

EXHIBIT C

[Amended and Restated Reimbursement Agreement – Subseries 2008B]

DRAFT

AMENDED AND RESTATED REIMBURSEMENT AGREEMENT

between

CITY OF AUSTIN, TEXAS

and

SUMITOMO MITSUI BANKING CORPORATION,
acting through its New York Branch

dated as of June 1, 2024

relating to:

City of Austin, Texas,
Hotel Occupancy Tax
Subordinate Lien Variable Rate Revenue Refunding Bonds, Series 2008
Subseries 2008B Bonds

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EXHIBIT A — Form of Compliance Certificate

APPENDIX I — Form of Amended and Restated Irrevocable Transferable Letter of Credit

DRAFT

AMENDED AND RESTATED REIMBURSEMENT AGREEMENT

THIS AMENDED AND RESTATED REIMBURSEMENT AGREEMENT dated as of June 1, 2024 (as amended, supplemented, modified or restated from time to time, this "*Agreement*"), is between the CITY OF AUSTIN, TEXAS, a body corporate duly organized and existing under the provisions of the Constitution and Laws of the State of Texas, together with its permitted successors and assigns (the "*City*"), and SUMITOMO MITSUI BANKING CORPORATION, acting through its New York Branch (together with its permitted successors and assigns, the "*Bank*").

WITNESSETH:

WHEREAS, the City, in its desire to secure a source of funds to be devoted exclusively to the payment by the Paying Agent/Registrar, when and as due, of the principal of and interest on the City of Austin, Texas, Hotel Occupancy Tax Subordinate Lien Variable Rate Revenue Refunding Bonds, Series 2008 Subseries 2008B Bonds (the "*Bonds*"), previously applied to the Bank for the issuance by the Bank of the Letter of Credit (as hereinafter defined);

WHEREAS, the City also previously requested that the Bank provide a credit facility and a liquidity facility in the form of the Letter of Credit; and

WHEREAS, the City and the Bank previously entered into that certain Reimbursement Agreement, dated as of October 1, 2017 (the "*Original Reimbursement Agreement*"), as amended by the First Amendment to Reimbursement Agreement dated September 15, 2020 (the "*First Amendment*," and the Original Reimbursement Agreement as amended by the First Agreement, is herein referred to as the "*Existing Reimbursement Agreement*"), each between the City and the Bank, relating to the Bonds, pursuant to which the Bank issued the Letter of Credit;

WHEREAS, the City has requested that the Bank continue to provide such credit facility and liquidity facility in the form of the Letter of Credit and extend the Stated Expiration Date of the Letter of Credit on the Closing Date and the Bank has agreed to such request, and as a condition to such extension, the City and the Bank have agreed to make certain amendments to the Existing Reimbursement Agreement and, for the sake of clarity and convenience, the Existing Reimbursement Agreement shall be amended and restated in its entirety. This Agreement amends in its entirety the Existing Reimbursement Agreement and from and after the Closing Date all references made to the Existing Reimbursement Agreement in any Related Document or in any other instrument or document shall be deemed to refer to this Agreement. This Agreement shall become effective and supersede all provisions of the Existing Reimbursement Agreement upon the execution of this Agreement by each of the parties hereto and the fulfillment of all conditions precedent hereof.

WHEREAS, the Bank has agreed to extend the Stated Expiration Date of the Letter of Credit on the Closing Date and has agreed to continue to provide such a credit facility and a liquidity facility in the following manner and subject to the following terms and conditions.

NOW, THEREFORE, to induce the Bank to extend the Stated Expiration Date of the Letter of Credit on the Closing Date, and for other valuable consideration, the receipt and sufficiency of

which are hereby acknowledged, and intending to be legally bound hereby, the City and the Bank hereby agree as follows:

ARTICLE ONE

DEFINITIONS AND ACCOUNTING TERMS

Section 1.1. Definitions. As used in this Agreement:

“Additional Bonds” has the same meaning herein as in the Ordinance.

“Affiliate” means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Agreement” has the meaning set forth in the introductory paragraph hereof.

“Alternate Credit Facility” has the meaning set forth in Appendix A to the Ordinance.

“Alternate Liquidity Facility” has the meaning set forth in Appendix A to the Ordinance.

“Anti-Corruption Laws” means all Laws, rules, and regulations of any jurisdiction applicable to the City from time to time concerning or relating to bribery or corruption.

“Audited Financial Statements” means the audited statements of revenues, expenses and changes in fund balance of the City for the Fiscal Year ended September 30, 2023, and the related statements of activities, and cash flows for such Fiscal Year, including the notes thereto.

“Available Amount” has the same meaning herein as in the Letter of Credit.

“Bank” has the meaning set forth in the introductory paragraph hereof.

“Bank Bondowner” means the Bank (but only in its capacity as owner (which as used herein means beneficial owner if at the relevant time Liquidity Provider Bonds are Book Entry Bonds) of Liquidity Provider Bonds pursuant to this Agreement) and any other Person to whom the Bank has sold Liquidity Provider Bonds pursuant to Section 2.3(f) hereof.

“Bank Rate” means the rate of interest per annum with respect to a Liquidity Advance and the related Liquidity Provider Bond, (a) for any day commencing on the date of the related Liquidity Advance up to and including the thirtieth (30th) day following the date such related Liquidity Advance is made, equal to the Base Rate as in effect on such day, (b) for any day commencing on the thirty-first (31st) day following the date such related Liquidity Advance is made to and including the ninetieth (90th) day following the date such related Liquidity Advance is made, equal to the sum of the Base Rate as in effect on such day plus one percent (1.00%) and (c) for any day commencing on the ninety-first (91st) day following the date such related Liquidity

Advance is made and thereafter, equal to the Term Loan Rate; *provided, however*, that immediately and automatically upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuance of such Event of Default, “Bank Rate” means the Default Rate; *provided, further*, that (i) in no event shall the Bank Rate be less than the applicable rate on any Bonds which are not Liquidity Provider Bonds and (ii) subject to Section 2.12 hereof, in no event shall the Bank Rate exceed the Maximum Rate.

“*Base Rate*” means, for any day, a fluctuating rate of interest per annum equal to the greatest of (a) the Prime Rate as in effect on such day plus two percent (2.00%), (b) the Federal Funds Rate as in effect on such day plus three percent (3.00%), (c) the SIFMA Rate as in effect on such day plus three percent (3.00%) and (d) seven and one-half of one percent (7.50%). Each determination of the Base Rate by the Bank shall be conclusive and binding on the City, absent manifest error. Subject to Section 2.12 hereof, in no event shall the Base Rate exceed the Maximum Rate.

“*Bond Documents*” means the Ordinance, the Tender Agent Agreement, the Paying Agent/Registrar Agreement, the Pricing Certificate, the Bonds and the Remarketing Agreement.

“*Bond Fund*” has the same meaning herein as in the Ordinance.

“*Bonds*” has the meaning set forth in the recitals hereof.

“*Book Entry Bonds*” means the Bonds so long as the book entry system with DTC is used for determining beneficial ownership of the Bonds.

“*Business Day*” has the meaning set forth in the Letter of Credit.

“*Change in Law*” means the occurrence, after the Original Closing Date, of any of the following: (a) the adoption or taking effect of any Law, including, without limitation, Risk-Based Capital Guidelines, (b) any change in any Law or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, ruling, guideline, regulation or directive (whether or not having the force of Law) by any Governmental Authority; *provided* that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Act and all requests, rules, ruling, guidelines, regulations or directives thereunder or issued in connection therewith and (ii) all requests, rules, rulings, guidelines, regulations or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States of America or foreign regulatory authorities shall in each case be deemed to be a “Change in Law,” regardless of the date enacted, adopted or issued.

“*City*” has the meaning set forth in the introductory paragraph hereof.

“*City Bonds*” means (i) Bonds owned or held by the City or any affiliate thereof or held by the Tender Agent, or its agents, for the account of the City or any affiliate thereof or (ii) Bonds which the City has notified the Tender Agent, or which the Tender Agent knows, were purchased

by another Person for the account of the City or any affiliate thereof with moneys furnished by the City or any affiliate thereof.

“Closing Date” means June [25], 2024, subject to the satisfaction or waiver by the Bank of all of the conditions precedent set forth in Section 4.1 hereof.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations, rulings and proclamations promulgated and proposed thereunder.

“Contractual Obligation” means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its Property is bound.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto. Without limiting the generality of the foregoing, a Person shall be deemed to be Controlled by another Person if such other Person possesses, directly or indirectly, power to vote 10% or more of the securities having ordinary voting power for the election of directors, managing general partners or the equivalent.

“Conversion Date” means the date on which the interest rate borne by the Bonds is converted to a rate other than the Weekly Rate.

“Custodian” means U.S. Bank National Association, and its successors and assigns.

“Custody Agreement” means that certain Custody Agreement dated as of June 1, 2024, between the Bank and the Custodian, as the same may be amended, supplemented, modified or restated from time to time.

“Debtor Relief Laws” means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“Default Rate” means, for any day, a fluctuating rate per annum equal to the Base Rate plus four percent (4.00%); *provided, however*, that, subject to Section 2.12 hereof, in no event shall the Default Rate exceed the Maximum Rate.

“Designated Jurisdiction” means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

“Dodd-Frank Act” means the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as enacted by the United States Congress, and signed into law on July 21, 2010, and all statutes, rules, guidelines or directives promulgated thereunder.

“Downgrade” means, with respect to the Bank (*provided*, that for the avoidance of doubt, the ratings referenced in this definition shall mean those ratings assigned to the Bank and not ratings assigned separately to the Bank’s parent or holding company or any other affiliate of the Bank and relating solely to such parent or holding company or such affiliate), that (i) the short-term unenhanced rating of the Bank falls below “P-1” (or its equivalent) by Moody’s, “F1” (or its equivalent) by Fitch or “A-1” (or its equivalent) by S&P or (ii) the senior unsecured long-term rating of the Bank falls below “A3” (or its equivalent) by Moody’s, “A-” (or its equivalent) by S&P or “A-” (or its equivalent) by Fitch.

“Drawing” has the meaning assigned to that term in the Letter of Credit.

“DTC” means The Depository Trust Company.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“ERISA Affiliate” means any trade or business (whether or not incorporated) under common control with the City within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

“Event of Default” has the meaning specified in Section 7.1 hereof.

“Excess Interest” has the meaning specified in Section 2.12 hereof.

“Excluded Taxes” means, with respect to the Bank or any other recipient of any payment to be made by or on account of any obligation of the City hereunder, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the Laws of which such recipient is organized or in which its principal office is located or, in the case of the Bank, in which its applicable Lending Office is located, (b) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which the Bank is located, and (c) any backup withholding tax that is required by the Code to be withheld from amounts payable to the Bank for failure to comply with clause (A) of Section 3.01(e)(ii).

[“Existing Swap” means (i) the ISDA Master Agreement, including the Schedule and related confirmation, each dated as of August 7, 2008, between the City and Raymond James Financial Products, Inc. (as successor in interest to Morgan Keegan Financial Products, Inc. (“RJFP”), (ii) the Replacement Transaction Agreement, dated as of August 7, 2008, among the City, RJFP, and Deutsche Bank AG, New York Branch, and (iii) the Credit Support Annex, dated as of August 7, 2008, between the City and Deutsche Bank AG, New York Branch.]

“Facility Fees” has the meaning specified in the Fee Agreement.

“Federal Funds Rate” means for any day (*provided* that if such day is not a Business Day, the Federal Funds Rate shall be the equal to the Federal Funds Rate for the immediately preceding

Business Day) the rate of interest per annum as determined by the Bank at which overnight Federal Funds are offered to the Bank for such day by major banks in the interbank market, with any change in such rate to become effective as to the City on the date of any change in such rate. Each determination of the Federal Funds Rate by the Bank shall be deemed conclusive and binding on the City absent manifest error. Notwithstanding anything herein to the contrary, if the Federal Funds Rate as determined as provided above would be less than zero percent (0.0%), then the Federal Funds Rate shall be deemed to be zero percent (0.0%).

“Fee Agreement” means that certain Second Amended and Restated Fee Agreement dated as of June [25], 2024 between the Bank and the City, as the same may be amended, supplemented, modified or restated from time to time in accordance with its terms.

“Fiscal Year” means the period from October 1 of any calendar year through September 30 of the following calendar year, or such other fiscal year of the City as may be established from time to time.

“Fitch” means Fitch Ratings, Inc., or any successor thereto.

“GAAP” means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board and all relevant pronouncements of the Governmental Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied. If any pronouncements of the Financial Accounting Standards Board or the Accounting Principles Board conflicts with or contradicts Governmental Accounting Standards Board pronouncements, Governmental Accounting Standards Board pronouncements shall prevail.

“Governmental Authority” means any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, tribunal, agency, bureau, court or entity (including the Federal Reserve Board, any central bank or any comparable authority), or any arbitrator with authority to bind a party at law.

“Gross Available Amount” means, as of any date with respect to the Letter of Credit, the Available Amount of such Letter of Credit without taking into account any temporary reductions thereto in effect on such date.

“Indebtedness” of any Person means and includes, as of any date as of which the amount thereof is to be determined, (i) all items (other than capital items such as surplus and fund balances, as well as reserves for taxes in respect of income deferred to the future and other deferred credits and reserves) which in accordance with GAAP (including, without limitation, capitalized leases, obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements, or other similar instruments) would be, included in determining total liabilities on the balance sheet of a Person as of such date, (ii) all obligations

which are secured by any Lien existing on Property owned by such Person, whether or not the obligations secured thereby shall have been assumed by any other Person, (iii) all obligations of such Person to purchase any materials, supplies or other Property, or to obtain the services of any other Person, if the relevant contract or other related document requires that payment for such materials, supplies or other Property, or for such services, shall be made regardless of whether or not delivery of such materials, supplies or other Property is ever made or tendered or such services are ever performed or tendered, (iv) all obligations of such Person under any Swap Contract, (v) the maximum amount of all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial) issued by or for the benefit of such Person, bankers' acceptances, bank guarantees, surety bonds and similar instruments and (vi) all guarantees by such Person for the payment of Indebtedness of others of the character described in (i) through (v) above.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Ineligible Bonds" means, Liquidity Provider Bonds, City Bonds or Bonds bearing interest at a rate other than the Weekly Rate.

"Interest Payment Date" has the same meaning herein as in the Ordinance.

"Interest Portion" has the meaning specified in Section 2.1 hereof.

"Internal Control Event" means a material weakness in, or fraud that involves management or other employees who have a significant role in, the internal controls over financial reporting of the City, in each case as described in the Securities Laws.

"Laws" means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"Lending Office" means the office or offices of the Bank in New York, New York, or such other office or offices as the Bank may from time to time notify the City.

"Letter of Credit" means the amended and restated irrevocable transferable letter of credit issued by the Bank for the account of the City in favor of the Paying Agent/Registrar supporting the Bonds, in the form of Appendix I to the First Amendment (a copy of which is attached hereto for purposes of convenience only), with appropriate insertions, as from time to time amended, supplemented, modified or restated pursuant to its terms.

"Lien" means any mortgage, lien, security interest, pledge, charge or encumbrance of any kind in respect of any Property, including the interests of a vender or lessor under any conditional sale, capitalized lease or other title retention arrangement.

“Liquidity Advance” has the meaning specified in Section 2.3(a) hereof.

“Liquidity Drawing” has the same meaning herein as in such Letter of Credit.

“Liquidity Facility” has the meaning set forth in Appendix A to the Ordinance.

“Liquidity Provider Bond Maximum Rate” has the meaning set forth in Appendix A to the Ordinance.

“Liquidity Provider Bonds” has the meaning set forth in the Ordinance.

“Material Adverse Effect” means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of the City relating to the enterprise funds of the City known as “Convention Center Hotel Occupancy Tax Fund” and “Convention Center/Waller Creek Venue Project Special Hotel Occupancy Tax Account”; (b) a material impairment of the ability of the City to perform its obligations under any Related Document to which it is a party; (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the City of any Related Document to which it is a party or the security or remedies of the Bank hereunder or under any other Related Document or (d) a material adverse effect on the ability to remarket any of the Bonds not resulting from a Downgrade or (e) a material adverse effect upon the collectability or enforceability of a material portion of the Security.

“Maximum Rate” means (i) as to Liquidity Provider Bonds, the Liquidity Provider Bond Maximum Rate, and (ii) as to any other Obligations (other than Liquidity Provider Bonds) an interest rate per annum equal to the maximum non-usurious rate of interest on the relevant obligation permitted by applicable Law per annum.

“Moody’s” means Moody’s Investors Service, Inc., or any successor thereto.

“Obligations” means the Liquidity Provider Bonds, the Liquidity Advances, the Term Loans, the Facility Fees, any and all Reimbursement Obligations and all other obligations of the City to the Bank arising under or in relation to this Agreement or any other Related Document.

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“Official Statement” means the [Secondary Market Information Circular] dated [____], 2024 relating to the Bonds.

“Ordinance” means that certain Ordinance No. 20080724-101 authorizing the issuance of the Bonds by the City of Austin, Texas dated as of July 24, 2008, as amended by Ordinance No. 20110623-084, Ordinance No. 20131121-043, Ordinance No. 20170831-013, Ordinance No. 20200827-070, and Ordinance No. 20210826-054, including any supplement thereto or amendment thereof hereafter entered into in accordance with the provisions thereof.

“Original Closing Date” means October 12, 2017.

“Original Stated Amount” has the meaning specified in Section 2.1 hereof.

“Other Bank Agreement” has the meaning specified in Section 6.17 hereof.

“Other Taxes” means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Related Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Related Document.

“Outstanding” has the same meaning herein as in the Ordinance.

“Owner” has the same meaning herein as the terms “Owner” and “Holder” have in the Ordinance.

“Parity Bonds” has the same meaning herein as in the Ordinance.

“Parity Obligation” has the same meaning herein as in the Ordinance.

“Participant” has the meaning specified in Section 8.6(b) hereof.

“Paying Agent/Registrar” means U.S. Bank National Association, as Paying Agent/Registrar under the Ordinance pursuant to the terms thereof and any successor paying agent/registrar thereunder.

“Paying Agent/Registrar Agreement” means that certain Paying Agent/Registrar Agreement dated as of July 24, 2008, as amended by a first amendment thereto dated July 27, 2011, each between the City and the Paying Agent/Registrar, as successor to Deutsche Bank Trust Company Americas, including any supplement thereto or amendment thereof hereafter entered into in accordance with the provisions hereof and thereof.

“Payment Office” means the Bank’s account at **[Citibank, N.A., New York, ABA Number: 021-000-089, F/O: Sumitomo Mitsui Banking Corporation, New York Branch, Account Number: 360-23-837, Attention: Trade Credit Services Dept., Reference: City of Austin, Texas Hotel Occupancy Tax Subordinate Lien Variable Rate Revenue Refunding Bonds, Series 2008 Subseries 2008B Bonds]**, or such other account as the Bank may designate from time to time.

“Person” means an individual, a corporation, a partnership, a limited partnership, an association, a limited liability company, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

“Pledged Revenues” has the meaning set forth in the Ordinance.

“Potential Default” means an event which but for the lapse of time or the giving of notice, or both, would constitute an Event of Default.

“Pricing Certificate” means that certain Pricing Certificate dated August 7, 2008, relating to the Bonds.

“Prime Rate” means on any day the rate of interest in effect for such day as publicly announced from time to time by the Bank as its “prime rate.” The “prime rate” is a rate set by the Bank based upon various factors including the Bank’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by the Bank shall take effect at the opening of business on the day specified in the public announcement of such change. Notwithstanding anything herein to the contrary, if the Prime Rate determined as provided above would be less than zero percent (0.0%), then the Prime Rate shall be deemed to be zero percent (0.0%).

“Property” means any and all right, title and interest of a Person in and to any and all property whether real or personal, tangible or intangible, and wherever situated.

“Purchase Notice” has the meaning specified in Section 2.3(g) hereof.

“Purchaser” has the meaning specified in Section 2.3(g) hereof.

“Rating Agency” means and includes any of Fitch, S&P or Moody’s.

“Reimbursement Obligations” means, collectively, any and all obligations of the City to reimburse the Bank for any drawings under the Letter of Credit and all obligations to repay the Bank for any Liquidity Advance or Term Loan including in each instance all interest accrued thereon.

“Related Documents” means this Agreement, the Letter of Credit, the Fee Agreement, the Bond Documents and any other exhibits, schedules, documents, agreements or instruments relating thereto, as the same may be amended, modified or supplemented in accordance with the terms thereof and hereof.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees and advisors of such Person and of such Person’s Affiliates.

“Remarketing Agent” means Banc of America Securities as successor to Merrill Lynch, Pierce, Fenner & Smith Incorporated, and its successors and assigns or any replacement remarketing agent appointed for the Bonds.

“Remarketing Agreement” means the Remarketing Agreement, dated as of August 1, 2008, between the Remarketing Agent and the City, as amended by a first amendment thereto dated July 27, 2011, and a second amendment thereto dated December 1, 2012, including any

supplement thereto or amendment thereof hereafter entered into in accordance with the provisions hereof and thereof.

“Responsible Officer” means the City Manager, the Chief Financial Officer, or the City Treasurer of the City, including any such person serving in an interim capacity for each such position. Any document delivered hereunder that is signed by a Responsible Officer of the City shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of the City and such Responsible Officer shall be conclusively presumed to have acted on behalf of the City.

“Risk-Based Capital Guidelines” means (a) the risk-based capital guidelines in effect in the United States of America, including transition rules, and (b) the corresponding capital regulations promulgated by regulatory authorities outside the United States of America including transition rules, and any amendment to such regulations.

“Sale Price” has the meaning set forth in Section 2.3(g) hereof.

“Sanctioned Country” means, at any time, any country or territory which is itself the subject or target of any comprehensive Sanctions.

“Sanctioned Person” means, at any time, (a) any Person or group listed in any Sanctions related list of designated Persons maintained by OFAC or the U.S. Department of State, the United Nations Security Council, His Majesty’s Treasury of the United Kingdom, the European Union or any EU member state, (b) any Person or group operating, organized or resident in a Sanctioned Country, (c) any agency, political subdivision or instrumentality of the government of a Sanctioned Country, or (d) any Person 50% or more owned, directly or indirectly, by any of the above.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State or (b) the United Nations Security Council, the European Union or His Majesty’s Treasury of the United Kingdom.

“S&P” means S&P Global Ratings Inc., and any successor thereto.

“Securities Laws” means the Securities Act of 1933, the Securities Exchange Act of 1934, Sarbanes-Oxley and the applicable accounting and auditing principles, rules, standards and practices promulgated, approved or incorporated by the Securities and Exchange Commission or the Public Company Accounting Oversight Board, as each of the foregoing may be amended and in effect on any applicable date hereunder.

“Security” means the Pledged Revenues and all other security pledged in favor of the Bonds and Parity Obligations pursuant to the terms of Part 5.01 of the Ordinance.

“SIFMA” means the Securities Industry and Financial Markets Association.

“SIFMA Rate” means, on any date, a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand obligations, published or made available by SIFMA or any Person acting in cooperation with or under the sponsorship of SIFMA and acceptable to the Bank and effective from such date. In the event SIFMA or any Person acting in cooperation with or under the sponsorship of SIFMA no longer produces an index satisfying the requirements of the preceding sentence, the SIFMA Rate (a/k/a, the “SIFMA Municipal Swap Index”) shall be deemed to be the S&P Municipal Bond 7 Day High Grade Rate Index, or if either such index is not available, such other similar national index as reasonably designated by the Bank. In the event that the SIFMA Rate is less than zero for any day, it shall be deemed to be zero for such day for purposes of this Agreement.

“State” means the State of Texas.

“Stated Expiration Date” has the same meaning herein as in the Letter of Credit.

“Swap Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto.

“Tender Agent” means U.S. Bank National Association, as Tender Agent under the Ordinance pursuant to the terms thereof and any successor tender agent thereunder.

“Tender Agent Agreement” means that certain Tender Agent Agreement dated as of July 24, 2008, as amended by a first amendment thereto dated July 27, 2011, and a second amendment thereto dated December 1, 2012, each between the City and the Tender Agent, as successor to Deutsche Bank Trust Company Americas, including any supplement thereto or amendment thereof hereafter entered into in accordance with the provisions hereof and thereof.

“Term Loan” has the meaning specified in Section 2.3(b) hereof.

“Term Loan Commencement Date” has the meaning specified in Section 2.3(b) hereof.

“Term Loan Maturity Date” means, with respect to any Term Loan, the earliest to occur of: (i) the date which is three (3) years following the date on which the related Liquidity Advance was made, (ii) the Stated Expiration Date, (iii) the date on which an Alternate Credit Facility or an Alternate Liquidity Facility becomes effective with respect to the Bonds, (iv) the date on which the Bonds mature or such earlier date on which the Bonds are redeemed in full, and (v) the date on which the Stated Amount is permanently reduced to zero or the Letter of Credit is otherwise terminated prior to the Stated Expiration Date, including as a result of the occurrence of an Event of Default.

“Term Loan Rate” means, for each date of determination with respect to all Term Loans made hereunder, a fluctuating rate per annum equal to the Base Rate plus two percent (2.00%); *provided, however* that immediately and automatically upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuance of such Event of Default, the “Term Loan Rate” means the Default Rate; *provided, further*, that (i) in no event shall the Bank Rate be less than the applicable rate on any Bonds which are not Liquidity Provider Bonds and (ii) subject to Section 2.12 hereof, in no event shall the Bank Rate exceed the Maximum Rate.

“Termination Date” has the same meaning herein as in such Letter of Credit.

“Weekly Mode” has the meaning set forth in Appendix A to the Ordinance.

“Weekly Rate” has the meaning set forth in Appendix A to the Ordinance.

Section 1.2. Other Interpretive Provisions. With reference to this Agreement and each other Related Document, unless otherwise specified herein or in such other Related Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Related Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Related Document), (ii) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (iii) the words “herein,” “hereof” and “hereunder,” and words of similar import when used in any Related Document, shall be construed to refer to such Related Document in its entirety and not to any particular provision thereof, (iv) all references in a Related Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Related Document in which such references appear, (v) any reference to any Law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such Law and any reference to any Law or regulation shall, unless otherwise specified, refer to such Law or

regulation as amended, modified or supplemented from time to time, and (vi) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including;” the words “to” and “until” each mean “to but excluding;” and the word “through” means “to and including.”

(c) Section headings herein and in the other Related Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Related Document.

(d) Defined terms used herein which are stated to have the meanings assigned in the Related Documents shall incorporate any amendments, restatements, supplements or other modifications to such terms.

Section 1.3. Accounting Terms.

(a) *Generally.* All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP (the “*Accounting Principles*”) applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein.

(b) *Changes in Accounting Principles.* If at any time any change in Accounting Principles would affect the computation of any financial ratio or requirement set forth in any Related Document, and either the City or the Bank shall so request, the Bank and the City shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in Accounting Principles (subject to the approval of the Bank); *provided* that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with Accounting Principles prior to such change therein and (ii) the City shall provide to the Bank financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in Accounting Principles.

Section 1.4. Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

ARTICLE TWO

LETTER OF CREDIT

Section 2.1. Issuance of the Letter of Credit. Upon the terms, subject to the conditions and relying upon the representations and warranties set forth in this Agreement or incorporated herein by reference, the Bank agrees to extend the Stated Expiration Date of the Letter of Credit on the Closing Date. The Letter of Credit was amended and restated and reissued in the original stated amount of [\$_____] (the “*Original Stated Amount*”), which is the sum of (i) the principal amount of the Bonds outstanding on the Closing Date plus (ii) interest thereon at 10% for a period of 48 days (the “*Interest Portion*”).

Section 2.2. Letter of Credit Drawings. The Paying Agent/Registrar is authorized to make drawings under the Letter of Credit in accordance with the terms thereof. No drawing shall be made under the Letter of Credit for the payment of principal or interest on Ineligible Bonds. The City hereby directs the Bank to continue to make payments under the Letter of Credit in the manner therein provided. The City hereby irrevocably continues to approve reductions and reinstatements of the Available Amount of the Letter of Credit as provided in the Letter of Credit. Upon honoring any Drawing, the Bank shall be deemed to have made a loan for the benefit of the City the proceeds of which shall be used by the Paying Agent/Registrar to pay the principal of and accrued interest on the Bonds in accordance with the terms of the Ordinance.

Section 2.3. Reimbursement of Liquidity Drawings under the Letter of Credit; Mandatory Redemption; Interest. (a) If the conditions precedent contained in Section 4.2 hereof are satisfied at the time of payment by the Bank of any Liquidity Drawing, such Liquidity Drawing paid under the Letter of Credit shall, at the time of drawing, constitute an advance (“*Liquidity Advance*”) to the City. The City promises to pay to the Bank the portion of each Liquidity Advance representing the interest component of the purchase price of the Bonds on the date of such Liquidity Drawing. The City promises to pay to the Bank the portion of each Liquidity Advance representing the principal component of the purchase price of the Bonds (or a pro rata portion thereof in the event of a partial remarketing or purchase of Bonds on the date specified in (iv) below), including interest thereon, on the earlier of (i) subject to Section 2.3(b) hereof, the Term Loan Commencement Date, (ii) the Conversion Date, (iii) the date on which the Bonds delivered to the Bank in connection with such Liquidity Drawing are redeemed pursuant to the Ordinance, (iv) the date on which such Bonds, or portions thereof, are remarketed or purchased by the City or sold by the Bank, in accordance with subsection (h) of this Section, or (v) the date on which the Letter of Credit is replaced by an Alternate Credit Facility or Alternate Liquidity Facility in accordance with the terms of Section 2.7 hereof. The City promises to pay to the Bank interest on the unpaid principal amount of each Liquidity Advance from the date such Liquidity Advance is made until such Liquidity Advance is paid in full as provided herein, at a rate per annum equal to the Bank Rate from time to time in effect, payable in arrears. Such interest shall be payable by the City monthly on the fifteenth day of each calendar month (and if such day is not a Business Day or the next succeeding Business Day) and on the date on which such Liquidity Advance is payable in full as provided herein. Any Liquidity Advance not paid when due shall bear interest at the Default Rate; *provided, however*, that, subject to Section 2.12 hereof, in no event shall the Default Rate exceed the Maximum Rate.

(b) If on the ninety-first (91st) cumulative day following the date that any Liquidity Advance is made (the "*Term Loan Commencement Date*"), the conditions precedent set forth in Section 4.2 hereof are satisfied, the principal amount of any Liquidity Advance that represented the principal component of the purchase price of the Bonds for which such Liquidity Advance was made, originating or outstanding on the related Term Loan Commencement Date shall immediately convert into a term loan (the "*Term Loan*"). The principal of each Term Loan is payable by the City in equal quarterly installments, on the corresponding date in every third month occurring after the Term Loan Commencement Date; *provided* that the unpaid principal amount of all outstanding Term Loans shall be payable by the City in full on the related Term Loan Maturity Date. The City promises to pay to the Bank interest on the unpaid principal amount of each Term Loan from the date such Term Loan is made until such Term Loan is paid in full as provided herein, at a rate per annum equal to the Term Loan Rate from time to time in effect, payable in arrears. Such interest shall be payable by the City monthly on the fifteenth day of each calendar month (and if such day is not a Business Day or the next succeeding Business Day) and on the date on which such Term Loan is payable in full as provided herein. Any Term Loan not paid when due shall bear interest at the Default Rate.

(c) Any Liquidity Advance or Term Loan created pursuant to paragraph (a) or (b) above may be prepaid in whole or in part at any time without premium or penalty on any Business Day.

(d) Upon the honoring by the Bank of any Liquidity Drawing under the Letter of Credit, the Bank shall be deemed to have made a loan to the Paying Agent/Registrar the proceeds of which shall be used to purchase the Bonds in respect of which such Liquidity Drawing was made and such Bonds shall be delivered to the Bank for the account of the Bank as provided in Appendix A of the Ordinance and in the Custody Agreement and shall constitute Liquidity Provider Bonds. During such time as the Bank is the holder of any Bonds, the Bank shall have all of the rights granted to an Owner under the Ordinance and such additional rights as may be granted to the Bank hereunder. The obligations of the City to pay each Liquidity Advance and Term Loan shall be satisfied by the payments of principal and interest on the Bonds which were delivered in respect of such Liquidity Advance, according to their terms, the terms of the Ordinance, and the terms hereof. To the extent the Bank or any Bank Bondowner actually receives payment in respect of principal of or interest on any Bond held by the Bank, including pursuant to subsection (e) or (f) below, the Liquidity Advance or Term Loan, as applicable, made in connection with the purchase of such Bond shall be deemed to have been reduced *pro tanto*, with the Bank crediting any interest payment on the Bond received by the Bank first to the payment of interest on such Liquidity Advance or Term Loan and then to the payment of principal thereof and crediting any principal repayment received to the principal thereof. Notwithstanding anything contained herein to the contrary, subject to Section 2.12 hereof, the interest rate on Liquidity Provider Bonds shall not exceed the Liquidity Provider Bond Maximum Rate (as deemed in the Ordinance).

(e) The principal amount of each Liquidity Advance and Term Loan, together with all accrued and unpaid interest thereon, shall be prepaid in full by the City on the earliest of (i) the occurrence of the Termination Date of the Letter of Credit for any reason other than the occurrence of the Stated Expiration Date, (ii) the Conversion Date, (iii) the date on which such Bonds are to be redeemed pursuant to the Ordinance, (iv) the date on which the Letter of Credit is replaced by an Alternate Liquidity Facility or Alternate Credit Facility in accordance with the terms of

Section 2.7 hereof or (v) the related Term Loan Maturity Date, by paying, or causing to be paid, to the Bank in immediately available funds an amount equal to the aggregate unpaid principal of and accrued interest on the related Liquidity Provider Bonds.

(f) The Bank expressly reserves the right to sell, at any time, Liquidity Provider Bonds subject, however, to the express terms of this Agreement. The Bank agrees that such sales (other than sales made pursuant to subsection (h) of this Section) will be made only to institutional investors or other entities or individuals which customarily purchase commercial paper or tax-exempt securities in large denominations. The Bank agrees to notify the City, the Paying Agent/Registrar and the Remarketing Agent promptly of any such sale (other than a sale made pursuant to subsection (h) of this Section) and, if such Liquidity Provider Bond is a Book Entry Bond, of the account at DTC to which such Liquidity Provider Bond is to be credited; and to notify the transferee in writing that such Liquidity Provider Bond is no longer supported by the Letter of Credit so long as it remains a Liquidity Provider Bond and that there may not be a credit rating assigned to such Liquidity Provider Bond based upon the Bank's Letter of Credit by a Rating Agency so long as it remains a Liquidity Provider Bond. Any Bank Bondowner purchasing a Liquidity Provider Bond from the Bank shall execute an instrument to be delivered to the Bank in which such Bank Bondowner agrees (i) not to sell such Liquidity Provider Bond to any Person except the Bank or a Purchaser (as hereinafter defined) identified by the Remarketing Agent pursuant to Section 2.3(g) hereof, (ii) if such Liquidity Provider Bond is a Book Entry Bond, to give all notices in the manner and by the time required by DTC to exclude such Liquidity Provider Bond from mandatory purchases of Bonds while it remains a Liquidity Provider Bond and (iii) such Bank Bondowner has no right to tender the Liquidity Provider Bond except as provided herein. Upon request of the City, the Bank agrees to provide the City with a copy of such instrument executed by a Bank Bondowner.

(g) Prior to 2:00 p.m. on any Business Day on which a Bank Bondowner holds Liquidity Provider Bonds, unless the Bank has delivered a notice of a mandatory tender or acceleration under Section 7.2(b) hereof, the Remarketing Agent may deliver a notice (a "*Purchase Notice*") to a Bank Bondowner as registered on the registration records kept by the Paying Agent/Registrar and to the Bank stating that it has located a purchaser (the "*Purchaser*") for some or all of such Liquidity Provider Bonds and that such Purchaser desires to purchase, on the second Business Day following the Business Day on which a Bank Bondowner receives, prior to 12:00 noon, a Purchase Notice (a "*Sale Date*"), an authorized denomination of such Bonds at a price equal to the principal amount thereof, plus any accrued interest thereon to be paid on the Sale Date hereof (calculated as if such Bonds were not Liquidity Provider Bonds) (the "*Sale Price*").

(h) A Bank Bondowner shall decide whether to sell any Liquidity Provider Bonds owned by it to any Purchaser and shall give notice of such decision to the City and the Remarketing Agent by 2:00 p.m. on the Business Day preceding the Sale Date. In the event such notice is not timely delivered by a Bank Bondowner, such Bank Bondowner shall be deemed to have determined to sell such Liquidity Provider Bonds to a Purchaser on the Sale Date (subject to receipt by it of the funds called for by the next following sentence). If a Bank Bondowner determines or is deemed to have determined to sell such Liquidity Provider Bonds to a Purchaser, such Bank Bondowner shall deliver such Liquidity Provider Bonds to the Paying Agent/Registrar (or, in the case of Liquidity Provider Bonds which are Book Entry Bonds, shall cause the beneficial ownership

thereof to be credited to the account of the Remarketing Agent at DTC) by 10:00 a.m. on the Sale Date against receipt of the Sale Price therefor in immediately available funds in the Bond Fund or at the Bank Bondowner's address listed in the registration records kept by the Paying Agent/Registrar, and such Liquidity Provider Bonds shall thereupon no longer be considered Liquidity Provider Bonds; and as provided in the Ordinance, such Liquidity Provider Bonds shall be deemed to have been delivered and such Bonds shall no longer be considered Liquidity Provider Bonds. When Liquidity Provider Bonds are purchased in accordance with this subsection (h), the Paying Agent/Registrar shall, upon receipt of such Liquidity Provider Bonds and upon receipt by such Bank Bondowner of the Sale Price, notify the City that such Bonds are no longer Liquidity Provider Bonds. Any sale of a Liquidity Provider Bond pursuant to this subsection (h) shall be without recourse to the seller and without representation or warranty of any kind. If a Bank Bondowner notifies the Paying Agent/Registrar and the Remarketing Agent, as provided in the first sentence of this subsection (h), that it will not sell its Liquidity Provider Bonds, the Paying Agent/Registrar shall notify the City, the Remarketing Agent, the Bank and such Bank Bondowner that as of the Sale Date such Bond or Bonds shall no longer constitute Liquidity Provider Bonds, and such Bonds shall be deemed to have been remarketed and no longer constitute Liquidity Provider Bonds and the Available Amount of the Letter of Credit shall be appropriately increased.

(i) Notwithstanding anything contained in this Agreement to the contrary, the City shall purchase or redeem Liquidity Provider Bonds on each date on which the City is required to make a principal payment on the corresponding Liquidity Advance and/or Term Loan, as applicable, in a principal amount equal to the amount of such Liquidity Advance and/or Term Loan, as applicable, so payable due on such date. The City shall pay interest on the Liquidity Provider Bonds on each date on which the City is required to make an interest payment with respect to the corresponding Liquidity Advance and/or Term Loan, as applicable. The payment of the principal of and interest on the Liquidity Provider Bonds shall constitute payment of the principal of and interest on the related Liquidity Advance and/or Term Loan, as applicable, and the payment of the principal of and interest on the Liquidity Advance and/or Term Loan, as applicable, shall constitute the payment of and principal and interest on the related Liquidity Provider Bonds and the failure to make any payment on any Liquidity Advance and/or Term Loan, as applicable, when due shall be a failure to make a payment on the related Liquidity Provider Bonds and the failure to make any payment on the Liquidity Provider Bonds when due shall be a failure to make a payment on the related Liquidity Advance and/or Term Loan, as applicable.

Section 2.4. Reimbursement of Drawings Other than Liquidity Drawings Creating Liquidity Advances under the Letter of Credit. The City agrees to immediately reimburse (or cause to be immediately reimbursed) the Bank for the full amount of any Liquidity Drawing (but only if the conditions precedent contained in Section 4.2 hereof are not satisfied on the date of payment by the Bank of such Liquidity Drawing) and all other Drawings made under the Letter of Credit on the date of payment of each such Drawing. If the City does not make such reimbursement on such date, the Reimbursement Obligation of the City shall bear interest at the Default Rate, payable on demand; *provided, however*, that, subject to Section 2.12 hereof, in no event shall the Default Rate exceed the Maximum Rate.

Section 2.5. Fees. The City hereby agrees to perform the obligations provided for in the Fee Agreement, including, without limitation, the payment of any and all fees and expenses

provided for therein and on the dates and in the amounts provided for therein. The terms and provisions of the Fee Agreement are incorporated herein by reference as if fully set forth herein. References in this Agreement to obligations and amounts payable under this Agreement shall be deemed to include all amounts and obligations (including without limitation any fees and expenses) payable under the Fee Agreement, and any reference to this Agreement shall be deemed to include a reference to the Fee Agreement. All fees paid under this Agreement and the Fee Agreement will be fully earned when due and nonrefundable when paid, absent manifest error in the amount paid. The Fee Agreement and this Agreement shall be construed as one agreement between the City and the Bank and all obligations under the Fee Agreement shall be construed as obligations hereunder.

Section 2.6. Method of Payment, Etc. (a) All payments to be made by the City under this Agreement shall be made to the Bank at the Payment Office not later than 3:00 p.m. on the date when due and shall be made in lawful money of the United States of America and in immediately available funds.

(b) All payments under this Agreement shall be made in immediately available and freely transferable funds at the place of payment without counterclaim, setoff, condition or qualification and free and clear of and without deduction or withholding for or by reason of any present or future taxes, levies, imposts, deductions or charges of any nature whatsoever. In the event that the City is compelled by Law to make any such deduction or withholding, the City shall nevertheless pay to the Bank such amounts as will result in the receipt by the Bank of the sum it would have received had no such deduction or withholding been required to be made.

Section 2.7. Termination of Letter of Credit; Substitute Letter of Credit. Notwithstanding any provisions of this Agreement to the contrary, the City agrees not to terminate this Agreement or the Letter of Credit, including, without limitation, in connection with Section 8.23 and/or 8.24 hereof, except upon (i) the payment by the City to the Bank of any amounts payable under the Fee Agreement, (ii) the payment to the Bank of all Obligations payable hereunder and under the Fee Agreement and (iii) the City providing the Bank, with thirty (30) days (or such shorter period with the prior written consent of the Bank or as required by Law) prior written notice of its intent to terminate this Agreement and the Letter of Credit; *provided* that all payments to the Bank referred to in clause (i) and (ii) above shall be made with immediately available funds; *provided further, however,* that any such termination of this Agreement or the Letter of Credit shall be in compliance with the terms and conditions of the Ordinance. The City agrees that any termination of the Letter of Credit as a result of the provision of any Alternate Credit Facility or Alternate Liquidity Facility will require, as a condition thereto, that the City or the issuer of any Alternate Credit Facility or Alternate Liquidity Facility will provide funds on the date of such termination or provision, which funds will be sufficient to pay in full at the time of termination of such Letter of Credit all Obligations due and owing to the Bank hereunder.

Section 2.8. Computation of Fees and Interest; Default Rate. (a) All computations of fees payable under this Agreement shall be made on the basis of a three hundred sixty (360) day year and actual days elapsed. All computations of interest payable under this Agreement shall be computed on the basis of a year of 365 or 366 days, as applicable, and actual days elapsed. Interest and fees shall accrue during each period during which interest or fees, as applicable, is computed

from and including the first day thereof to but excluding the last day thereof. Each determination by the Bank of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(b) If any amount payable by the City hereunder or under the Fee Agreement is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate (but, subject to Section 2.12 hereof, in no event exceed the Maximum Rate) to the fullest extent permitted by applicable Laws.

Section 2.9. Payment Due on Non-Business Day to Be Made on Next Business Day. If any sum becomes payable pursuant to this Agreement on a day which is not a Business Day, the date for payment thereof shall be extended, without penalty, to the next succeeding Business Day, and such extended time shall be included in the computation of interest and fees.

Section 2.10. Source of Funds. All payments made by the Bank pursuant to the Letter of Credit shall be made from funds of the Bank and not from any other Person.

Section 2.11. Evidence of Debt. The Drawings, Liquidity Advances and Term Loans made by the Bank to the City shall be evidenced by one or more accounts or records maintained by the Bank in the ordinary course of business. The accounts or records maintained by the Bank shall be conclusive absent manifest error of the amount of the Drawings, Liquidity Advances and Term Loans made by the Bank to the City and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the City hereunder to pay any amount owing with respect to the Obligations.

Section 2.12. Recapture. If the rate of interest payable hereunder or under the Fee Agreement shall exceed the Maximum Rate for any period for which interest is payable, then (i) interest at the Maximum Rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof and of the Fee Agreement (without regard to any limitation otherwise imposed by the Maximum Rate) and (B) the Maximum Rate (the "*Excess Interest*"), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof and of the Fee Agreement (without regard to any limitation otherwise imposed by the Maximum Rate) ceases to exceed the Maximum Rate, at which time the City shall pay to the Bank to the extent permitted by Law at that time, with respect to amounts then payable to the Bank that are required to accrue interest hereunder and under the Fee Agreement, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Bank to equal the Maximum Rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder and under the Fee Agreement until all deferred Excess Interest is fully paid to the Bank. Upon the termination of the Letter of Credit and this Agreement, in consideration for the limitation of the rate of interest otherwise payable hereunder and under the Fee Agreement, the City shall pay to the Bank a fee equal to the amount of all deferred Excess Interest; *provided, however*, that such fee may only be recovered to the extent such fee does not cause the net effective interest rate on the Liquidity Provider Bonds to exceed the Maximum Rate.

Section 2.13. Reserved.

Section 2.14. Reserved.

Section 2.15. Security. The Bonds, the Liquidity Provider Bonds and the other Obligations of the City hereunder are secured by an irrevocable Lien on and pledge of, and are payable solely from the Security; and such Lien and pledge of the Security shall be (i) *pari passu* with the Lien on the Security granted in support of the Parity Obligations under the Ordinance and (ii) prior in right and claim as to any other indebtedness, liability or obligation (other than Parity Obligations) of the City payable from the Security. The Bonds, the Liquidity Provider Bonds and the other Obligations constitute Parity Bonds or Parity Obligations, as applicable, under the Ordinance. The Letter of Credit constitutes a Direct-Pay Liquidity Facility, a Liquidity Facility and a Credit Facility for purposes of the Ordinance. The Bank constitutes a Liquidity Facility Provider and a Credit Facility Provider for purposes of the Ordinance. This Agreement constitutes a Reimbursement Agreement for purposes of the Ordinance.

Section 2.16. Obligations Absolute. The obligations of the City under this Agreement and the other Related Documents shall be unconditional and irrevocable and shall be paid and performed strictly in accordance with the terms of this Agreement and the other Related Documents under all circumstances, including, without limitation, the following:

- (a) any lack of validity or enforceability of this Agreement, the Bonds or any of the other Related Documents;
- (b) any amendment or waiver of or any consent to departure from all or any of the Related Documents; or
- (c) the existence of any claim, set-off, defense or other right which the City may have at any time against the Bank, any other Bank Bondowner or any other Person, whether in connection with this Agreement, the other Related Documents, the transactions contemplated herein or therein or any unrelated transaction.

Notwithstanding the foregoing, the Bank acknowledges that the City may have the right to bring a collateral action with respect to one or more of the foregoing circumstances. The City's obligations under this Agreement and the other Related Documents shall remain in full force and effect pending the disposition of any such action.

ARTICLE THREE

TAXES AND YIELD PROTECTION AND ILLEGALITY

Section 3.1. Taxes.

- (a) *Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.*
- (i) Any and all payments by or on account of any obligation of the City hereunder or under any

other Related Document shall to the extent permitted by applicable Laws be made free and clear of and without reduction or withholding for any Taxes. If, however, applicable Laws require the City or the Bank to withhold or deduct any Tax, such Tax shall be withheld or deducted in accordance with such Laws as determined by the City or the Bank, as the case may be, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.

(ii) If the City or the Bank shall be required by the Code to withhold or deduct any Taxes, including both United States Federal backup withholding and withholding taxes, from any payment, then (A) the Bank shall withhold or make such deductions as are determined by the Bank to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) the Bank shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the Code, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes or Other Taxes, the sum payable by the City shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section) the Bank receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) *Payment of Other Taxes by the City.* Without limiting the provisions of subsection (a) above, the City shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Laws.

(c) *Tax Indemnifications.* (i) Without limiting the provisions of subsection (a) or (b) above, the City shall, and does hereby to the extent permitted by the Laws of the State, indemnify the Bank and shall make payment in respect thereof within ten (10) days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) withheld or deducted by the City or the Bank or paid by the Bank, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of any such payment or liability delivered to the City by the Bank shall be conclusive absent manifest error.

(ii) Without limiting the provisions of subsection (a) or (b) above, the Bank shall, and does hereby, indemnify the City, and shall make payment in respect thereof within ten (10) days after written demand therefor, against any and all Taxes and any and all related losses, claims, liabilities, penalties, interest and expenses (including the fees, charges and disbursements of any counsel for the City) incurred by or asserted against the City by any Governmental Authority as a result of the failure by the Bank to deliver, or as a result of the inaccuracy, inadequacy or deficiency of, any documentation required to be delivered by the Bank to the City pursuant to subsection (e). The agreements in this clause (ii) shall survive any assignment of rights by, or the replacement of, the Bank, the termination of the Letter of Credit and the repayment, satisfaction or discharge of all other Obligations.

(d) *Evidence of Payments.* Upon request by the City or the Bank, as the case may be, after any payment of Taxes by the City or by the Bank to a Governmental Authority as provided

in this Section 3.1, the City shall deliver to the Bank or the Bank shall deliver to the City, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Laws to report such payment or other evidence of such payment reasonably satisfactory to the City or the Bank, as the case may be.

(e) *Status of Bank; Tax Documentation.* (i) The Bank shall deliver to the City, at the time or times prescribed by applicable Laws or when reasonably requested by the City, such properly completed and executed documentation prescribed by applicable Laws or by the taxing authorities of any jurisdiction and such other reasonably requested information as will permit the City, to determine (A) whether or not payments made hereunder or under any other Related Document are subject to Taxes, (B) if applicable, the required rate of withholding or deduction, and (C) the Bank's entitlement to any available exemption from, or reduction of, applicable Taxes in respect of all payments to be made to the Bank by the City pursuant to this Agreement or otherwise to establish the Bank's status for withholding tax purposes in the applicable jurisdiction;

(ii) Without limiting the generality of the foregoing, if the City is a resident for tax purposes in the United States, the Bank shall deliver to the City executed originals of Internal Revenue Service Form W-9 or such other documentation or information prescribed by applicable Laws or reasonably requested by the City as will enable the City to determine whether or not the Bank is subject to backup withholding or information reporting requirements; and

(iii) The Bank shall promptly (A) notify the City of any change in circumstances which would modify or render invalid any claimed exemption or reduction, and (B) take such steps as shall not be materially disadvantageous to it, in the reasonable judgment of the Bank, and as may be reasonably necessary (including the re-designation of its Lending Office) to avoid any requirement of applicable Laws of any jurisdiction that the City or the Bank make any withholding or deduction for taxes from amounts payable to the Bank.

(f) *Treatment of Certain Refunds.* If the Bank determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the City or with respect to which the City has paid additional amounts pursuant to this Section, it shall pay to the City an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the City under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses incurred by the Bank and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), *provided* that the City, upon the request of the Bank, agrees to repay the amount paid over to the City (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Bank in the event the Bank is required to repay such refund to such Governmental Authority. This subsection shall not be construed to require the Bank to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the City or any other Person.

Section 3.2. Increased Costs.

(a) *Increased Costs Generally.* If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, liquidity ratio, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, the Bank or any Participant;

(ii) subject the Bank or any Participant to any Taxes of any kind whatsoever with respect to this Agreement or the other Related Documents, or any Liquidity Advance or Term Loan made by it, or change the basis of taxation of payments to the Bank in respect thereof (except for Indemnified Taxes or Other Taxes covered by Section 3.1 and the imposition of, or any change in the rate of, any Excluded Tax payable by the Bank); or

(iii) impose on the Bank or any Participant any other condition, cost or expense affecting this Agreement or the other Related Documents or participation therein;

and the result of any of the foregoing shall be to increase the cost to the Bank or such Participant with respect to this Agreement or the other Related Documents or of the Bank of making or maintaining any Liquidity Advance or Term Loan (or of maintaining its obligation to make any Liquidity Advance or Term Loan), or to increase the cost to the Bank or such Participant of issuing or maintaining the Letter of Credit (or of maintaining its obligation to participate in or to issue the Letter of Credit), or to reduce the amount of any sum received or receivable by the Bank or such Participant hereunder (whether of principal, interest or any other amount) then, upon request of the Bank, the City shall pay, to the extent permitted by Law, to the Bank, as the case may be, such additional amount or amounts as will compensate the Bank or such Participant, as the case may be, for such additional costs incurred or reduction suffered. The Bank's parent or holding company or any corporation controlling the Bank shall have the same rights and benefits against the City under this Section 3.2(a) as it would have had if such parent or holding company or any corporation controlling the Bank were the Bank hereunder; *provided*, that increased costs incurred by the Bank's parent or any corporation controlling the Bank shall be without duplication of any increased costs incurred by the Bank.

(b) *Capital or Liquidity Requirements.* If the Bank or any Participant determines that any Change in Law affecting the Bank or any Participant or any Lending Office of the Bank or the Bank's or such Participant's parent or holding company, if any, regarding capital or liquidity requirements has or would have the effect of either (A) affecting the amount of capital or liquidity required or expected to be maintained by the Bank or such Participant or the Bank's or such Participant's parent or holding company, or (B) reducing the rate of return on the Bank's or such Participant's capital or liquidity or on the capital or liquidity of the Bank's or such Participant's parent or holding company, if any, as a consequence of this Agreement or any Liquidity Advance or Term Loan made by the Bank, or the Letter of Credit issued by the Bank, to a level below that which the Bank or such Participant or the Bank's or such Participant's parent or holding company could have achieved but for such Change in Law (taking into consideration the Bank's or such Participant's policies and the policies of the Bank's or such Participant's parent or holding

company with respect to capital and liquidity adequacy), then from time to time the City shall pay, to the extent permitted by Law, to the Bank, as the case may be, such additional amount or amounts as will compensate the Bank or the Bank's or such Participant's parent or holding company for any such reduction suffered.

(c) *Certificates for Reimbursement.* A certificate of the Bank or a Participant setting forth in reasonable detail the amount or amounts necessary to compensate the Bank or any such Participant or the Bank's or any such Participant's or its parent or holding company, as the case may be, and the basis for the calculation of such amount or amounts as specified in subsection (a) or (b) of this Section and delivered to the City shall be conclusive as to such amount or amounts absent manifest error. The City shall pay the Bank or any such Participant, as the case may be, the amount shown as due on any such certificate within 60 days after receipt thereof.

(d) *Delay in Requests.* Failure or delay on the part of the Bank or any such Participant to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of the Bank's or such Participant's right to demand such compensation; *provided* that the City shall not be required to compensate the Bank or any such Participant pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that the Bank or any such Participant, as the case may be, notifies the City of the Change in Law giving rise to such increased costs or reductions and of the Bank's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

Section 3.3. Mitigation Obligations. If the Bank or any Participant requests compensation under Section 3.2, or the City is required to pay any additional amount to the Bank or any Participant, or any Governmental Authority for the account of the Bank or any Participant pursuant to Section 3.1, then the Bank or such Participant shall, as applicable, use reasonable efforts to designate a different Lending Office for funding or booking its Liquidity Advances or Term Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of the Bank or any Participant, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.1 or 3.2, as the case may be, in the future, and (ii) in each case, would not subject the Bank or such Participant, to any unreimbursed cost or expense and would not otherwise be disadvantageous to the Bank or such Participant. The City hereby agrees to pay all reasonable costs and expenses incurred by the Bank or any Participant in connection with any such designation or assignment.

Section 3.4. Survival. Without prejudice to the survival of any other agreement of the City hereunder, all of the City's obligations under this Article Three shall survive termination of the Letter of Credit and repayment of all other Obligations hereunder.

ARTICLE FOUR

CONDITIONS PRECEDENT

Section 4.1. Conditions Precedent to Extension of the Stated Expiration Date of the Letter of Credit on the Closing Date. As conditions precedent to the obligation of the Bank to extend the Stated Expiration Date of the Letter of Credit on the Closing Date:

(a) the City shall provide to the Bank on the Closing Date, in form and substance satisfactory to the Bank and its special counsel, Chapman and Cutler LLP:

(i) the written opinion of Norton Rose Fulbright US LLP, bond counsel to the City, dated the Closing Date, covering the due authorization, execution, delivery and enforceability of this Agreement, the Fee Agreement and the Ordinance, no adverse effect on the tax-exempt status of interest on the Bonds and such other customary matters as the Bank may reasonably request, including, without limitation, valid security interest and pledge opinions;

(ii) a certificate, signed by a duly authorized officer of the City, dated the Closing Date, stating that on the Closing Date:

(1) the representations and warranties of the City contained in Article Five hereof and in the Related Documents to which the City is a party are true and correct on and as of the Closing Date as though made on such date except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and except that for purposes of the certificate, the representations and warranties contained in Section 5.5 of this Agreement shall be deemed to refer to the most recent statements furnished pursuant to Section 6.1(a) of this Agreement;

(2) no Event of Default has occurred and is continuing, or would result from the extension of the Stated Expiration Date of the Letter of Credit on the Closing Date or the execution, delivery and performance of this Agreement, and no event has occurred and is continuing which would constitute an Event of Default but for the requirement that notice be given or time elapse or both;

(3) all conditions precedent to the extension of the Stated Expiration Date of the Letter of Credit on the Closing Date set forth in this Section 4.1 to be performed or provided by the City have been satisfied; and

(4) other than as disclosed in writing to the Bank prior to the Closing Date, there has been no event or circumstance since September 30, 2023, that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect.

(iii) executed originals of this Agreement, the Fee Agreement and the Custody Agreement, a specimen copy of the Bonds and certified copies of the other Bond Documents;

(iv) evidence of due authorization, execution and delivery by the parties thereto of the Related Documents, which Related Documents shall be in form and substance satisfactory, to the Bank and its special counsel;

(v) a copy of a resolution or ordinance of the City Council of the City, certified as of May 2, 2024, by a Responsible Officer of the City or the City Clerk authorizing, among other things, the execution, delivery and performance by the City of this Agreement and the other Related Documents or amendments thereto, as applicable, required to be delivered on the Closing Date by the City;

(vi) true and correct copies of all governmental approvals necessary for the City to enter into this Agreement and the transactions contemplated by this Agreement;

(vii) a certificate of a Responsible Officer of the City certifying the names, titles, offices and signatures of the officers of the City authorized to sign this Agreement, the Related Documents to which it is a party and the other documents to be delivered by it hereunder or thereunder;

(viii) written confirmation (which may include existing information) that (A) a CUSIP Number has been obtained from Standard and Poor's CUSIP Services for the Liquidity Provider Bonds, (B) a long-term rating of at least "Aa3" has been obtained for the Liquidity Provider Bonds (and its related CUSIP number) from Moody's and (C) any additional documentation the Bank may request that will allow the Liquidity Provider Bonds to be pledged as collateral to the federal banking regulators;

(ix) evidence satisfactory to the Bank that the outstanding Bonds have been assigned, unenhanced long-term ratings of at least "AA-" by S&P and "Aa3" by Moody's, respectively; and

(x) if requested by the Bank, a copy of the City's investment policy, guidelines and permitted investments, each in form and substance satisfactory to the Bank;

(xi) the Bank shall have determined (in its sole discretion) that no material adverse change in the ratings, financial condition, business, assets, liabilities or prospects of the City shall have occurred since September 30, 2023, except as disclosed in writing by the City to the Bank prior to the Closing Date or as disclosed in the Official Statement, which would be reasonably likely to result in a Material Adverse Effect;

(xii) evidence satisfactory to the Bank that the Pledged Revenues collected by the City in Fiscal Year 2023 are tracking the expected amount (or are greater than such expected amount) for Fiscal Year 2024 as set forth in the City's five year financial plan released on [____], 202[]; and

(xiii) such other documents, certificates and opinions as the Bank or its special counsel may reasonably request;

(b) the Bank shall have received from the City the fees due and payable on the Closing Date pursuant to the Fee Agreement;

(c) no Law, regulation, ruling or other action of the United States, the State or the State of New York or any political subdivision or authority therein or thereof shall be in effect or shall have occurred, the effect of which would be to prevent the Bank from fulfilling their respective obligations under this Agreement;

[(d) the City shall deliver to the Bank evidence satisfactory to the Bank that the City has complied with all of its obligations under Texas Government Code Section 2252.908 as such obligations relate to this Agreement;]

(e) *Reserved*; and

(f) all legal requirements provided herein incident to the execution, delivery and performance of the Related Documents, and the transactions contemplated thereby, shall be reasonably satisfactory to the Bank and its special counsel.

Section 4.2. Conditions Precedent to Liquidity Advances and Term Loan. Following any payment by the Bank under the Letter of Credit pursuant to a Liquidity Drawing, a Liquidity Advance and the related Term Loan shall be made available to the City only if on the date of payment of such Liquidity Drawing by the Bank or on the Term Loan Commencement Date, as applicable, the following statements shall be true:

(a) the representations and warranties of the City contained in Article Five of this Agreement and in the other Related Documents to which the City is a party are true and correct on and as of the date of such payment as though made on and as of such date except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date; and

(b) no event has occurred and is continuing, or would result from such payment or conversion, as applicable, which constitutes a Potential Default or Event of Default.

Unless the City shall have previously advised the Bank in writing that one or both of the above statements is no longer true, the City shall be deemed to have represented and warranted on the date of such payment that both of the above statements are true and correct.

ARTICLE FIVE

REPRESENTATIONS AND WARRANTIES

The City represents and warrants as of the Closing Date (and such representations and warranties shall also be deemed to be remade at the time of each drawing under the Letter of Credit and as required by Sections 2.3 and 4.2 hereof) that:

Section 5.1. Existence, Qualification and Power; Compliance with Laws. The City (a) is duly organized and validly existing under the provisions of the Constitution and Laws of the State, and (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its governmental purposes and (ii) execute, deliver and perform its obligations under the Related Documents to which it is a party.

Section 5.2. Authorization; No Contravention. The City has taken all necessary corporate action to authorize this Agreement and the other Related Documents to which it is a party, to execute and deliver this Agreement and each of the other Related Documents to which it is a party, and to perform its obligations under this Agreement and the other Related Documents in accordance with their respective terms. All Governmental Approvals necessary for the City to enter into this Agreement and the other Related Documents and to perform the transactions contemplated hereby and thereby have been obtained and remain in full force and effect and are subject to no further administrative or judicial review. The execution, issuance and delivery of, and performance by the City of its obligations under, this Agreement and the Related Documents and any and all instruments or documents required to be executed in connection herewith or therewith, did not, at the time of their execution, issuance and delivery if other than the Closing Date, and will not, from and including the Closing Date, violate any provision of any applicable Law, regulation, decree or governmental authorization, and did not, at the time of their execution, issuance and delivery if other than the Closing Date, and will not, from and including the Closing Date, violate or cause a default under any provision of any contract, agreement, mortgage, indenture or other undertaking to which it is a party or which is binding upon it or any of its Property or assets securing its Obligations under this Agreement.

Section 5.3. Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the City of this Agreement or any other Related Document, which approval, consent, exemption or authorization has not been obtained, which action has not been taken or which notice or filing has not been made.

Section 5.4. Binding Effect. This Agreement and the Related Documents have been duly executed, issued and delivered by the City and constitute valid and legally binding obligations of the City, which obligations are enforceable against the City in accordance with their respective terms, and each of the Related Documents were, if executed, issued and delivered prior to the Closing Date, are or will be, from and after the Closing Date, in full force and effect. The Bonds have been duly issued, executed and delivered in conformity with the Ordinance, and constitute

legal, valid and binding obligations of the City, enforceable in accordance with their terms, except as such enforceability may be limited by applicable reorganization, insolvency, liquidation, readjustment of debt, moratorium or other similar Laws affecting the enforcement of the rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and entitled to the benefit and security of the Ordinance.

Section 5.5. Financial Statements; No Material Adverse Effect. The Audited Financial Statements all examined and reported by nationally recognized independent certified public accountants, as heretofore delivered to the Bank, correctly and fairly present the financial condition of the City as of said dates and the results of the operations of the City for each such periods, respectively, and have been prepared in accordance with GAAP consistently applied except as stated in the notes thereto. As of the date hereof, the City has no contingent liabilities which are material to it other than as indicated on such financial statements or as otherwise disclosed to the Bank in writing. Since the date of the Audited Financial Statements, there have been no material adverse changes in the condition (financial or otherwise) of the City nor has any event occurred which could reasonably be expected to result in a Material Adverse Effect.

Section 5.6. Litigation. There is no action, suit, investigation or proceeding served upon the City or, to the best knowledge of the City, threatened against the City before any court or other Governmental Authority which questions the validity or enforceability of this Agreement or any of the Related Documents or any action to be taken hereunder or which might reasonably be expected to result in a Material Adverse Effect.

Section 5.7. No Default. No petition by or against the City has at any time been filed under the United States Bankruptcy Code or any similar federal or State statute. No Potential Default or Event of Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Related Document.

Section 5.8. Taxes. The City has filed all Federal, state and other material tax returns and reports required to be filed, and has paid all Federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon it or its properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against the City that would, if made, have a Material Adverse Effect.

Section 5.9. ERISA. Neither the City nor any ERISA Affiliate has or maintains any employee benefit plan which is subject to, or has the effect of subjecting the City or such ERISA Affiliate to, the provisions of ERISA and the regulations and published interpretations thereunder.

Section 5.10. Title to Property. The City has good marketable title to all of the Security free and clear of all security interests, Liens or other charges except the security interest, Liens or charges granted or permitted under the Ordinance. The Ordinance provides for a pledge and grant of a first priority security interest in the Security, and all necessary action on the part of the City and the Paying Agent/Registrar has been taken as required to grant a security interest in and pledge

under the Ordinance of all of the Security for the benefit of the Owners and the Bank prior to any pledge, Lien, assignment or security interest of any other creditors of the City (other than Parity Obligations), without preference, priority or distinction on account of the actual time or times of the authentication and delivery or maturity thereof. The statements set forth in Section 2.15 hereof are true and correct.

Section 5.11. Margin Regulations; Investment Company Act. (a) The City is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U adopted by the Federal Reserve Board), or extending credit for the purpose of purchasing or carrying margin stock. The City has neither made any investment nor entered into any agreements for the purpose of effecting any investment which are not permitted to it pursuant to the Ordinance.

(b) Neither of the City nor any Person controlling the City is or is required to be registered as an “investment company” under the Investment Company Act of 1940.

Section 5.12. Compliance with Laws. The City is in compliance with all Laws, ordinances, orders, rules and regulations applicable to it (including environmental Laws and ERISA), except to the extent noncompliance could not reasonably be expected to result in a Material Adverse Effect.

Section 5.13. Bond Documents. The City is in full compliance with all of the terms and conditions of the Bond Documents to which it is a party.

Section 5.14. Legislation. There is no amendment or, to the knowledge of the City, proposed amendment to the Constitution of the State or any administrative interpretation of the Constitution of the State or any State Law, or any legislation that has passed either house of the legislature of the State, or any judicial decision interpreting any of the foregoing, the effect of which could reasonably be expected to result in a Material Adverse Effect.

Section 5.15. Liquidity Provider Bonds. The Bonds purchased pursuant to Article Two will be transferred to or held for the benefit of the Bank, free and clear of all Liens, security interests or claims of any Person other than the Bank, except for consensual Liens or other security interests as may be created by the Bank.

Section 5.16. Mandamus. The provisions of this Agreement shall be a contract with the Bank. To the extent authorized by Texas Government Code Section 1371.059(c), the City has, in this Agreement, waived sovereign immunity (including, without limitation, governmental immunity or other similar grounds) from suit and liability for the purposes of adjudicating a claim to enforce this Agreement and/or the Fee Agreement or for damages for breach of this Agreement and/or the Fee Agreement. The City further represents that to the extent its obligations hereunder, under the Fee Agreement and under the other Related Documents to which it is a party represent the legal obligations of the City, (a) the City’s non-discretionary duties are subject to enforcement in Texas courts of competent jurisdiction by writ of mandamus, and (b) the City is not immune to an equitable mandamus action.

Section 5.17. Paying Agent/Registrar; Remarketing Agent. U.S. Bank National Association (or a successor or assign approved in writing by the Bank, *provided* that written approval shall not be required in circumstances of succession or assignment due to merger, consolidation or other similar action) is the duly appointed and acting Paying Agent/Registrar and Raymond James & Associates, Inc. (or its successors or assigns approved in writing by the Bank, *provided* that written approval shall not be required in circumstances of succession or assignment due to merger, consolidation or other similar action) is the duly appointed and acting Remarketing Agent.

Section 5.18. Information. All information, reports and other papers and data (including any budget or other financial data) with respect to the Bonds, the Security therefor and the City furnished to the Bank, by the City were, at the time the same were so furnished, complete and correct in all material respects, to the extent necessary to give the Bank a true and accurate knowledge of the subject matter. No fact is known to the City which could reasonably be expected to result in a Material Adverse Effect with respect to the remarketing of any of the Bonds, the Security for Bonds, the status of any of the Related Documents or the Official Statement or the City's ability to perform its obligations under this Agreement, the Fee Agreement, any of the Bonds or any of the other Related Documents, which has not been set forth in the financial statements referred to in Section 5.5 hereof or in such information, reports, papers and data or otherwise disclosed in writing to the Bank by the City. No document furnished or statement made by the City in connection with the negotiation, preparation or execution of this Agreement or any Related Document or the Official Statement contains any untrue statement of a fact material to the creditworthiness of the City or omits to state a material fact necessary in order to make the statements contained therein not misleading.

Section 5.19. Solvency. The City is solvent and able to pay its debts as they become due.

Section 5.20. Tax Exempt Status. The City has not taken any action that would cause interest on the Bonds not to be excluded from the gross income of an Owner for federal income tax purposes.

Section 5.21. Environmental Compliance. The City has not received notice to the effect that it is not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or is the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which noncompliance or failure to take remedial action could have a Material Adverse Effect.

Section 5.22. Anti-Corruption Laws and Sanctions. The City has implemented and maintains in effect policies and procedures designed to ensure compliance by the City and its officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the City and its officers and employees, and to the knowledge of the City, its agents are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. Neither the City nor any of its respective officers, employees or agents is a Sanctioned Person. No Liquidity Drawing, Liquidity Advance or the Letter of Credit, use of proceeds of the foregoing or other transaction contemplated by this Agreement will violate Anti-Corruption Laws or applicable Sanctions.

Section 5.23. Incorporation by Reference. The representations and warranties of the City contained in the other Related Documents to which the City is a party, together with the related definitions of terms contained therein, are hereby incorporated by reference in this Agreement as if each and every such representation and warranty and definition were set forth herein in its entirety, and the representations and warranties made by the City as described above are hereby made for the benefit of the Bank. Except as permitted by Section 6.13 hereof, no amendment to or waiver of such representations and warranties or definitions made pursuant to the relevant Related Document or incorporated by reference shall be effective to amend such representations and warranties and definitions as incorporated by reference herein without the prior written consent of the Bank.

Section 5.24. No Public Vote or Referendum. There is no public vote or referendum pending, proposed or concluded, the results of which could reasonably be expected to result in a Material Adverse Effect.

Section 5.25. Swap Contracts. The City has not entered into any Swap Contract relating to Indebtedness of the City payable from or secured by all or any portion of the Security (a) wherein any termination payment thereunder is senior to or on a parity with the payment of the Bonds or the other payment Obligations or (b) **[other than Existing Swap,]** which requires the City to post cash collateral to secure its obligations thereunder.

Section 5.26. Usury. On the Closing Date, none of this Agreement, the Ordinance or the Bonds provide for any payments that would violate State Law regarding permissible maximum rates of interest.

ARTICLE SIX

COVENANTS

The City covenants and agrees with the Bank that it shall do the following so long as any amounts may be drawn under the Letter of Credit, and thereafter, so long as any Obligations remain unpaid or unfulfilled under this Agreement, unless the Bank shall otherwise consent in writing:

Section 6.1. Information. Deliver directly to the Bank:

(a) as soon as reasonably available after the end of each Fiscal Year, and in any event within two hundred ten (210) days after the end of such Fiscal Year, a copy of the annual Audited Financial Statements of the City prepared in accordance with GAAP and audited by independent certified public accountants of recognized standing, including a balance sheet of the City as of the end of such Fiscal Year and related statements of revenues, expenses, and changes in retained earnings and cash flows for the Fiscal Year then ended;

(b) within sixty (60) days of approval by the City Council of the City, and in any event not later than sixty (60) days after the close of each Fiscal Year of the City, the annual budget of the City for such period in substantially the form in effect as of the Closing

Date, all in reasonable detail showing in comparative form the figures for the corresponding date and period in the previous fiscal year, prepared by the City and certified to by a Responsible Officer of the City;

(c) as soon as practicable but in any event within ten (10) Business Days after the issuance thereof, copies of any prospectus, official statement, offering circular, placement memorandum or similar or corresponding document, and any supplements thereto and updates and amendments thereof, that the City makes available in connection with the offering for sale of any securities of which it is the issuer and which are secured by the Pledged Revenues and copies of any projections or forecasts prepared in accordance with the Ordinance;

(d) as soon as practicable at the end of each fiscal quarter, a report detailing the collection of the Pledged Revenues, in form and substance satisfactory to the Bank;

(e) as soon as available, and in any event not later than thirty (30) days after the close of each fiscal quarter of the City, a report setting forth each Swap Contract secured by the Pledged Revenues to which the City is a party, if applicable, such report to include, without limitation, the notional amounts, payment terms, counterparty, applicable dates and any covenant or event of default that materially deviates from the standard master agreement published by the International Swaps and Derivatives Association, Inc. of each such Swap Contract and a mark-to-market valuation of each thereof as of such date; and

(f) such other financial information as the Bank may reasonably request.

Section 6.2. Certificates; Other Information. Deliver to the Bank in form and detail satisfactory to the Bank:

(a) concurrently with the delivery of the financial statements referred to in Section 6.1(a) hereof, a duly completed Compliance Certificate in substantially the form of Exhibit A attached hereto signed by a Responsible Officer of the City;

(b) promptly after any request by the Bank, copies of any detailed audit reports, management letters or recommendations submitted to the City Council (or the audit committee of the City Council) or any Responsible Officer by independent accountants in connection with the accounts or books of the City, or any audit of any of them;

(c) promptly, and in any event within ten Business Days after receipt thereof by the City thereof, copies of each notice or other correspondence received from the Securities and Exchange Commission (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such City regarding financial or other operational results of the City thereof;

(d) promptly, such additional information regarding the governmental purposes of the City or the Security, or compliance with the terms of the Related Documents, as the Bank may from time to time reasonably request;

(e) promptly, and in any event within ten Business Days after receipt thereof by the City copies of each notice or other correspondence received from any Rating Agency relating to the City or the Bonds;

(f) promptly upon the receipt or giving thereof, copies of all notices of resignation by or removal of the Paying Agent/Registrar or the Remarketing Agent which are received or given by the City;

(g) written notice of the failure by the Remarketing Agent or the Paying Agent/Registrar to perform any of its obligations hereunder or under any of the Related Documents to which such entity is a party; and

(h) promptly after the adoption thereof, copies of any amendments or supplements to the Related Documents or the Official Statement.

Section 6.3. Notices. Promptly notify the Bank:

(a) forthwith upon the occurrence of any Potential Default or Event of Default and the City shall also at such time provide the Bank with a certificate of a Responsible Officer setting forth the details thereof and the action which the City is taking or proposes to take with respect thereto;

(b) of (i) any breach or non-performance of, or any default under, a Contractual Obligation of the City; (ii) any dispute, litigation, investigation, proceeding or suspension between the City and any Governmental Authority; or (iii) the commencement of, or any material development in, any litigation or proceeding affecting the City, in each case of the foregoing clauses (i), (ii) and (iii) of this paragraph (b), that has resulted or could be reasonably be expected to result in a Material Adverse Effect;

(c) of any material change in accounting policies or financial reporting practices by the City;

(d) of the occurrence of any Internal Control Event; and

(e) of any withdrawal, suspension or change in the long-term unenhanced rating assigned to any Parity Obligation.

Each notice pursuant to this Section shall be accompanied by a statement of a Responsible Officer of the City setting forth details of the occurrence referred to therein and stating what action the City has taken and proposes to take with respect thereto. Each notice pursuant to clause (a) of this Section shall describe with particularity any and all provisions of this Agreement and any other Related Document that have been breached.

Section 6.4. Payment of Obligations. Pay and discharge as the same shall become due and payable, all its material obligations and liabilities (including, without limitation, (a) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless

the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the City; (b) all lawful claims which, if unpaid, would by Law become a Lien upon Pledged Revenues; and (c) all Indebtedness of the City secured by Pledged Revenues, as and when due and payable).

Section 6.5. Preservation of Existence, Etc. (a) Preserve, renew and maintain in full force and effect its legal existence under the Laws of the State and maintain its status as a municipal corporation established for public purposes under the Laws of the State throughout the term of this Agreement; and (b) take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its governmental purposes, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

Section 6.6. Maintenance of Properties. (a) Maintain, preserve and protect all of its material properties and equipment necessary in the performance of its governmental purpose in good working order and condition, ordinary wear and tear excepted; (b) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) use the standard of care typical in the industry in the operation and maintenance of its facilities.

Section 6.7. Maintenance of Insurance. Maintain with financially sound and reputable insurance companies not Affiliates of the City, or with the State, insurance with respect to its properties and governmental purposes against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar governmental purposes, of such types and in such amounts (after giving effect to any self-insurance compatible with the following standards) as are customarily carried under similar circumstances by such other Persons and providing for not less than thirty (30) days' prior notice to the Bank of termination, lapse or cancellation of such insurance.

Section 6.8. Compliance with Laws. Comply in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or Property, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted; or (b) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

Section 6.9. Books and Records. (a) Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP shall be made of all financial transactions and matters involving the assets and business of the City; and (b) maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over the City. The City shall maintain at all times books and records pertaining to the Security in such detail, form and scope as the Bank shall reasonably require.

Section 6.10. Security Records. Execute and deliver promptly, to the Bank, from time to time, solely for the Bank's convenience in maintaining a record of the Security, such written

statements and schedules as the Bank may reasonably require designating, identifying or describing the Security. The failure by the City, however, to promptly give the Bank such statements or schedules shall not affect, diminish, modify or otherwise limit the Liens on the Security granted pursuant to the Related Documents.

Section 6.11. Security Interests. (a) Defend the Security against all claims and demands of all Persons at any time claiming the same or any interest therein, (b) comply with the requirements of all state and federal Laws in order to grant to Paying Agent/Registrar (for the benefit of the Owners and the Bank) and the Bank's valid and perfected security interests in the Security, and (c) do whatever the Bank may reasonably request, from time to time, to effect the purposes of this Agreement and the other Related Documents, including filing notices of Liens, amendments, renewals and continuations thereof; cooperating with the Bank's representatives; and, paying claims which might, if unpaid, become a Lien on the Pledged Revenues. No filing, registering, recording or publication of the Ordinance, this Agreement or any other instrument is required to establish the pledge under the Ordinance or this Agreement to perfect, protect or maintain the Lien created hereby or thereby on the Security.

Section 6.12. Consolidations, Mergers and Sales of Assets. Not (i) terminate, wind up, liquidate or dissolve its affairs or consolidate or merge with or into any Person or (ii) sell, transfer, convey or lease (whether in a single transaction or a series of transactions) all or any substantial part of its properties or assets; *provided, however*, nothing herein shall limit the City's ability to lease, sell or otherwise encumber any under-utilized portion of Security. Notwithstanding the foregoing, the City may sell, transfer, convey or lease (whether in a single transaction or a series of transactions) all or any part of its properties or assets that (x) it deems to be unnecessary for its operations as carried out at the date of this Agreement or (y) could not reasonably be expected to result in a Material Adverse Effect.

Section 6.13. Amendments; Related Documents. Not amend, modify, terminate or grant, or permit the amendment, modification, termination or grant of, any waiver under (or consent to, or permit or suffer to occur any action or omission which results in, or is equivalent to, an amendment, modification, termination or grant of a waiver under) any Related Document, which would have an adverse effect upon the City's ability to perform its obligations under this Agreement or to repay Indebtedness of the City that is secured by Pledged Revenues or which adversely affects the security of the Bank or the rights or remedies of the Bank under the Related Documents or hereunder, without the prior written consent of the Bank.

Section 6.14. Reserved.

Section 6.15. Use of Proceeds. Not use the proceeds of any funds advanced under the Letter of Credit or hereunder, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose. The City shall not request any Drawing or Liquidity Advance, and the City, including its officers, employees and agents, shall not use the proceeds of any Drawing, Liquidity Advance or the Letter of Credit (A) in violation of any Anti-

Corruption Laws, or (B) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

Section 6.16. Appointment of Successors. Not, without the prior written consent of the Bank, appoint a successor Paying Agent/Registrar or Remarketing Agent; *provided, however*, that prior written consent shall not be required in circumstances of succession or assignment due to merger, consolidation or other similar action.

Section 6.17. Credit Facilities. In the event that the City has or shall, directly or indirectly, enter into or otherwise consent to any credit agreement, standby bond purchase agreement, reimbursement agreement, direct purchase agreement (such as a continuing covenant agreement or supplemental bondholder's agreement), note or bond purchase agreement, liquidity agreement or other agreement or instrument (or any amendment, supplement or modification thereto) under which, directly or indirectly, any Person or Persons undertakes to make or provide funds to purchase or provide credit or liquidity enhancement for Parity Obligations, which such agreement (or amendment thereto) provides such Person with more restrictive covenants, events of default and/or greater rights and remedies than are provided to the Bank in this Agreement, provide the Bank with a copy of each such agreement (or amendment thereto) and such more restrictive covenants, events of default and/or greater rights and remedies shall automatically be deemed to be incorporated into this Agreement and the Bank shall have the benefits of such more restrictive covenants, events of default and/or such greater rights and remedies as if specifically set forth herein. The City shall promptly enter into an amendment to this Agreement to include such more restrictive covenants, events of default and/or greater rights or remedies (*provided* that the Bank shall maintain the benefit of such more restrictive covenants, events of default and/or greater rights and remedies even if the City fails to provide such amendment).

Section 6.18. Substitute Credit Facility. Use commercially reasonable efforts to obtain an Alternate Credit Facility or Alternate Liquidity Facility to replace this Agreement and the Letter of Credit or to convert the interest rate on the Bonds to an interest rate other than the Weekly Rate in the event (i) the City terminates this Agreement pursuant to Section 2.7 hereof, (ii) the Bank shall furnish a notice of a mandatory tender or acceleration to the Paying Agent/Registrar pursuant to Section 7.2 hereof or (iii) a mandatory purchase shall have been effected with any funds made available hereunder. The City agrees that, as a condition to the effectiveness of the Alternate Credit Facility or Alternate Liquidity Facility, as applicable, the City whether from its own funds or an Alternate Credit Facility or an or Alternate Liquidity Facility, as applicable, shall provide funds to the extent necessary, in addition to other funds available, on the date of the effectiveness of such Alternate Credit Facility or an Alternate Liquidity Facility, to pay all Obligations owing the Bank on such date. On the effective date of such Alternate Credit Facility or an Alternate Liquidity Facility, any and all Obligations due hereunder and all principal and interest due on the Liquidity Provider Bonds shall be payable in full to the Bank. The City shall not permit an Alternate Credit Facility or an Alternate Liquidity Facility to become effective with respect to less than all of the Bonds without the prior written consent of the Bank. The City shall cause the Letter of Credit to be returned to the Bank for cancellation upon the effectiveness of an Alternate Credit Facility or an Alternate Liquidity Facility, as applicable.

Section 6.19. Selection of Bonds for Redemption or Purchase. Permit or cause the redemption (pursuant to the terms of the Ordinance) of any and all Liquidity Provider Bonds prior to selecting, or causing to be selected, for redemption any Bonds that are not Liquidity Provider Bonds. The City shall not declare, instruct the Paying Agent/Registrar to declare or permit an optional redemption of the Bonds pursuant to the Ordinance unless such optional redemption shall be funded from sources other than the moneys provided by the Bank under the Letter of Credit or unless the Bank shall otherwise consent in writing.

Section 6.20. Conversions. (a) Shall promptly furnish, or cause to be furnished, to the Bank, not later than its furnishing the same to the Remarketing Agent, a copy of any written notice furnished by the City to the Remarketing Agent pursuant to the Ordinance indicating a proposed conversion of the interest rate on the Bonds; (b) shall not permit a Conversion Date to occur without the prior written consent of the Bank and (c) shall not permit or cause a defeasance of the Bonds or Liquidity Provider Bonds to occur without the prior written consent of the Bank.

Section 6.21. Inspection Rights. Shall, at any time and from time to time during regular business hours, as requested by the Bank permit the Bank or its respective agents or representatives, (i) to examine and make copies of and take abstracts from all books, records and documents (including computer tapes and disks) relating to the Security and (ii) to visit the offices and properties of the City for the purpose of examining such materials described in clause (i) above, and to discuss matters relating to the Security or the City's performance hereunder and under the other Related Documents with any of the officers, directors, employees or independent public accountants of the City having knowledge of such matters (subject to the reasonable satisfaction of any necessary and applicable security and confidentiality compliance procedures). All reasonable expenses incurred by the Bank in conducting such audits or inspections shall be paid by the City.

Section 6.22. Maintenance of Tax Exempt Status. Not take any action or omit to take any action which, if taken or omitted, would adversely affect the exemption of interest on any tax-exempt bond or note of the City, including the Bonds, from Federal income taxes.

Section 6.23. Additional Credit Enhancement. Not provide or permit to be provided any credit or liquidity enhancement for the Bonds other than this Agreement without the prior written consent of the Bank.

Section 6.24. Remarketing Agent. (a) Shall cause the Remarketing Agent to use its best efforts to remarket all Bonds up to the Tax-Exempt Maximum Rate (as defined in Appendix A to the Ordinance) that are tendered for purchase and shall not direct the Remarketing Agent to cease its attempts to remarket Bonds tendered for purchase for any reason (including without limitation that any interest rate charged hereunder may be less than the interest rate that would be required to be paid to any potential purchaser of such Bonds in order that the Bonds may be sold at a purchase price equal to the par value thereof plus accrued interest thereon).

(b) If the Remarketing Agent fails to remarket Bonds for thirty (30) consecutive days or otherwise fails to perform its duties under the Remarketing Agreement, the City shall replace the

Remarketing Agent upon the written direction of the Bank, with a successor Remarketing Agent acceptable to the Bank.

(c) Any remarketing agreement entered into by the City after the Closing Date and in relation to the Bonds shall provide that the remarketing agent will resign only upon providing sixty (60) days prior written notice to the Bank and such resignation shall only take effect when a successor remarketing agent acceptable to the Bank has been appointed and has accepted such appointment; *provided, however*, that prior written consent shall not be required in circumstances of resignation due to merger, consolidation or other similar action if the surviving entity continues as the Remarketing Agent.

Section 6.25. Financial Covenants. (a) Not issue any Additional Bonds or other obligations payable from and secured by a Lien on and pledge of the Pledged Revenues that is senior to the Lien securing the Parity Obligations.

(b) Not issue any additional obligations secured by a parity Lien on the Pledged Revenues or by a Lien junior and subordinate to the Lien on such Pledged Revenues securing the Bonds without complying with the provisions of the Ordinance.

Section 6.26. Offering Circular. Except in the Official Statement, not refer to the Bank in any offering circular or document or make any changes or references to the Bank in any such document without the Bank's prior written consent thereto (which consent shall not be unreasonably withheld).

Section 6.27. Liens. Not create or suffer to exist any Lien upon or with respect to any of the funds or accounts created under the Ordinance except the Liens specifically permitted under the Ordinance and this Agreement. The City shall not, directly or indirectly, incur, create or permit to exist any Lien on all or any part of the Security that is senior to the Lien on Security securing the Parity Obligations.

Section 6.28. ERISA. By itself or any ERISA Affiliate, have or maintain any employee benefit plan which is subject to, or has the effect of subjecting the City or such ERISA Affiliate to, the provisions of ERISA and the regulations and published interpretations thereunder.

Section 6.29. Incorporation by Reference. Promptly perform all obligations of the City hereunder and under the other Related Documents and observe all covenants and perform all obligations required of it under the Related Documents, which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety and all of which shall be deemed to be made for the benefit of the Bank and shall be enforceable by the Bank against the City. No termination of or amendment to such covenants and agreements or defined terms or release of the City with respect thereto made pursuant to the Related Documents shall be effective to terminate or amend such covenants and agreements and defined terms or release of the City with respect thereto as incorporated by reference herein without the prior written consent of the Bank. Notwithstanding any termination or expiration of any Related Document, the City shall continue to observe the covenants therein contained for the benefit of the Bank until the

termination of this Agreement. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not limit or be limited by the express covenants contained herein.

Section 6.30. Further Assurances. (a) The City shall make, execute and deliver any and all such further indentures, instruments and assurances as may be reasonably requested by the Bank and reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement, the Fee Agreement and the other Related Documents and for the better assuring and confirming unto the Bank the rights and benefits provided in this Agreement and to realize thereon, and record and file all such documents and instruments, at such time or times, in such manner and at such place or places, all as may be necessary or required by the Bank to validate, preserve and protect the position of the Bank under this Agreement and the other Related Documents.

(b) The City, to the extent permitted by Law, at all times shall defend, preserve and protect the pledge of the Security pledged under the Ordinance against all claims and demands of all Persons whomsoever.

Section 6.31. Sovereign and Governmental Immunity. Acting under authority of the Texas Government Code Section 1371.059(c), as amended, the City agrees to waive sovereign and governmental immunity from suit and liability for purposes of adjudicating a claim to enforce this Agreement and/or the Fee Agreement or for damages for breach of this Agreement and/or the Fee Agreement.

Section 6.32. Swap Termination Payments. From the date hereof, no Lien on the Security securing any swap termination payments payable from Pledged Revenues shall be senior in priority to or *pari passu* with the Lien on the Security granted in support of the Parity Obligations under the Ordinance.

Section 6.33. Underlying Rating. (a) Maintain unenhanced ratings on its long-term Parity Bonds from at least two Rating Agencies. The City covenants and agrees that it shall not at any time withdraw any long-term rating on any of its Parity Obligations from any Rating Agency if the effect of such withdrawal would be to cure a Potential Default or an Event of Default under this Agreement or to reduce the Facility Fee.

(b) Maintain unenhanced ratings on its long-term Parity Bonds not lower than “BBB” (or its equivalent) by S&P, “BBB” (or its equivalent) by Fitch and “Baa2” (or its equivalent) by Moody’s, respectively (in each case to the extent such Rating Agency is then providing a rating).

Section 6.34. Disclosure to Participants. Permit the Bank to disclose the financial information received by it pursuant to this Agreement to each Participant of the Bank pursuant to Section 8.6 of this Agreement subject to the confidentiality restrictions set forth in Section 8.7 hereof.

Section 6.35. Tendered Bonds. At all times, assure that the Bonds purchased pursuant to Article II shall be transferred to or held for the benefit of the Bank in accordance with the terms of the Ordinance and this Agreement.

ARTICLE SEVEN

DEFAULTS

Section 7.1. Events of Default. Any one or more of the following events shall constitute an “Event of Default” hereunder:

(a) any representation or warranty made by the City in any of the Ordinance, this Agreement or any other Related Document to which it is a party, or in any certificate, agreement, instrument or statement contemplated by or made or delivered pursuant to or in connection herewith or therewith shall prove to have been false, inaccurate, incomplete or misleading in any material adverse respect either on the date hereof or on the date when made or deemed to have been made or delivered;

(b) (i) any “event of default” under the Ordinance or any other Related Document (other than this Agreement) shall occur and be continuing; or (ii) (A) the City shall fail to make any payment in respect of principal or interest on any Parity Obligation when due (*i.e.*, whether upon the scheduled maturity, required prepayment, acceleration, upon demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Parity Obligation; or (B) default in the observance or performance of any agreement or condition relating to any Parity Obligation or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, in each case, the effect of which default or other event or condition is to permit (after any applicable grace period) the holder or holders of such Parity Obligation (or a trustee or agent on behalf of such holder or holders) to cause (in each case, determined without regard to whether any notice is required) or cause, any such Parity Obligation to become due prior to its stated maturity;

(c) the City shall fail to pay or cause to be paid when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise in accordance with its terms) (i) any amounts with respect to the principal of, interest on or premium, if any, on any Bonds (including Liquidity Provider Bonds), (ii) any amounts payable under Article Two hereof (other than amounts described in clause (i) of this paragraph (c)), or (iii) any other amount payable pursuant to this Agreement, the Fee Agreement or the Bonds (including Liquidity Provider Bonds) (other than amounts described in clauses (i) and (ii) of this paragraph (c));

(d) default in the due observance or performance of any covenant set forth in Section 6.3(a), 6.3(b), 6.5, 6.8, 6.11, 6.12, 6.13, 6.15, 6.16, 6.19, 6.20(c), 6.22, 6.25, 6.27, 6.30(b), 6.31, 6.32 or 6.33(a) hereof;

(e) (i) default in the due observance and performance of any covenant set forth in Section 6.21 hereof and such default has not been remedied within three (3) days after the earlier of (x) the date of written notice thereof from the Bank or (y) the date on which such default shall first become known to any officer of the City, (ii) default in the due observance or performance of any covenant set forth in Section 6.10 or 6.30(a) hereof and such default has not been remedied within fifteen (15) days after the earlier of (x) the date of written notice thereof from the Bank or (y) the date on which such default shall first become known to any officer of the City, or (iii) default in the due observance or performance of any other term, covenant or agreement set forth herein and such default has not been remedied within thirty (30) days after the earlier of (x) the date of written notice thereof from the Bank or (y) the date on which such default shall first become known to any officer of the City;

(f) the City makes an assignment for the benefit of creditors, files a petition in bankruptcy, becomes insolvent, as defined in Section 101(32) of the United States Bankruptcy Code, or is unable generally to pay its debts as they come due, is adjudicated insolvent or bankrupt or there is entered any order or decree granting relief in any involuntary case commenced against the City under any applicable bankruptcy, insolvency or other similar Law now or hereafter in effect, or if the City petitions or applies to any tribunal for or otherwise seeks, consents to, or acquiesces in the appointment of any receiver, examiner, trustee, liquidator, assignee, custodian, sequestrator or other similar official for the City or of any substantial part of its Properties, or commences any proceeding in a court of law seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, or for winding up, arrangement, marshalling of assets, reorganization, adjustment or composition of debt, dissolution, liquidation or other similar procedure under the Law of any jurisdiction, whether now or hereafter in effect, or if there is commenced against the City any such proceeding in a court of law which remains undismissed or shall not be discharged, vacated or stayed, or such jurisdiction shall not be relinquished, within sixty (60) days after commencement, or the City by any act, indicates its consent to, approval of, or acquiescence in any such proceeding in a court of law or fails to file an answer or other pleading denying the material allegations of any such proceeding filed against it in the time allotted for such answer, or to an order for relief in an involuntary case commenced against the City under any such Law, or to the appointment of any receiver, examiner, trustee, liquidator, assignee, custodian, sequestrator or other similar official for the City or a substantial part of its Properties, or if the City suffers any such receivership, examination, trusteeship, liquidation, assignment, custodianship, sequestration or other similar procedure to continue undischarged for a period of sixty (60) days after commencement or if the City takes any action for the purposes of effecting the foregoing;

(g) any material provision of any of the Related Documents shall cease to be valid and binding for any reason, or the City or any Governmental Authority shall contest any such provision or the City, or any agent or trustee on behalf of the City, shall deny that it has any or further liability under any of the Related Documents or with respect to its obligations to pay any Parity Obligation;

(h) default shall occur in the payment when due of any Indebtedness of the City payable from and/or secured by all or any part of the Pledged Revenues not otherwise described in this Section 7.1 which exceeds in the aggregate \$10,000,000 issued, assumed or guaranteed by the City and shall continue beyond any applicable period of grace, or default shall occur under any indenture, agreement or other instrument under which the same may be issued, and such default shall continue for a period of time sufficient to permit the acceleration of the maturity of any such Indebtedness payable from and/or secured by all or any part of the Pledged Revenues;

(i) judgment for the payment of money in excess of an aggregate of \$10,000,000 (or its equivalent in another currency or currencies) that is payable from Pledged Revenues and not fully covered by insurance shall be rendered against the City and the same shall remain unvacated, unbonded, unstayed or undischarged for a period of thirty (30) consecutive days during which execution shall not be effectively stayed or for the payment of which a surety bond or other adequate security has not been obtained in the judgment of the Bank;

(j) all or any part of the Security shall not be subject to a security interest for the benefit of the Owners and the Bank;

(k) (i) the City shall impose, declare or announce a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on any Indebtedness of the City payable from and/or secured by all or any part of the Pledged Revenues or (ii) any Governmental Authority having appropriate jurisdiction over the City shall make a finding or ruling or shall enact or adopt legislation or issue an executive order or enter a judgment or decree which results in a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on the Obligations, any Bonds or on any Indebtedness of the City payable from and/or secured by all or any part of the Pledged Revenues; or

(l) any long-term, unenhanced debt rating assigned to the Parity Bonds shall be withdrawn, suspended or lowered below “BBB” (or its equivalent) by Fitch or S&P or “Baa2” (or its equivalent) by Moody’s.

Section 7.2. Remedies. Upon the occurrence and during the continuance of any Event of Default hereunder, all Obligations shall bear interest at the Default Rate and the Bank, shall, with notice thereof to the Paying Agent/Registrar, exercise any one or more of the following rights and remedies, in addition to any other remedies herein or by Law provided:

(a) by notice to the City, declare all Obligations to be, and such amounts shall thereupon become, immediately and automatically due and payable without further presentment, demand, protest or other notice of any kind, all of which are hereby waived by the City, *provided* that upon the occurrence of an Event of Default under Section 7.1(f) hereof such acceleration shall automatically occur (unless such automatic acceleration is waived by the Bank in writing);

(b) give written notice of the occurrence of an Event of Default to the Paying Agent/Registrar, directing the Paying Agent/Registrar to cause a mandatory tender of the Bonds, thereby causing the Letter of Credit to expire fifteen (15) days thereafter;

(c) direct the Paying Agent/Registrar to exercise its rights under the Ordinance and the Related Documents; and

(d) pursue any other action available at law or in equity;

provided, however, that the failure of the Bank to give notice of the exercise of any such right or remedy shall not affect the validity or enforceability thereof.

The City agrees to pay to the Bank, all expenses incurred or paid by the Bank, including reasonable attorneys' fees and court costs, in connection with any default by the City hereunder or in connection with the enforcement of any of the terms hereof.

Section 7.3. Application of Funds. After the exercise of remedies provided for in Section 7.2 (or after the Obligations have automatically become immediately due and payable as set forth in the proviso to Section 7.2), any amounts received on account of the Obligations shall be applied by the Bank in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest and Facility Fees) payable to the Bank (including fees, charges and disbursements of counsel to the Bank (including fees and time charges for attorneys who may be employees of any Bank) and amounts payable under Article Three), payable to the Bank;

Second, to payment of that portion of the Obligations constituting accrued and unpaid Facility Fees, fees and interest on the Obligations, payable to the Bank;

Third, to payment of that portion of the Obligations constituting unpaid principal of the Liquidity Advances and Term Loans, payable to the Bank; and

Fourth, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the City or as otherwise required by Law.

Section 7.4. Solely for the Benefit of Bank. The rights and remedies of the Bank specified herein are for the sole and exclusive benefit, use and protection of the Bank, and the Bank is entitled, but shall have no duty or obligation to the City, the Paying Agent/Registrar or any other Person or otherwise, to exercise or to refrain from exercising any right or remedy reserved to the Bank hereunder or under any of the other Related Documents.

Section 7.5. Discontinuance of Proceedings. In case the Bank shall proceed to invoke any right, remedy or recourse permitted hereunder or under the Related Documents and shall thereafter elect to discontinue or abandon the same for any reason, the Bank shall have the unqualified right so to do and, in such event, the City and the Bank shall be restored to their former positions with

respect to the Obligations, the Related Documents and otherwise, and the rights, remedies, recourse and powers of the Bank hereunder shall continue as if the same had never been invoked.

Section 7.6. Suits at Law or in Equity and Mandamus. If any Event of Default shall occur and be continuing, then and in every such case the Bank shall be entitled to proceed to protect and enforce its rights by such appropriate judicial proceeding as it may deem most effectual to protect and enforce any such right, either by suit, in equity, or by action at law, whether for the specific performance of any covenant or agreement contained in this Agreement and/or the other Related Documents, in aid of the exercise of any power granted in this Agreement and/or the other Related Documents, or to enforce any other legal or equitable right vested in the Bank by this Agreement and/or the other Related Documents, or by law.

ARTICLE EIGHT

MISCELLANEOUS

Section 8.1. Amendments, Etc. Subject to Sections 6.8 and 6.13 hereof, no amendment or waiver of any provision of this Agreement or any other Related Document, and no consent to any departure by the City therefrom, shall be effective unless in writing signed by the Bank and the City, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. In the case of any such waiver or consent relating to any provision hereof, any Potential Default or Event of Default so waived or consented to shall be deemed to be cured and not continuing, but no such waiver or consent shall extend to any other or subsequent Potential Default or Event of Default or impair any right consequent thereto.

Section 8.2. Notices; Effectiveness; Electronic Communication.

(a) *Notices Generally.* Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax transmission or e-mail transmission as follows, and all notices and other communications expressly permitted hereunder shall be made to the applicable telephone number, to the address, telecopier number, electronic mail address or telephone number specified for such Person on Schedule 8.2. Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by fax transmission or e-mail transmission shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) *Electronic Communications.* Notices and other communications to the Bank hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Bank, *provided* that the

foregoing shall not apply to notices to the Bank pursuant to Article Two if the Bank, has notified the City that it is incapable of receiving notices under such Article by electronic communication. The Bank or the City may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, *provided* that approval of such procedures may be limited to particular notices or communications.

Unless the Bank otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), *provided* that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) *Change of Address, Etc.* Each of the City and the Bank may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the other parties hereto.

(d) *Reliance by Bank.* The Bank shall be entitled to rely and act upon any notices (including, without limitation, telephonic or electronic notices) purportedly given by or on behalf of the City even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The City, to the extent permitted by the Laws of the State, shall indemnify the Bank and the Related Parties from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the City. All telephonic notices to and other telephonic communications with the Bank may be recorded by the Bank, and the City hereby consents to such recording.

Section 8.3. No Waiver; Cumulative Remedies; Enforcement. No failure by the Bank to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Related Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided and provided under each other Related Document are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Notwithstanding anything to the contrary contained herein or in any other Related Document, the authority to enforce rights and remedies hereunder and under the other Related Documents against the parties thereto or any of them shall be vested exclusively in the Bank, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Bank in accordance with Section 7.2; *provided, however*, that the foregoing shall not prohibit the Bank from exercising setoff rights in accordance with Section 8.16.

Section 8.4. Expenses; Indemnity; Damage Waiver.

(a) *Costs and Expenses.* The City shall pay (i) all reasonable out-of-pocket expenses incurred by the Bank and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Bank), in connection with the preparation, negotiation, execution, delivery and administration of this Agreement and the other Related Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the Bank in connection with the issuance, amendment, renewal or extension of the Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by the Bank (including the fees, charges and disbursements of any counsel for the Bank), and shall pay all fees and time charges for attorneys who may be employees of the Bank, in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Related Documents, including its rights under this Section, or (B) in connection with the Liquidity Advances or Term Loans made or the Letter of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Liquidity Advances or Term Loans or the Letter of Credit.

(b) *Indemnification by the City.* To the extent permitted by the Laws of the State, the City shall indemnify the Bank and each Related Party (each such Person being called an "Indemnatee") against, and hold each Indemnatee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnatee), and shall indemnify and hold harmless each Indemnatee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnatee, incurred by any Indemnatee or asserted against any Indemnatee by any third party or by the City arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Related Document, the Official Statement or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or in the case of an Indemnatee only, the administration of this Agreement and the other Related Documents, (ii) any Liquidity Advance, Term Loan or the Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the Bank to honor a demand for payment under the Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), or (iii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the City, and regardless of whether any Indemnatee is a party thereto; *provided* that such indemnity shall not, as to any Indemnatee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the negligence or willful misconduct of such Indemnatee. The City assumes all risks associated with the acceptance by the Bank of documents received by the Bank by email or facsimile, it being agreed that the use of facsimile or email is for the benefit of the City and that the Bank assumes no liabilities or risks with respect thereto.

(c) *Waiver of Consequential Damages, Etc.* To the fullest extent permitted by applicable Law, the City shall not assert, and hereby waives, and acknowledges that no other Person shall

have, any claim against any Indemnatee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Related Document, the Official Statement or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Liquidity Advance, Term Loan or Letter of Credit or the use of the proceeds thereof. No Indemnatee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnatee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Related Documents, the Official Statement or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the negligence or willful misconduct of such Indemnatee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(d) *Payments.* All amounts due under this Section shall be payable not later than twenty Business Days after demand therefor.

(e) *No Liability of Bank.* The City agrees that the Bank shall have no liability or responsibility for the acts or omissions of the Paying Agent/Registrar, the Tender Agent or the Remarketing Agent in respect of the use of this Agreement or any Drawings funded by the Bank under the Letter of Credit. The Bank shall have no responsibility for, nor incur any liability in respect of, any act, or any failure to act, by the Paying Agent/Registrar, the Tender Agent or the Remarketing Agent which results in the failure of the Paying Agent/Registrar to effect a Drawing to or to comply with the applicable provisions of the Ordinance or any other Related Document. Neither the Bank nor any of its officers or directors shall be liable or responsible for: (i) the use which may be made of the Letter of Credit or for any acts or omissions of the Paying Agent/Registrar, any agent of the Paying Agent/Registrar and any transferee beneficiary in connection therewith; (ii) the validity or genuineness of documents, or of any endorsement(s) thereon, even if such documents should in fact prove to be in any or all respects invalid, fraudulent or forged; (iii) payment by the Bank against presentation of documents which do not comply with the terms of the Letter of Credit, including failure of any documents to bear any reference or adequate reference to the Letter of Credit; or (iv) any other circumstances whatsoever in making or failing to make payment under the Letter of Credit; except only that the City shall have a claim against the Bank and the Bank shall be liable to the City to the extent of any direct, as distinguished from consequential or punitive (the right to receive consequential or punitive damages being hereby waived), damages suffered by the City when the City proves such were caused by the Bank's negligence or willful failure to make payment under the Letter of Credit in accordance with its terms as determined by a court of competent jurisdiction in a final, non-appealable judgment thereof. In furtherance and not in limitation of the foregoing, the Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary. The Bank is hereby expressly authorized and directed to honor any demand for payment which is made under the Letter of Credit without regard to, and without any duty on its part to inquire into the existence of, any disputes or controversies between or among the City, the Paying Agent/Registrar, any transferee beneficiary of the Letter of Credit or any other Person or the respective rights, duties or liabilities of any of them, or whether any

facts or occurrences represented in any of the documents presented under the Letter of Credit are true and correct.

(f) *Survival.* The agreements in this Section shall survive the resignation of the Bank, the termination of the Letter of Credit, and the repayment, satisfaction or discharge of all the other Obligations.

Section 8.5. Payments Set Aside. To the extent that any payment by or on behalf of the City is made to the Bank, and such payment or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Bank in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred.

Section 8.6. Successors and Assigns.

(a) *Successors and Assigns Generally.* The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the City may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Bank. The Bank may assign or otherwise transfer some or all of its right to receive payment hereunder and under the other Related Documents without limitation; *provided*, that no assignee shall have the right to take any actions under this Agreement and the other Related Documents, including, but not limited to, the right to declare or to take actions in response to an Event of Default under Section 7.1 hereof; *provided, further*, that (i) no such assignee shall be entitled to receive payment pursuant to Section 3.1 or 3.2 hereof in an amount greater than the amount which would have been payable had the Bank not granted such assignment to such assignee and (ii) notwithstanding any such assignment or transfer, the City shall continue to deal solely and directly with the Bank. Subject in all respects to the terms of the Ordinance and the Letter of Credit, the Bank may transfer some or all of its obligations under the Letter of Credit with the prior written consent of the City and sixteen (16) days prior written notice to the Paying Agent/Registrar and the Tender Agent; provided that (i) the City has received prior written notice from each Rating Agency then rating the Bonds that the transfer shall not cause the lowering, withdrawal or suspension of any ratings then existing on the Bonds; and (ii) the Bank shall be responsible for all costs resulting from the transfer. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of the Bank) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) *Participations.* The Bank may at any time, without the consent of, or notice to, the City, sell participations to any Person (other than a natural person or the City or any of the City's Affiliates) (each, a "Participant") in all or a portion of the Bank's rights and/or obligations under this Agreement; *provided* that (i) the Bank's obligations under this Agreement shall remain

unchanged, (ii) the Bank shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the City shall continue to deal solely and directly with the Bank in connection with the Bank's rights and obligations under this Agreement.

Any agreement or instrument pursuant to which the Bank sells such a participation shall provide that the Bank shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that the Bank shall not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 8.1 that affects such Participant. The City agrees that each Participant shall be entitled to the benefits of Sections 3.1 and 3.2 to the same extent as if it were the Bank and had acquired its interest by assignment pursuant to subsection (b) of this Section. To the extent permitted by Law, each Participant also shall be entitled to the benefits of Section 8.16 as though it were the Bank. The City shall not be a party to any agreement between the Bank and a Participant.

(c) *Limitations upon Participant Rights.* A Participant shall not be entitled to receive any greater payment under Section 3.1 or 3.2 than the Bank would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the City's prior written consent.

(d) *Certain Pledges.* In addition to the rights of the Bank set forth above, the Bank may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement and of the obligations owing to it (including, for the avoidance of any doubt, any Liquidity Provider Bonds) to any Federal Reserve Bank or the United States Treasury or to any state or local governmental entity as collateral security including, without limitation, pursuant to Regulation A of the City of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank, *provided* that any payment in respect of such assigned obligations made by the City to the Bank in accordance with the terms of this Agreement shall satisfy the City's obligations hereunder in respect of such assigned obligation to the extent of such payment and the City shall continue to deal solely and directly with the Bank. No such pledge or assignment shall release the Bank from any of its obligations hereunder.

Section 8.7. Treatment of Certain Information; Confidentiality. The Bank agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, trustees, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority having jurisdiction over it, (c) to the extent required by applicable Laws or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Related Document or any action or proceeding relating to this Agreement or any other Related Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the City and its

obligations, (g) on a confidential basis to (i) any rating agency in connection with rating the City or the Letter of Credit, or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the Letter of Credit, (h) with the consent of the City or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Bank or any of their respective Affiliates on a nonconfidential basis from a source other than the City.

For purposes of this Section, “*Information*” means all information received from the City relating to the City or any of its governmental purposes, other than any such information that is available to the Bank on a nonconfidential basis prior to disclosure by the City, *provided* that, in the case of information received from the City after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

The Bank acknowledges that (a) the Information may include material non-public information concerning the City, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including United States Federal and state securities Laws.

Section 8.8. Interest Rate Limitation. It is the intention of the parties to comply with applicable usury Laws. The parties agree that the total amount of interest contracted for, charged, collected or received by the Bank under this Agreement and the Fee Agreement will not exceed an amount that would cause the interest rate to exceed the Maximum Rate.

Section 8.9. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Related Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.1, this Agreement shall become effective when it shall have been executed by the Bank and the City shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Agreement. After the Original Closing Date and not as a condition to the effectiveness hereof, such paper copies or “printouts,” if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form.

Section 8.10. Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Related Document or other document delivered

pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Bank, regardless of any investigation made by the Bank or on its behalf and notwithstanding that the Bank may have had notice or knowledge of any Potential Default or Event of Default at the time of issuance of the Letter of Credit or the Closing Date, or the making of any Liquidity Advance or Term Loan hereunder, and shall continue in full force and effect as long as any Liquidity Advance or Term Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or the Letter of Credit shall remain outstanding.

Section 8.11. Severability. If any provision of this Agreement or the other Related Documents is held to be illegal, invalid or unenforceable (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Related Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 8.12. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS, *PROVIDED, HOWEVER*, THE RIGHTS, DUTIES AND OBLIGATIONS OF THE BANK UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO CONFLICT OF LAW PRINCIPLES.

Section 8.13. Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER RELATED DOCUMENT OR THE OFFICIAL STATEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER RELATED DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND ANY OTHER DOCUMENTS DELIVERED IN CONNECTION THEREWITH.

Section 8.14. Electronic Execution of Assignments and Certain Other Documents. The words “delivery,” “execute,” “execution,” “signed,” “signature,” and words of like import in any Related Document or in any amendment or other modification thereof (including waivers and consents) shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic

Signatures and Records Act, or any other similar state Laws based on the Uniform Electronic Transactions Act; *provided* that notwithstanding anything contained herein to the contrary, the Bank is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Bank pursuant to procedures approved by it; provided further without limiting the foregoing, upon the request of the Bank, any electronic signature shall be promptly followed by such manually executed counterpart.

Section 8.15. USA PATRIOT Act. (a) The Bank is subject to the Patriot Act (as hereinafter defined) and hereby notifies the City that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "*Patriot Act*"), it is required to obtain, verify and record information that identifies the City, which information includes the name and address of the City and other information that will allow the Bank, as applicable, to identify the City in accordance with the Patriot Act. The City shall, promptly following a request by the Bank, provide all documentation and other information that the Bank reasonably requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Act.

(b) The City shall (i) ensure that no Person who controls the City is or shall be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by OFAC, the Department of the Treasury, or included in any Executive Orders that prohibits or limits the Bank from making any advance or extension of credit to the City or from otherwise conducting business with the City and (ii) ensure that the Bond proceeds shall not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto.

Section 8.16. Right of Set off. Upon the occurrence of an Event of Default, the Bank may, at any time and from time to time, without notice to the City or any other Person (any such notice being expressly waived), set off and appropriate and apply, against and on account of, any obligations and liabilities of the City to the Bank arising under or connected with this Agreement and the other Related Documents, without regard to whether or not the Bank shall have made any demand therefor, and although such obligations and liabilities may be contingent or unmatured, any and all deposits (general or special, including but not limited to indebtedness evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts) and any other indebtedness at any time held or owing by the Bank to or for the credit or the account of the City.

Section 8.17. Time of the Essence. Time is of the essence of this Agreement.

Section 8.18. Entire Agreement. **THIS AGREEMENT AND THE INCORPORATED PROVISIONS OF THE OTHER RELATED DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.**

Section 8.19. No Third-Party Rights. Nothing in this Agreement, whether express or implied, shall be construed to give to any Person other than the parties hereto and the Owners of

the Bonds any legal or equitable right, remedy or claim under or in respect of this Agreement, which is intended for the sole and exclusive benefit of the parties hereto and the Owners of the Bonds.

Section 8.20. MSRB Rule G-34. In the event the City delivers or permits, authorizes or consents to the delivery of this Agreement and the Letter of Credit (including without limitation any amendments hereto and thereto) to the Remarketing Agent or any other Person for delivery to the Municipal Securities Rulemaking Board pursuant to Rule G-34 of the Municipal Securities Rulemaking Board ("*Rule G-34*"), the City shall cooperate with the Bank to provide for the redaction of information permitted to be redacted under Rule G-34.

Upon reasonable written request from the Remarketing Agent or the City, the Bank agrees to use commercially reasonable efforts to provide copies of amendments, extensions and modifications of this Agreement and the Letter of Credit that the Remarketing Agent is required to file in accordance with Rule G-34, other than information which is permitted to be redacted in accordance with such Rule. Without the consent of the Bank, the City will not make available the Fee Agreement for filing pursuant to Rule G-34.

Section 8.21. No Advisory or Fiduciary Relationship. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Related Document), the City acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a) (i) the services regarding this Agreement, the Letter of Credit and the Fee Agreement provided by the Bank and any Affiliate thereof are arm's-length commercial transactions between the City, on the one hand, and the Bank and its Affiliates, on the other hand, (ii) the City has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the City is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Related Documents; (b) (i) the Bank and each of its Affiliates is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor (including, without limitation, as a municipal advisor (as defined in Section 15B(e)(4) of the Securities Exchange Act of 1934, as amended)), or agent, advisor or fiduciary (pursuant to Section 15B of the Securities Exchange Act of 1934 or otherwise), for the City, or any other Person and (ii) neither the Bank nor any of its Affiliates has any obligation to the City with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Related Documents; and (c) the Bank and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the City, and neither the Bank nor any of its Affiliates has any obligation to disclose any of such interests to the City. To the fullest extent permitted by Law, the City, hereby waives and releases any claims that it may have against the Bank or any of its Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby.

Section 8.22. Chapter 346 of the Texas Finance Code. The provisions of Chapter 346 of the Texas Finance Code, as amended, do not govern or in any manner apply to this Agreement or any of the Related Documents.

Section 8.23. Verification of Statutory Representations and Covenants. The Bank makes the following representation and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code (the “*Government Code*”), as heretofore amended, in entering into this Agreement. As used herein, “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, Government Code, 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 8.24. Representation Regarding Texas Attorney General Standing Letter and Bringdown Verification. The Bank represents and verifies that it is aware of the Texas Office of the Attorney General’s (the “*Texas Attorney General*”) All Bond Counsel Letter, dated November 1, 2023, that is available on the website of the Texas Attorney General using the following link:

<https://www.texasattorneygeneral.gov/sites/default/files/files/divisions/public-finance/ABCLetter-11-01-2023.pdf>

and the Texas Attorney General's supplemental All Bond Counsel Letter, dated November 16, 2023, that is available on the website of the Texas Attorney General using the following link:

<https://www.texasattorneygeneral.gov/sites/default/files/files/divisions/public-finance/ABCLetter-11-06-2023.pdf>

The Bank represents and verifies that the Bank has (i) on file a standing letter ("*Standing Letter*") acceptable to the Texas Attorney General addressing the representations and verifications in Section 8.23(a) through (d) hereof, and (ii) will, upon request of the City or bond counsel to the City ("*Bond Counsel*") on behalf of the City, provide the City and Bond Counsel with a copy of its Standing Letter. The Bank further represents and verifies that its Standing Letter remains in effect as of the date of this Agreement and that the Texas Attorney General has not notified the Bank that a determination has been made that the Bank boycotts energy companies or has a policy that discriminates against firearm entities or firearm trade associations under the Laws of the State.

Section 8.25. Acknowledgement Regarding Any Supported QFCs. To the extent that the Letter of Credit provides support, through a guarantee or otherwise, for any Swap Contract or any other agreement or instrument that is a QFC (such support, "*QFC Credit Support*" and each such QFC a "*Supported QFC*"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "*U.S. Special Resolution Regimes*") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Related Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a "*Covered Party*") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Related Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Related Documents were governed by the laws of the United States or a state of the United States.

(b) As used in this Section, the following terms have the following meanings:

“*BHC Act Affiliate*” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“*Covered Entity*” means any of the following:

(i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b)

(ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“*Default Right*” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“*QFC*” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

Section 8.26. Existing Agreement. Subject to the satisfaction of the conditions precedent set forth in Section 4.1 hereof, this Agreement amends and restates in its entirety the Existing Reimbursement Agreement but is not intended to be or operate as a novation or an accord and satisfaction of the Existing Reimbursement Agreement or the indebtedness, obligations and liabilities of the City evidenced or provided for thereunder. The parties hereto agree that this Agreement does not extinguish or discharge the obligations of the City or the Bank under the Existing Reimbursement Agreement. Reference to this specific Agreement need not be made in any agreement, document, instrument, letter or certificate, the Existing Reimbursement Agreement itself or any communication issued or made pursuant to or with respect to the Existing Reimbursement Agreement, any reference to the Existing Reimbursement Agreement being sufficient to refer to the Existing Reimbursement Agreement as amended and restated hereby, and more specifically, any and all references to the Existing Reimbursement Agreement in any Related Document or in any other related instrument or document shall, unless otherwise specified, be deemed to refer to this Agreement.

The City acknowledges and confirms the Liens and security interests granted pursuant to the Related Documents secure the indebtedness, liabilities and obligations of the City under the Existing Reimbursement Agreement, as amended and restated hereby, and that the term “*Obligations*” as used in the Related Documents (or any other term used therein to describe or refer to the indebtedness, liabilities and obligations of the City to the Bank) includes, without limitation, the indebtedness, liabilities and obligations of the City under the Existing Reimbursement Agreement, as amended and restated hereby, as the same may be further amended, restated, supplemented or otherwise modified from time to time. The City hereby (i) ratifies and reaffirms all of its payment and performance obligations, contingent or otherwise, under each of the Related Documents to which it is a party (after giving effect hereto), and (ii) ratifies and

reaffirms such grant of security interests and Liens and confirms and agrees that such security interests and Liens hereafter secure all of the Obligations as amended hereby.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

DRAFT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the Closing Date.

SUMITOMO MITSUI BANKING CORPORATION,
ACTING THROUGH ITS NEW YORK BRANCH

By: _____
Name: _____
Its: _____

CITY OF AUSTIN, TEXAS

By _____
Name: _____
Title: _____

DRAFT

EXHIBIT A

FORM OF COMPLIANCE CERTIFICATE

Financial Statement Date: _____, _____

To: SUMITOMO MITSUI BANKING CORPORATION, ACTING THROUGH ITS NEW YORK BRANCH

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Reimbursement Agreement, dated as of June 1, 2024 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "*Agreement*," the terms defined therein being used herein as therein defined), between the City of Austin, Texas (the "*City*") and SUMITOMO MITSUI BANKING CORPORATION, ACTING THROUGH ITS NEW YORK BRANCH.

The undersigned Responsible Officer hereby certifies as of the date hereof that he/she is the _____ of the City, and that, as such, he/she is authorized to execute and deliver this Certificate to the Bank on the behalf of the City, and that:

1. Attached hereto as Schedule 1 are the year-end audited financial statements required by Section 6.1(a) of the Agreement for the fiscal year of the City ended as of the above date, together with the report and opinion of an independent certified public accountant required by such section.
2. The undersigned has reviewed and is familiar with the terms of the Agreement and has made, or has caused to be made under his/her supervision, a review of the transactions and condition (financial or otherwise) of the City during the accounting period covered by the attached financial statements.
3. A review of the activities of the City during such fiscal period has been made under the supervision of the undersigned with a view to determining whether during such fiscal period City performed and observed all its Obligations under the Related Documents, and

[select one:]

[to the best knowledge of the undersigned during such fiscal period, the City performed and observed each covenant and condition of the Related Documents applicable to it, and no Potential Default or Event of Default has occurred and is continuing.]

[the following covenants or conditions have not been performed or observed and the following is a list of each such Potential Default or Event of Default and its nature and status:]

4. The representations and warranties of the City contained in Article Five of the Agreement are true and correct on and as of the date hereof, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and except that for purposes of this Certificate, the representations and warranties contained in Section 5.5 of the Agreement shall be deemed to refer to the most recent statements furnished pursuant to Section 6.1 of the Agreement, including the statements in connection with which this Certificate is delivered.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of

_____, ____.

CITY OF AUSTIN, TEXAS

By: _____
Name: _____
Title: _____

DRAFT

SCHEDULE 8.2

[TO BE UPDATED AS NEEDED]:

If to the City,
City of Austin
919 Congress Ave, Suite 1250
Austin, Texas 78701
Attention: Bryan Rivera
Telephone: (512) 974-7891
Email: bryan.rivera@austintexas.gov

If to Sumitomo Mitsui Banking Corporation, acting through its New York Branch:

Sumitomo Mitsui Banking Corporation
277 Park Avenue, 4th Floor
New York, New York 10172
Telephone: (212) 224-4000
Facsimile: (212) 224-5227
Attention: Head of Public Infrastructure Finance North America
E-mail: NYPublicFinance@smbcgroup.com

With a copy to:

Sumitomo Mitsui Banking Corporation
277 Park Avenue, 6th Floor
New York, New York 10172
Telephone: (212) 224-4000
Fax: (212) 224-4566
Attention: Trade Credit Services Department
E-mail: trade_credit_svc@smbcgroup.com

wire instructions:

Citibank, N.A., New York,
ABA Number: 021-000-089
F/O: Sumitomo Mitsui Banking Corporation, New York Branch
Account Number: 360-23-837
Attention: Trade Credit Services Dept.
Reference: City of Austin, Texas Hotel Occupancy Tax
Subordinate Lien Variable Rate Revenue Refunding Bonds, Series
2008 Subseries 2008B Bonds

APPENDIX I

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