be due and payable.

Section 2.02. Other Definitions.

The terms “Bank,” “Issuer,” and “Securities (Security)” have the meanings assigned to them in the recital paragraphs of this Agreement.

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

ARTICLE THREE PAYING AGENT

Section 3.01. Duties of Paying Agent.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer no later than 10:00 a.m. Central Time on the applicable payment date, pay on behalf of the Issuer the principal of each Security at its Stated Maturity or Redemption Date, to the Holder upon surrender of the Security to the Bank at the Bank Office.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer no later than 10:00 a.m. Central Time on the applicable payment date, the interest on each Security when due, by

computing the amount of interest to be paid each Holder and preparing and sending checks by United States Mail, first-class postage prepaid, on each payment date, to the Holders of the Securities (or their Predecessor Securities) on the respective "Record Date (as defined in the Resolution)", to the address appearing on the Security Register or by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder's risk and expense.

Section 3.02. Payment Dates.

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

Section 3.03. Reporting Requirements.

To the extent required by the Internal Revenue Code of 1986, as amended, or the Treasury Regulations, the Bank shall report to or cause to be reported to the Holders and the Internal Revenue Service the amount of interest paid or the amount treated as interest accrued on the Securities which is required to be reported by the Holders on their returns of federal income tax.

**ARTICLE FOUR
REGISTRAR**

Section 4.01. Security Register - Transfers and Exchanges.

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

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

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

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Securities to be cancelled in an exchange or

transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02. Certificates.

The Issuer shall provide an adequate inventory of printed Securities certificates to facilitate transfers or exchanges thereof. The Bank covenants that the inventory of printed Securities certificates will be kept in safekeeping pending their use, and reasonable care will be exercised by the Bank in maintaining such Securities certificates in safekeeping, which shall be not less than the level of care maintained by the Bank for debt securities of other political subdivisions or corporations for which it serves as registrar, or that it maintains for its own securities.

Section 4.03. Form of Security Register.

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

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

Section 4.04. List of Security Holders.

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

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

Section 4.05. Return of Cancelled Certificates.

The Bank will, at such reasonable intervals as it determines, surrender to the Issuer, Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

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

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

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

Section 4.07. Transaction Information to Issuer.

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

**ARTICLE FIVE
THE BANK**

Section 5.01. Duties of Bank.

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

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

Section 5.02. Reliance on Documents, Etc.

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

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

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

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

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

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

Section 5.03. Recitals of Issuer.

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

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

Section 5.04. May Hold Securities.

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

Section 5.05. Moneys Held by Bank.

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

Subject to the Unclaimed Property Law of the State of Texas, any money deposited with the Bank for the payment of the principal, premium (if any), or interest on any Security and remaining unclaimed for three years after the final maturity of the Security has become due and payable will be paid by the Bank to the Issuer if the Issuer so elects, and the Holder of such Security shall hereafter look only to the Issuer for payment thereof, and all liability of the Bank with respect to such monies shall thereupon cease. If the Issuer does not elect, the Bank is directed to report and dispose of the funds in compliance with Title Six of the Texas Property Code, as amended.

Section 5.06. Indemnification.

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

Section 5.07. Interpleader.

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

Section 5.08. Depository Trust Company Services.

It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for "Depository Trust Company" services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the "Operational Arrangements," effective August 1, 1987, which establishes requirements for securities to be eligible for such type depository trust services, including, but not

limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

ARTICLE SIX MISCELLANEOUS PROVISIONS

Section 6.01. Amendment.

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

Section 6.02. Assignment.

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

Section 6.03. Notices.

Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page of this Agreement.

Section 6.04. Effect of Headings.

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

Section 6.05. Successors and Assigns.

All covenants and agreements herein by the Issuer and the Bank shall bind their respective successors and assigns, whether so expressed or not. The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of the Agreement.

Section 6.06. Severability.

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

Section 6.07. Benefits of Agreement.

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

Section 6.08. Entire Agreement.

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

Section 6.09. Counterparts.

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

Section 6.10. Termination.

This Agreement will terminate on the date of final payment by the Bank of the principal of and interest on the Securities to the Holders thereof.

This Agreement may be earlier terminated upon 30 days written notice by either party; provided, however, that this Agreement may not be terminated (i) by the Bank until a successor Paying Agent/Registrar that is a national or state banking institution and a corporation or association organized and existing under the laws of the United States of America or of any state which possesses trust powers and is subject to supervision or examination by a federal or state regulatory agency has been appointed by the Issuer and has accepted such appointment, or (ii) at any time during which such termination might, in the judgment of the Issuer, disrupt, delay, or otherwise adversely affect the payment of the principal, premium, if any, or interest on the Securities. Prior to terminating this Agreement, the Issuer may reasonably require the Bank to show that such termination will not occur during a period described in (ii) above.

The resigning Paying Agent/Registrar may petition any court of competent jurisdiction for the appointment of a successor Paying Agent/Registrar if an instrument of acceptance by a successor Paying Agent/Registrar has not been delivered to the resigning Paying Agent/Registrar within 30 days after the giving of such notice of resignation.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer. The Bank agrees that no termination fee or other charge not specifically provided for in this Agreement will be due or payable by the Issuer in connection with any early termination of this Agreement.

Section 6.11. Governing Law.

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

Section 6.12. Certifications regarding Texas Government Code.

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

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

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

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

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

Section 6.13. Interested Parties Form Exemption.

The Bank represents and warrants that it is "a wholly owned subsidiary of The Bank of New York Mellon Corporation, a publicly traded business entity, and therefore this Agreement is exempt from Section 2252.908, Texas Government Code, as amended".

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

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

By: _____
Title: _____

Mailing Address: The Bank of New York Mellon
Trust Company, N.A.
601 Travis Street, 16th Floor
Houston, Texas 77002

**BRUSHY CREEK REGIONAL
UTILITY AUTHORITY, INC.**

By: _____

Title: BCRUA Representative

Address:

221 East Main Street

Round Rock, Texas 78664

[Issuer Sig Pg]

SCHEDULE A

Paying Agent/Registrar Fee Schedule

EXHIBIT "E"
ESCROW AGREEMENT

ESCROW AGREEMENT

Brushy Creek Regional Utility Authority, Inc. City of Round Rock, Texas Contract Revenue Refunding Bonds (Brushy Creek Regional Water Treatment and Distribution Project), Series 2026

THIS ESCROW AGREEMENT, dated as of _____, 2026 (herein, together with any amendments or supplements hereto, called the "Agreement"), entered into by and between the Brushy Creek Regional Utility Authority, Inc. (the "Issuer"), a non-profit corporation created by and acting on behalf of the Cities of Cedar Park, Texas, Leander, Texas and Round Rock, Texas, and The Bank of New York Mellon Trust Company, National Association, as escrow agent (together with any successor in such capacity, the "Escrow Agent"),

W I T N E S S E T H:

WHEREAS, the Issuer heretofore issued and there presently remain outstanding the obligations (the "Refunded Obligations") described in the Verification Report of _____ (the "Report") relating to the Refunded Obligations, attached hereto as Exhibit "B" and made a part hereof; and

WHEREAS, the Refunded Obligations are scheduled to mature in such years, bear interest at such rates, and be payable at such times and in such amounts as are set forth in the Report; and

WHEREAS, when firm banking arrangements have been made for the payment of principal and interest to the maturity or redemption dates of the Refunded Obligations, then the Refunded Obligations shall no longer be regarded as outstanding except for the purposes of receiving payment from the funds provided for such purpose and Issuer's right to call such Refunded Obligations for redemption in accordance with the provisions of the resolution, order or ordinance authorizing their issuance upon compliance with the provisions of Texas law; and

WHEREAS, the Issuer is authorized under state law, including subchapter D of Chapter 431 of the Texas Local Government Code, to issue refunding bonds and to deposit the proceeds from the sale thereof, and any other available funds or resources, directly with an eligible institution, including any place of payment (paying agent) for any of the Refunded Obligations, and such deposit, if made before such payment dates and in sufficient amounts, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; and

WHEREAS, the Issuer is further authorized to enter into an escrow agreement with any such eligible institution for any of the Refunded Obligations with respect to the safekeeping, investment, administration and disposition of any such deposit, upon such terms and conditions as the Issuer and such eligible institution may agree, provided that such deposits may be invested only in obligations authorized by state law, and which shall mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment of principal and interest on the Refunded Obligations when due; and

WHEREAS, this Agreement constitutes an escrow agreement of the kind authorized and required by state law; and

WHEREAS, the Escrow Agent does not act as a depository bank of the Issuer; and

WHEREAS, The Bank of New York Mellon Trust Company, National Association is the paying agent for the Refunded Obligations; and

WHEREAS, the Issuer's City of Round Rock, Texas Contract Revenue Refunding Bonds (Brushy Creek Regional Water Treatment and Distribution Project), Series 2026 (the "Refunding Obligations") have been issued, sold and delivered for the purpose, among others, of obtaining the funds required to provide for the payment of the principal of the Refunded Obligations at their respective maturity dates or dates of redemption and the interest thereon to such dates as set forth in the Report; and

WHEREAS, the Issuer desires that, concurrently with the delivery of the Refunding Obligations to the purchasers thereof, certain proceeds of the Refunding Obligations, together with certain other available funds of the Issuer, if applicable, shall be applied to purchase certain direct obligations of the United States of America hereinafter defined as the "Escrowed Securities" for deposit to the credit of the Escrow Fund created pursuant to the terms of this Agreement and to establish a beginning cash balance (if needed) in such Escrow Fund; and

WHEREAS, the Escrowed Securities shall mature and the interest thereon shall be payable at such times and in such amounts so as to provide moneys which, together with cash balances from time to time on deposit in the Escrow Fund, will be sufficient to pay interest on the Refunded Obligations as it accrues and becomes payable and the principal of the Refunded Obligations on their respective maturity dates or dates of redemption; and

WHEREAS, to facilitate the receipt and transfer of proceeds of the Escrowed Securities, particularly those in book entry form, the Issuer desires to establish the Escrow Fund at a corporate trust office of the Escrow Agent; and

WHEREAS, the Escrow Agent is herein also referred to as the "Paying Agent," and any paying agent for the Refunded Obligations, acting through the Escrow Agent, is also a party to this Agreement, as a paying agent for the Refunded Obligations to acknowledge their acceptance of the terms and provisions of this Agreement in such capacity.

NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, the sufficiency of which are hereby acknowledged, and in order to secure the full and timely payment of principal of and the interest on the Refunded Obligations, the Issuer and the Escrow Agent mutually undertake, promise, and agree for themselves and their respective representatives and successors, as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.01. Definitions. Unless the context clearly indicates otherwise, the following terms shall have the meanings assigned to them below when they are used in this Agreement:

"Code" means the Internal Revenue Code of 1986, as amended, or to the extent applicable the Internal Revenue Code of 1954, together with any other applicable provisions of any successor federal income tax laws.

"Escrow Fund" means the fund created by this Agreement to be administered by the Escrow Agent pursuant to the provisions of this Agreement.

"Escrowed Securities" means (A) the (i) the direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) the 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 Issuer adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provides for the funding of an escrow to effect the defeasance of the Refunded Obligations are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, and/or (iii) the noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the Issuer adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provides for the funding of an escrow to effect the defeasance of Bonds, are rated as to investment quality by a nationally recognized investment rating firm no less than "AAA" or its equivalent, all as further described in the Report or cash or (B) other such securities substituted therefor pursuant to Article IV of this Agreement.

"Paying Agent" means The Bank of New York Mellon Trust Company, National Association acting in its capacity as paying agent for the Refunded Obligations.

Section 1.02. Other Definitions. The terms "Agreement," "Issuer," "Escrow Agent," "Refunded Obligations," "Refunding Obligations," and "Report" when they are used in this Agreement, shall have the meanings assigned to them in the preamble to this Agreement.

Section 1.03. Interpretations. The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the refunding of the Refunded Obligations in accordance with applicable law.

ARTICLE II

DEPOSIT OF FUNDS AND ESCROWED SECURITIES

Section 2.01. Deposits in the Escrow Fund. Concurrently with the sale and delivery of the Refunding Obligations the Issuer shall deposit, or cause to be deposited, with the Escrow Agent, for deposit in the Escrow Fund, the funds and Escrowed Securities described in the Report, and the Escrow Agent shall, upon the receipt thereof, acknowledge such receipt to the Issuer in writing.

ARTICLE III

CREATION AND OPERATION OF ESCROW FUND

Section 3.01. Escrow Fund. The Escrow Agent has created on its books a special trust fund and irrevocable escrow to be known as the Issuer's Refunded Obligations Escrow Fund (the "Escrow Fund"). The Escrow Agent hereby agrees that upon receipt thereof it will irrevocably deposit to the credit of the Escrow Fund the funds and the Escrowed Securities described in the Report. Such deposit, all proceeds therefrom, and all cash balances from time to time on deposit therein (a) shall be the property of the Escrow Fund, (b) shall be applied only in strict conformity with the terms and conditions of this Agreement, and (c) are hereby irrevocably pledged to the payment of the principal of and interest on the Refunded Obligations, which payment shall be made by timely transfers of such amounts at such times as are provided for in Section 3.02 hereof. When the final transfers have been made for the payment of such principal of and interest on the Refunded Obligations on their respective maturity dates or dates of redemption, any balance then remaining in the Escrow Fund shall be transferred to the Issuer, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Section 3.02. Payment of Principal and Interest. The Escrow Agent is hereby irrevocably instructed to transfer from the cash balances from time to time on deposit in the Escrow Fund, the amounts required to pay the principal of the Refunded Obligations at their respective maturity dates or dates of redemption and interest thereon to such maturity dates or dates of redemption in the amounts and at the times shown in the Report.

Section 3.03. Sufficiency of Escrow Fund. The Issuer represents (based solely on the Report) that the successive receipts of the principal of and interest on the Escrowed Securities will assure that the cash balance on deposit from time to time in the Escrow Fund will be at all times sufficient to provide moneys for transfer to the Paying Agent at the times and in the amounts required to pay the interest on the Refunded Obligations at their respective maturity dates or dates of redemption as such interest comes due and the principal of the Refunded Obligations at their respective maturity dates or dates of redemption as the Refunded Obligations mature, all as more fully set forth in the Report. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Escrow Fund shall be insufficient to transfer the amounts required by the Paying Agent for the Refunded Obligations to make the payments set forth in Section 3.02 hereof, notice of any such insufficiency shall be given to the Issuer by the Escrow Agent as

promptly as practicable as hereinafter provided, but neither the Escrow Agent nor the Issuer shall in any manner be responsible for any insufficiency of funds in the Escrow Fund.

Section 3.04. Trust Fund. The Escrow Agent shall hold at all times the Escrow Fund, the Escrowed Securities and all other assets of the Escrow Fund, wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The Escrowed Securities and other assets of the Escrow Fund shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Refunded Obligations; and a special account thereof shall at all times be maintained on the books of the Escrow Agent. The owners of the Refunded Obligations shall be entitled to the same preferred claim and first lien upon the Escrowed Securities, the proceeds thereof, and all other assets of the Escrow Fund to which they are entitled as owners of the Refunded Obligations. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the Issuer, and the Escrow Agent shall have no right to title with respect thereto except as a constructive trustee and Escrow Agent under the terms of this Agreement. The amounts received by the Escrow Agent under this Agreement shall not be subject to warrants, drafts or checks drawn by the Issuer or, except to the extent expressly herein provided, by the Paying Agent.

Section 3.05. Security for Cash Balances. Cash balances from time to time on deposit in the Escrow Fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a pledge of direct obligations of, or obligations unconditionally guaranteed by, the United States of America, having a market value at least equal to such cash balances.

ARTICLE IV

LIMITATION ON INVESTMENTS

Section 4.01. Investments. Except as provided in Sections 4.02, 4.03 and 4.04 hereof, the Escrow Agent shall not have any power or duty to invest or reinvest any money held hereunder, or to make substitutions of the Escrowed Securities, or to sell, transfer or otherwise dispose of the Escrowed Securities.

Section 4.02. Reinvestment of Certain Cash Balances in Escrow by Escrow Agent. In addition to the Escrowed Securities listed in the Report, the Escrow Agent shall reinvest cash balances shown in the Report in United States Treasury Obligations - State and Local Government Series with an interest rate equal to zero percent (0%), as and to the extent described in the Report, to the extent such Obligations are available from the Department of the Treasury. All such reinvestments shall be made only from the portion of cash balances derived from the maturing principal of and interest on Escrowed Securities that are United States Treasury Certificates of Indebtedness, Notes or Bonds - State and Local Government Series. All such re-investments shall be acquired on and shall mature on the dates shown on the Report.

Section 4.03. Substitutions and Reinvestments. At the written direction of the Issuer, the Escrow Agent shall reinvest cash balances representing receipts from the Escrowed Securities, make substitutions of the Escrowed Securities or redeem the Escrowed Securities and reinvest the proceeds thereof or hold such proceeds as cash, together with other moneys or securities held in the Escrow Fund, provided that, except for investments described in Section 4.02, the Issuer delivers to the Escrow Agent the following:

(1) an opinion by an independent certified public accountant that after such substitution or reinvestment the principal amount of the securities in the Escrow Fund (which shall be noncallable, not pre-payable direct obligations of the United States of America), together with the interest thereon and other available moneys, will be sufficient to pay, without further investment or reinvestment, as the same become due in accordance with the Report, the principal of, interest on and premium, if any, on the Refunded Obligations which have not previously been paid, and

(2) an unqualified opinion of nationally recognized municipal bond counsel to the effect that (a) such substitution or reinvestment will not cause the Refunded Obligations to be "arbitrage bonds" within the meaning of Section 103 of the Code or the regulations thereunder in effect on the date of such substitution or reinvestment, or otherwise make the interest on the Refunded Obligations subject to federal income taxation, and (b) such substitution or reinvestment complies with the Constitution and laws of the State of Texas and with all relevant documents relating to the issuance of the Refunded Obligations.

The Escrow Agent shall have no responsibility or liability for loss or otherwise with respect to investments made at the direction of the Issuer.

Section 4.04. Substitution for Escrowed Securities. Concurrently with the initial deposit by the Issuer with the Escrow Agent, but not thereafter, the Issuer, at its option, may substitute cash or direct noncallable and not pre-payable obligations of the United States Treasury (i.e., Treasury obligations which mature and are payable in a stated amount on the maturity date thereof, and for which there are no payments other than the payment made on the maturity date) (the "Substitute Obligations") for Escrowed Securities, if any, but only if such Substitute Obligations

- (a) are in an amount, and/or mature in an amount, which is equal to or greater than the amount payable on the maturity date of the obligation listed in the Report for which such Substitute Obligation is substituted,
- (b) mature on or before the maturity date of the obligation listed in the Report for which such Substitute Obligation is substituted, and
- (c) produce the amount necessary to pay the interest on and principal of the Refunded Obligations, as set forth in the Report, as verified by a certified public accountant or a firm of certified public accountants.

If, concurrently with the initial deposit by the Issuer with the Escrow Agent, any such Substitute Obligations are so substituted for any Escrowed Securities, the Issuer may, at any time thereafter, substitute for such Substitute Obligations the same Escrowed Securities for which such Substitute Obligations originally were substituted.

Section 4.05. Arbitrage. The Issuer hereby covenants and agrees that it shall never request the Escrow Agent to exercise any power hereunder or permit any part of the money in the Escrow Fund or proceeds from the sale of Escrowed Securities to be used directly or indirectly to acquire any securities or obligations if the exercise of such power or the acquisition of such securities or obligations would cause any Refunding Obligations or Refunded Obligations to be an "arbitrage bond" within the meaning of the Code.

ARTICLE V

APPLICATION OF CASH BALANCES

Section 5.01. In General. Except as provided in Sections 3.02, 4.02, 4.03 and 4.04 hereof, no withdrawals, transfers, or reinvestment shall be made of cash balances in the Escrow Fund.

ARTICLE VI

RECORDS AND REPORTS

Section 6.01. Records. The Escrow Agent will keep books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money and Escrowed Securities deposited to the Escrow Fund and all proceeds thereof, and such books shall be available for inspection at reasonable hours and under reasonable conditions by the Issuer and the owners of the Refunded Obligations.

Section 6.02. Reports. While this Agreement remains in effect, the Escrow Agent annually shall prepare and send to the Issuer a written report summarizing all transactions relating to the Escrow Fund during the preceding year, including, without limitation, credits to the Escrow Fund as a result of interest payments on or maturities of the Escrowed Securities and transfers from the Escrow Fund for payments on the Refunded Obligations or otherwise, together with a detailed statement of all Escrowed Securities and the cash balance on deposit in the Escrow Fund as of the end of such period.

ARTICLE VII

CONCERNING THE PAYING AGENTS AND ESCROW AGENT

Section 7.01. Representations. The Escrow Agent hereby represents that it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it herein, and that it will carry out all of its obligations hereunder.

Section 7.02. Limitation on Liability. The liability of the Escrow Agent to transfer funds for the payment of the principal of and interest on the Refunded Obligations shall be limited to the proceeds of the Escrowed Securities and the cash balances from time to time on deposit in the Escrow Fund. Notwithstanding any provision contained herein to the contrary, neither the Escrow Agent nor the Paying Agent shall have any liability whatsoever for the insufficiency of funds from time to time in the Escrow Fund or any failure of the obligors of the Escrowed Securities to make timely payment thereon, except for the obligation to notify the Issuer as promptly as practicable of any such occurrence.

The recitals herein and in the proceedings authorizing the Refunding Obligations shall be taken as the statements of the Issuer and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent. The Escrow Agent is not a party to the proceedings authorizing the Refunding Obligations or the Refunded Obligations and is not responsible for nor bound by any of the provisions thereof (except as a place of payment and paying agent and/or a Paying Agent/Registrar therefor). In its capacity as Escrow Agent, it is agreed that the Escrow Agent need look only to the terms and provisions of this Agreement.

The Escrow Agent makes no representations as to the value, conditions or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the Issuer thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall not incur any liability or responsibility in respect to any of such matters.

It is the intention of the parties hereto that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own action, neglect or willful default, nor for any loss unless the same shall have been through its negligence or willful misconduct.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the Issuer with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund, to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own willful misconduct or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the Issuer or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem

necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, among others, the Issuer at any time.

The Escrow Agent may conclusively rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

The Escrow Agent may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith. The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

To the extent allowed by law, the Issuer agrees to indemnify, defend and hold the Escrow Agent and its officers, directors, agents, and employees harmless from and against any and all loss, damage, claim, liability and expense that may be incurred by the Escrow Agent arising out of or in connection with its acceptance or appointment as Escrow Agent hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder except that the Escrow Agent shall not be indemnified for any loss, damage, claim, liability, or expense resulting from its own negligence or willful misconduct. The foregoing indemnification shall survive the termination of this Agreement or the resignation or removal of the Escrow Agent for any reason.

Section 7.03. Compensation. Concurrently with the sale and delivery of the Refunding Obligations, the Issuer shall pay to the Escrow Agent, as a fee for performing the services hereunder and for all expenses incurred or to be incurred by the Escrow Agent in the administration of this Agreement, the amount set forth in Exhibit "C" attached hereto, the sufficiency of which is hereby acknowledged by the Escrow Agent. In the event that the Escrow Agent is requested to perform any extraordinary services hereunder, the Issuer hereby agrees to pay reasonable fees to the Escrow Agent for such extraordinary services and to reimburse the Escrow Agent for all expenses incurred by the Escrow Agent in performing such extraordinary services, and the Escrow Agent hereby agrees to look only to the Issuer for the payment of such fees and reimbursement of such expenses. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its services, whether regular or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses.

The Bank of New York Mellon Trust Company, National Association is the place of payment (paying agent) for the Refunded Obligations. The Issuer covenants to timely pay for all future paying agency services of The Bank of New York Mellon Trust Company, National Association for the Refunded Obligations in accordance with the paying agent fee schedule now in effect through the final payment of the Refunded Obligations, the sufficiency of which is hereby acknowledged by The Bank of New York Mellon Trust Company, National Association.

Section 7.04. Successor Escrow Agents. If at any time the Escrow Agent or its legal successor or successors should become unable, through operation or law or otherwise, to act as

escrow agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the Issuer, by appropriate action, promptly shall appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the Issuer within 60 calendar days, the Escrow Agent, at the expense of the Issuer, has the right to petition a court of competition jurisdiction to appoint a successor under the Agreement, a successor may be appointed by the owners of a majority in principal amount of the Refunded Obligations then outstanding by an instrument or instruments in writing filed with the Issuer, signed by such owners or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within three months after a vacancy shall have occurred, the owner of any Refunded Obligation may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be a corporation, bank, association or trust company organized and doing business under the laws of the United States or the State of Texas, authorized under such laws to exercise corporate trust powers, authorized under Texas law to act as an escrow agent, having its principal office and place of business in the State of Texas, having a combined capital and surplus of at least \$5,000,000 and subject to the supervision or examination by Federal or State authority.

Any successor Escrow Agent shall execute, acknowledge and deliver to the Issuer and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the Issuer shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties. If within 60 days following the resignation of the Escrow Agent, no successor Escrow Agent shall have been appointed, the Escrow Agent may apply to any court of competent jurisdiction to appoint a successor Escrow Agent.

Any corporation or association into which the Escrow Agent in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Escrow Agent in its individual capacity shall be a party, or any corporation or association to which all or substantially all the corporate trust business of the Escrow Agent in its individual capacity may be sold or otherwise transferred, shall be the Escrow Agent under this Agreement without further act.

The Escrow Agent at the time acting hereunder may at any time resign and be discharged from the trust hereby created by giving not less than sixty (60) days' written notice to the Issuer, specifying the date when such resignation will take effect. No such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the owners of the Refunded Obligations or by the Issuer as herein provided and such successor Escrow Agent shall be a paying agent for the Refunded Obligations and shall have accepted such appointment, in which event such

resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

Under any circumstances, the Escrow Agent shall pay over to its successor Escrow Agent proportional parts of the Escrow Agent's fee and, if applicable, its Paying Agent's fee hereunder. Any expenses incurred in connection with the appointment of a successor Escrow Agent will not be paid from the Escrow Fund.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Notice. 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 to the Issuer or the Escrow Agent at the address shown on Exhibit "A" attached hereto. 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) calendar days prior notice thereof. Prior written notice of any amendment to this Agreement contemplated pursuant to Section 8.08 and immediate written notice of any incidence of a severance pursuant to Section 8.04 shall be sent by the Issuer to Moody's Investors Service.

Section 8.02. Termination of Responsibilities. Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the Issuer, the owners of the Refunded Obligations or to any other person or persons in connection with this Agreement.

Section 8.03. Binding Agreement. This Agreement shall be binding upon the Issuer and the Escrow Agent and their respective successors and legal representatives, and shall inure solely to the benefit of the owners of the Refunded Obligations, the Issuer, the Escrow Agent (and, in the case of Section 4.05, the owners of the Refunding Obligations) and their respective successors and legal representatives.

Section 8.04. Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 8.05. Texas Law Governs. This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Texas.

Section 8.06. Time of the Essence. Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

Section 8.07. Effective Date of Agreement. This Agreement shall be effective upon receipt by the Escrow Agent of the funds described in the Report and the Escrowed Securities, together with the specific sums stated in Section 7.03 for Escrow Agent and paying agency fees, expenses, and services.

Section 8.08. Amendments. This Agreement shall not be amended except to cure any ambiguity or formal defect or omission in this Agreement. No amendment shall be effective unless the same shall be in writing and signed by the parties thereto. No such amendment shall adversely affect the rights of the holders of the Refunded Obligations and the Refunding Obligations.

Section 8.09. Verifications of Statutory Representations and Covenants. The Escrow Agent makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Bank within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

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

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

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

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

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

Section 8.10. Exemption from Disclosure Form. The Escrow Agent represents and warrants that it is "a wholly owned subsidiary of The Bank of New York Mellon Corporation, a publicly traded business entity, and therefore this Agreement is exempt from Section 2252.908, Texas Government Code, as amended".

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EXECUTED as of the date first written above.

**BRUSHY CREEK REGIONAL
UTILITY AUTHORITY, INC.**

By: _____
Title: BCRUA Representative

[Issuer SigPg]

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, NATIONAL ASSOCIATION**

By _____
Authorized Signatory

[Bank SigPg]

EXHIBIT "A"

ADDRESSES OF THE ISSUER AND THE ESCROW AGENT

Issuer

Brushy Creek Regional Utility Authority, Inc.
221 East Main Street
Round Rock, Texas 78664

Escrow Agent

The Bank of New York Mellon Trust Company, N.A.
601 Travis Street, 16th Floor
Houston, Texas 77002

EXHIBIT "B"
VERIFICATION REPORT

EXHIBIT "C"

ESCROW AGENT FEE

EXHIBIT "B"

FORM OF APPROVAL CERTIFICATE

The undersigned City Manager of the City of Round Rock, Texas, pursuant to the resolution adopted by the City Council on March 26, 2026 (the "Approving Resolution") approving "A Resolution Approving a Resolution by the Board of Directors of the Brushy Creek Regional Utility Authority, Inc. Authorizing the Issuance of Brushy Creek Regional Utility Authority, Inc. City of Round Rock, Texas Contract Revenue Refunding Bonds (Brushy Creek Regional Water Treatment and Distribution Project), Series 2026; Establishing the Procedures for Selling and Delivering the Bonds and Resolving Other Matters Incident and Relating to the Issuance, Payment, Security, Sale, and Delivery of Such Bonds" authorizing the issuance of obligations designated as "Brushy Creek Regional Utility Authority Inc., City of Round Rock, Texas Contract Revenue Refunding Bonds (Brushy Creek Regional Water Treatment and Distribution Project), Series 2026" (the "Bonds") do hereby approve the following terms of the Bonds:

- (i) the total principal amount of the Bonds of \$ _____;
- (ii) the purchase price for the Bonds is \$ _____;
- (iii) the dated date of the Bonds is _____, 2026;
- (iv) the interest rates and maturity schedule for the Bonds are as set forth below:

<u>Principal Amount</u>	<u>Maturity (August 1)</u>	<u>Interest Rate</u>	<u>Principal Amount</u>	<u>Maturity (August 1)</u>	<u>Interest Rate</u>
\$	20__	%	\$	20__	%
	20__			20__	
	20__			20__	
	20__			20__	
	20__			20__	
	20__			20__	
	20__			20__	
	20__			20__	
	20__			20__	
	20__			20__	
	20__			20__	
	20__			20__	
	20__			20__	
	20__			20__	

- (v) the Bonds are subject to optional redemption as set forth below:

On _____ 1, 20__, or on any date thereafter, the Bonds of this series maturing on and after _____ 1, 20__ may be redeemed prior to their scheduled maturities, at the option of the Brushy Creek Regional Utility Authority Inc., with

funds derived from any available and lawful source, at par plus accrued interest to the date fixed for redemption as a whole, or in part, and if less than all of a maturity is to be redeemed the Paying Agent/Registrar shall determine by lot the Bonds, or portions thereof within such maturity to be redeemed (provided that a portion of a Bond may be redeemed only in integral multiples of \$5,000 of principal amount).

- (vi) Interest on the Bonds accrues from the date of delivery and interest is payable each _____ and _____, commencing _____, 20__.
- (vii) The Preliminary Official Statement related to the issuance of the Bonds is hereby approved pursuant to Section 3 of the Approving Resolution.

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EXECUTED AND DELIVERED this ____ day of _____, 2026.

Title: City Manager
City of Round Rock, Texas

EXHIBIT "C"

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 4 of this Resolution.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the City to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

- (1) DEBT INFORMATION
- (2) APPENDIX B - Table 1 – Water Usage (Gallons)
- (3) APPENDIX B - Table 2 – Ten Largest Water And Sewer Customers
- (4) APPENDIX B - Table 3 – Monthly Water And Sewer Rates
- (5) APPENDIX B - Table 4 – Daily Flow (Wastewater Treatment)
- (6) APPENDIX B - Table 6 – Utility System Condensed Statement of Operations
- (7) APPENDIX B - Table 7 – Coverage Calculation
- (8) APPENDIX B - Table 8 – Current Investments

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in the paragraph above.