

CAUSE NO. _____

IN RE THE CITY OF AUSTIN, TEXAS,	§	DISTRICT COURT FOR THE
AUSTIN TRANSIT PARTNERSHIP LOCAL	§	
GOVERNMENT CORPORATION, AND	§	
AUSTIN TRANSIT PARTNERSHIP LOCAL	§	_____ JUDICIAL DISTRICT
GOVERNMENT CORPORATION SENIOR	§	
LIEN CONTRACT REVENUE BONDS,	§	
SERIES 2024	§	
	§	TRAVIS COUNTY, TEXAS

**ORIGINAL PETITION FOR EXPEDITED DECLARATORY RELIEF
 UNDER TEXAS GOVERNMENT CODE CHAPTER 1205
 TO AFFIRM, AMONG OTHER THINGS, THE FINANCING FOR LIGHT RAIL
COMPONENTS OF VOTER-APPROVED PROJECT CONNECT**

TO THE HONORABLE JUDGE OF SAID COURT:

In November 2020, at an election in which voter turnout surpassed all-time records, City of Austin voters overwhelmingly approved “Proposition A,” a ballot proposition to fund high-capacity transit in Austin. Proposition A described a vision for rapid bus, light rail infrastructure, and transit-supportive development, to be funded by Austin taxpayers, referred to as “Project Connect.” Project Connect is a citywide traffic-easing rapid transit system, the components of which are to be financed, constructed, and commissioned by an independent board that is Austin Transit Partnership (“ATP”), a local government corporation jointly created by the City and Capital Metropolitan Transportation Authority (“Capital Metro”). Notwithstanding the clear and overwhelming support received from voters, a few vocal naysayers have refused to accept the results of a fair and transparent election. In response, the City and ATP (the “Petitioners”) bring this suit to move Austin forward and prevent a handful of opponents from derailing Project Connect. Petitioners invoke the expedited authority of [Chapter 1205](#) of the Texas Government Code (“Chapter 1205”) to resolve any uncertainty about the City’s authority to collect and dedicate the tax the voters approved through Proposition A and to validate the financing plan and initial bonds for the light rail components of Project Connect.

More specifically, Petitioners seek an expedited declaration that (i) the City is authorized to levy and collect taxes at the increased rate approved by the voters in Proposition A; (ii) the City is authorized, subject to appropriation, to pay the Proposition A tax revenue to ATP pursuant to an interlocal agreement (the “Contract Revenue Payments”); (iii) the Contract Revenue Payments are the property of ATP, and ATP is authorized to pledge the Contract Revenue Payments as security for repayment of its bonds and other obligations; and (iv) ATP is authorized to spend the Contract Revenue Payments and the proceeds of its bonds and other obligations for the voter-approved purpose of funding a high-capacity transit system in Austin.

Chapter 1205 requires the Court, upon receipt of this original petition, to “immediately issue an order” that sets this matter for trial “at 10:00 a.m. on the first Monday after the 20th day after the date of the order.”

I. DISCOVERY

1. Petitioners intend to conduct discovery, if at all, under the requirements of Texas Government Code Section 1205.064.

II. JURISDICTION & VENUE

2. This Court has jurisdiction over this proceeding under Texas Government Code Section 1205.021, and venue is proper in Travis County pursuant to Texas Government Code Section 1205.022.

III. PARTIES

3. ATP is a public non-profit local government corporation of the State of Texas created by the City and Capital Metro pursuant to Chapter 431, Subchapter D of the Texas Transportation Code (“Subchapter D”), as amended, and to the extent required by Chapter 394, Subchapter D of the Texas Local Government Code, as amended. ATP’s principal office is located

in Austin, Travis County, Texas. As a local government corporation, in addition to the powers under Subchapter D, ATP has the powers of a transportation corporation created by the Texas Transportation Commission under Chapter 431. Additionally, ATP has all the powers of a private non-profit corporation under Chapter 22 of the Texas Business Organizations Code. Subchapter D also authorizes ATP to issue bonds and notes under any power or authority available to a local government corporation, including Chapters 1201 and 1371 of the Texas Government Code. ATP is an “issuer” of public securities within the meaning of Government Code Section 1205.001.

4. The City of Austin is an incorporated home-rule municipality of the State of Texas that derives its power from the Texas Constitution. While the City has territory in Hays, Travis, and Williamson, Counties, the City’s principal office is located in Travis County. The City may exercise and enjoy all municipal powers, functions, rights, privileges, immunities, and franchises of every name and nature, and is subject to all duties and obligations now pertaining to or incumbent upon the City as a home-rule municipality. The City is a sponsor of ATP pursuant to the provisions of Subchapter D.

5. Attorney General Ken Paxton (“Attorney General”) will be served in accordance with Government Code Section 1205.042. A copy of this petition, attached exhibits, and the order are to be served on the Attorney General before the twentieth (20th) day before the trial date, or the Attorney General may waive formal service. TEX. GOV’T CODE § 1205.042(b). The Attorney General may be served at 209 W. 14th Street, Austin, Texas 78701, or wherever he may be found.

6. This Chapter 1205 action is, by statute, an *in rem* proceeding and also a class action. All persons who reside within the territory of the City; who own property located within the boundaries of the City; who are taxpayers of the City; or who have or claim a right, title, or interest in any property or money to be affected by the authorization or the issuance of the public securities

at issue (collectively, the “Interested Parties”) are parties to this action and any judgment rendered in this action is binding upon all such Interested Parties. Any Interested Party may become a named party to this action by filing an answer to this petition on or before the time set for trial, or thereafter by intervention with leave of court.

7. Section 1205.041 of the Government Code prescribes how notice must be provided to Interested Parties. This prescribed notice requires a general description of the petition but is not required to contain the entire petition or any exhibit attached to the petition, though it must advise Interested Parties of their right to appear for trial at 10:00 a.m. on the first Monday after the twentieth (20th) day after the date of the order and show cause why the petition should not be granted and the public securities or authorization validated and confirmed.

IV. BACKGROUND

A. The City starts planning for high-capacity transit.

8. Austin is the tenth-largest city in the United States, and it is no secret that the City has been long plagued by traffic congestion and mobility issues. Beginning in 2016, in an effort to address the concerns of its residents, the City began developing a comprehensive, ambitious, and transformative multi-modal transit system and related public improvements that would eventually become known as “Project Connect.” Project Connect is a vision for a comprehensive regional transportation system that seeks to enhance mobility and deliver transit solutions throughout the City.

9. Project Connect includes (i) acquiring, planning, designing, financing, developing, constructing, equipping, and commissioning a light rail system (the “Light Rail Components”), (ii) the expansion of existing heavy rail service, rapid bus service, express bus service, on-demand transit service, park-and-ride facilities, transit centers, and related right-of-way improvements (the

“Capital Metro Components”), (iii) dedicated funding for anti-displacement measures, equitable transit-oriented development, and (iv) customer technology improvements.

10. In early 2019, the City and the Capital Metro publicly unveiled Project Connect, and on June 10, 2020, the City Council of the City (“City Council”) adopted Resolution No. 20200610-002, which amended the City’s strategic mobility plan to include the “Project Connect System Plan,” an overview of the project at the preliminary design phase.

B. In 2020, voters overwhelmingly approved Proposition A and Project Connect.

11. On August 12, 2020, the City Council adopted an election ordinance, ordering a special election to be held in the City on November 3, 2020 on a proposition for the voters to authorize an increase to the City’s tax rate for the purpose of funding Project Connect (“Proposition A”). Proposition A appeared on the November 3, 2020 ballot in the following form, and was prepared to permit voting “for” or “against” the proposition:

Approving the ad valorem tax rate of \$0.5335 per \$100 valuation in the City of Austin for the current year, a rate that is \$0.0875 higher per \$100 valuation than the voter-approval tax rate of the City of Austin, for the purpose of providing funds for a citywide traffic-easing rapid transit system known as Project Connect, to address traffic congestion, expand service for essential workers, reduce climate change emissions, decrease traffic fatalities, create jobs, and provide access to schools, health care, jobs and the airport; to include neighborhood supportive affordable housing investments along transit corridors and a fixed rail and bus rapid transit system, including associated road, sidewalk, bike, and street lighting improvements, park and ride hubs, on-demand neighborhood circulator shuttles, and improved access for seniors and persons with disabilities; to be operated by the Capital Metropolitan Transportation Authority, expending its funds to build, operate and maintain the fixed rail and bus rapid transit system; the additional revenue raised by the tax rate is to be dedicated by the City to an independent board to oversee and finance the acquisition, construction, equipping, and operations and maintenance of the rapid transit system by providing funds for loans and grants to develop or expand transportation within the City, and to finance the transit-supportive anti-displacement strategies related to Project Connect. Last year, the ad valorem tax rate in the City of Austin was \$0.4431 per \$100 valuation.

12. As a companion to the Proposition A ordinance, City Council adopted Resolution No. 20200812-015 (Aug. 12, 2020) (the “Companion Resolution”). In this resolution, the City declared its intent to use the voter-approved tax revenues authorized in Proposition A for Project Connect, subject to any required modifications approved by City Council and the Capital Metro board of directors:

The City Council, by this official action, clarifies and declares its intent and commitment to the voters to create a contract with the voters that specifies and commits that the proceeds from the Project Connect tax revenue collected shall be used to invest in a citywide rapid transit system, known as Project Connect, which includes associated transit-supportive anti-displacement strategies. Further, the City Council by this official action, clarifies that *if Project Connect, or the associated Implementation Sequence Plan, require modification, such action may be taken only upon the joint concurrence of City Council and the Capital Metro Board. . . .*

Companion Resolution at 4-5 (emphasis added).

13. Voters overwhelmingly approved Proposition A, with 57.97% voting in favor, at an election with an overall turnout of approximately 71% of registered voters, setting an all-time record for the number of votes cast in an Austin election.¹

C. A more developed design and changed circumstances led to the adoption of a revised first phase of Austin Light Rail.

14. Following the passage of Proposition A, the City and Capital Metro adopted a revised first phase of the Light Rail Components in response to advances in design and a material change in circumstances.

15. Based on a conceptual design package prepared in 2019, the preliminary capital costs of the Light Rail Components, including a 1.56-mile tunnel and underground stations in portions of downtown Austin, were estimated to be \$5.8 billion.

¹Office of the City Clerk, Election History, AUSTINTEXAS.GOV, <https://services.austintexas.gov/election/byrecord.cfm?eid=208> (last visited Feb. 20, 2024).

16. As ATP began advancing toward a 30% design package for the Light Rail Components, dramatic increases to the preliminary cost estimates began to surface, primarily fueled by the effects of the COVID-19 global pandemic, which were only beginning to emerge at the time of the November 2020 election. Three significant cost drivers had grown with the changed economy and advancing design: (i) increases in real estate costs, (ii) inflation and construction cost escalation, and (iii) scope refinement through advancing design.

17. The real estate and inflation cost drivers were market-driven. By April of 2022, ATP estimated that its real estate costs had increased by approximately \$940 million due to rising real estate values.² Construction costs increased by approximately \$380 million due to inflation, increased construction costs, and supply chain impacts.³

18. Additionally, advancements in design revealed overall cost increases of \$3.2 billion. Most notably, the length of the proposed downtown tunnel would need to be extended from approximately 1.56 miles to 4.19 miles to address engineering issues, carrying with it an estimated cost increase of \$2.1 billion.⁴

19. In total, ATP's April 2022 cost estimates for the Light Rail Components rose from \$5.8 billion to \$10.3 billion, a \$4.5 billion increase.⁵ Due to this material change in circumstances, at its July 2022 public board meeting, ATP staff informed the public that the originally proposed Project Connect System Plan scope and sequencing for the Light Rail Components would need to be updated to address the engineering issues and match available funding.⁶

² See Memorandum to the Capital Metro Board of Directors, ATP Board of Directors, and City of Austin Council (Apr. 7, 2020), at 5 (available at <https://publicinput.com/Customer/File/Full/6bba66e5-288f-4bfe-a4eb-a05d4176d792>) (last visited Feb. 20, 2024).

³ *Id.*

⁴ *Id.* at 5-6.

⁵ *Id.* at 6.

⁶ See Austin Transit Partnership Board of Directors Meeting (July 20, 2022), at 12 and 26 (available at https://www.atptx.org/wp-content/uploads/2023/09/july-2022_atp-board-meeting_agenda_packet_v2.pdf.) (last visited Feb. 20, 2024).

20. In December 2022, ATP, along with the City and Capital Metro, began an extensive community engagement process to seek input on potentially financially viable modifications to the Light Rail Components of Project Connect. On March 21, 2023, based on the feedback received from this process, ATP publicly unveiled five light rail options to the community, and it spent another six weeks engaging with stakeholders to receive input on the proposed options.⁷ During this process, ATP hosted 91 community engagement activities and connected with over 8,000 community members.⁸ On May 2, 2023, ATP publicly presented a revised first phase for the Light Rail Components, called the “Austin Light Rail Implementation Plan.”

21. The revised plan modifies and supplements the original vision for light rail presented as part of the original Project Connect System Plan, creating a financially viable first phase for light rail. This first phase consists of a 9.8-mile on-street, two-line light rail system running from the intersection of 38th Street and Guadalupe Street, south to the intersection of Oltorf Street and S. Congress Avenue, and Yellow Jacket Lane and E. Riverside Drive, respectively. In addition, the plan indicates future phasing and identifies two priority extension projects, including a planned extension to the Austin Bergstrom International Airport.

22. On June 1, 2023, City Council and Capital Metro both adopted the Austin Light Rail Implementation Plan in accordance with the Companion Resolution, in which the City reserved discretion to modify Project Connect and the sequencing of its components with the joint concurrence of City Council and the Capital Metro Board of Directors. *See* Companion Resolution at 5 (“Further, the City Council by this official action, clarifies that if Project Connect, or the

⁷ *See* Austin Light Rail: Community Engagement Report (May 2023), at 5 (available at <https://publicinput.com/Customer/File/Full/cd851c64-09c5-406a-8b59-1204b89c5825>) (last visited Feb. 20, 2024).

⁸ *Id.* at 6.

associated Implementation Sequence Plan, require modification, such action may be taken only upon the joint occurrence of City Council and the Capital Metro Board.”).

D. In accordance with state public finance laws and as contemplated by the City’s voters, ATP now seeks to issue bonds to fund a portion of the Light Rail Components of Project Connect.

23. By passing Proposition A, voters authorized the City to increase the *ad valorem* tax rate in the City of Austin and dedicate the additional revenue (the “Proposition A Revenue”) to ATP to independently finance and implement Project Connect. In August 2021, the City and ATP entered into an interlocal agreement (“Funding Agreement”) whereby the City agreed to pay the Proposition A Revenue to ATP to accomplish the City’s governmental purposes, namely to implement portions of Project Connect. The Funding Agreement was amended and restated in February 2024 to address potential issues raised by the Texas Attorney General’s Office in May 2023.

24. Pursuant to the Funding Agreement, the City agreed to pay annually, subject to appropriation, the Proposition A Revenue to ATP on a periodic basis (the “Contract Revenue Payments”), and ATP made clear that it would use the Contract Revenue Payments solely for the accomplishment of the City’s governmental purposes of implementing Project Connect. The Contract Revenue Payments are ATP’s primary source of funding for Project Connect.

25. On February 16, 2024, ATP’s Board of Directors adopted a Bond Resolution approving various financing documents (the “Financing Program”), including a Master Trust Agreement to be supplemented as obligations issue and a First Supplemental Agreement for an initial series of obligations issued pursuant to the Financing Program entitled “Austin Transit Partnership Local Government Corporation Senior Lien Contract Revenue Bonds, Series 2024” in an aggregate principal amount not to exceed \$150,000,000 (the “Initial Bonds”) to pay and reimburse for costs of the Light Rail Components. The Bonds will be secured by a pledge of the

Contract Revenue Payments received from the City under the Funding Agreement, and will be ATP's principal source of repayment for the Initial Bonds and all other obligations issued pursuant to the Financing Program.

E. Opponents are trying to derail Project Connect.

26. Certain individuals have sued City Council members and members of the ATP Board of Directors in an effort to stop Project Connect (Cause No. D-1-GN-23-008105, styled *Dirty Martin's et al. v. Mayor Kirk Watson, et al.*, in the 455th District Court, Travis County). According to those litigants, the financing structure for the Light Rail Components creates an unconstitutional "debt," as that term is used in Texas law. Notwithstanding that voters entrusted the City with the discretion to modify Project Connect as necessary, the plaintiffs also assert that the financing structure is invalid because the City allegedly violated its contract with the voters by modifying Project Connect. The plaintiffs seek to enjoin the City from assessing, collecting, and appropriating Proposition A Revenue. They further seek to enjoin ATP from spending the Contract Revenue Payments on the Light Rail Components or any bonds.

27. Thus, the *Dirty Martin's* lawsuit is a direct challenge to the validity of the Funding Agreement, the Initial Bonds, and the Financing Program. Nonetheless, this bond validation action may be maintained "regardless of whether another proceeding is pending in any court relating to a matter to be adjudicated" in this lawsuit. TEX. GOV'T CODE § 1205.025(4). And this Court may consolidate any other proceeding with this action. *Id.* at § 1205.061(b). The City and ATP have or will notify counsel for those litigants of this proceeding.

V. STATUTORY ALLEGATIONS

28. Petitioners incorporate the facts stated in the preceding paragraphs herein. Additionally, Petitioners make the following allegations as required by Texas Government Code Section 1205.024.

A. The City has authority to levy and collect the Proposition A Revenue.

29. Texas Tax Code Section 26.07 requires an election when a municipality of more than 30,000 adopts a tax rate that would exceed the municipality's voter-approval tax rate (the calculation of which is dictated by Tax Code Section 26.04). According to Section 26.07, when seeking approval to adopt a tax rate that exceeds the voter-approval tax rate, a municipality must describe the purpose for the tax increase proposed to the voters. Section 26.07 does not place substantive restrictions on the purposes for which a municipality may seek voter approval for a tax rate increase. Proposition A clearly described the purpose for which the tax would be used, specifically, "for the purpose of providing funds for a citywide traffic-easing rapid transit system known as Project Connect." The voters overwhelmingly voted to adopt a tax rate that exceeded the voter-approval tax rate in order to provide funds for Project Connect. Accordingly, because the City lawfully obtained voter approval under Section 26.07, the City's levy and collection of the Proposition A Revenue for the creation, operation, and maintenance of a high-capacity transit system within the City is a lawful use of maintenance and operations tax revenue under Chapter 26, the City's Home Rule Charter, and the Funding Agreement.

B. The City has authority to transfer the Proposition A Revenue to ATP.

30. The City may enter into an interlocal agreement with a local government corporation to perform governmental functions. *See generally*, TEX. GOV'T CODE § 791.011; *see also* TEX. TRANSP. CODE § 431.105. Such intergovernmental agreements are subject to constitutional requirements of Article XI, Section 5 of the Texas Constitution, placing limits on the authority of political subdivisions to incur pecuniary obligations. The City Council approved the Funding Agreement, committing to pay the Proposition A Revenue to ATP annually, subject to appropriation, to accomplish the City's governmental purposes, namely to implement Project

Connect.⁹ The City’s contractual payment obligation under the Funding Agreement is subject to appropriation and may be terminated at the end of any fiscal year. The Funding Agreement therefore does not create an unconstitutional “debt” within the meaning of Article XI, Section 5 of the Texas Constitution.¹⁰

C. Texas law authorizes entities like ATP to issue bonds and notes secured by contract revenues to finance capital improvements.

31. ATP is a governmental unit of the State of Texas, duly created, organized and validly existing under the laws of the State of Texas. TEX. TRANSP. CODE § 431.108(a) (“A local government corporation is a governmental unit as that term is used in Chapter 101, Civil Practice and Remedies Code.”). As a local government corporation, ATP has statutory authority to issue bonds and notes to carry out its purpose under any power or authority available to the corporation, including Chapters 1201 and 1371 of the Texas Government Code. *Id.* § 431.070; *see also Id.* § 431.101(b) (“A local government corporation has the powers of a corporation authorized for creation by the commission under this chapter.”).

32. As a local government corporation created under Subchapter D, ATP is authorized to aid and act on behalf of the City to accomplish any governmental purpose of the City, as set forth in its articles of incorporation and bylaws. *Id.* § 431.101(a). ATP’s Articles of Incorporation, approved by City Council and the Capital Metro Board of Directors, expressly authorize and empower ATP to implement Project Connect and the Austin Light Rail Implementation Plan, and

⁹ See City of Austin Resolution No. 20240215-044 (adopted Feb. 15, 2024)

¹⁰ “A contract which runs for more than one year is a commitment only of current revenues, and so is not a ‘debt’ if it reserves to the governing body the right to terminate at the end of each budget period.” Tex. Att’y Gen. Op. No. KP-0444 at 4-5 (May 20, 2023). (citing *City-Cnty. Solid Waste Control Bd. v. Cap. City Leasing, Inc.*, 813 S.W.2d 705, 707 (Tex. App.—Austin 1991, writ denied)). The Texas Attorney General concluded that the original interlocal agreement between the City and ATP was an impermissible pecuniary obligation within the meaning of Art. XI, Section 5 because the contract was not subject to termination and the City would be in breach of the agreement if it did not pay the Project Connect Revenue to ATP. However, these issues were rectified by the City and ATP by their adoption of the Funding Agreement, which supersedes and replaces the original interlocal agreement.

more particularly, to “issue bonds, notes and other debt obligations as necessary for the accomplishment of the implementation of Project Connect.”¹¹

D. ATP has authority to pledge its revenues as security for its bonds and notes issued to finance capital improvements.

33. ATP has all statutory authority under Chapters 1201 and 1371 of the Texas Government Code to issue bonds. The Contract Revenue Payments received by the City under the Funding Agreement are the revenues of ATP within the meaning of Section 1201.044 of the Texas Government Code. As explained above, the ATP Board of Directors duly adopted the Bond Resolution, which included authorization for ATP to finalize and enter into a master trust agreement (the “Master Trust Agreement”) and a first supplemental agreement (the “First Supplement”) substantially in the form attached to the Bond Resolution (collectively, the “Trust Agreement”). The Bond Resolution also authorizes the pledge of the Contract Revenue Payments received pursuant to the terms of the Funding Agreement, as security for the repayment of the Initial Bonds and future obligations (including bonds, notes and other obligations) issued pursuant to the Financing Program. The Bond Resolution and the Trust Agreement are attached for all purposes as **Exhibit A**. ATP’s pledge of the Contract Revenue Payments pursuant to its Trust Agreement and Financing Program is valid and effective without any further action of the issuer. *See* TEX. GOV’T CODE § 1201.044(a)(1). The Initial Bonds will be issued in an aggregate principal amount not to exceed \$150,000,000. As provided in the Master Trust Agreement, the Financing Program initially establishes that the aggregate principal amount of obligations outstanding under the Master Trust Agreement may not exceed \$5 billion. The actual interest rate on the Initial Bonds will be set based on market conditions at the time of their sale. The interest rate on the Initial Bonds

¹¹ Amended and Restated Articles of Incorporation of The Austin Transit Partnership Local Government Corporation, Article IV (adopted Feb. 16, 2024).

may not exceed the maximum rate authorized by law, which pursuant to Section 1204.006 of the Government Code is a net effective rate of 15%.

E. Modification of the Project Connect System Plan does not undermine the City's authority to proceed with Project Connect as contemplated.

34. The opponents who seek to derail Project Connect have argued that the City no longer has the statutorily required voter authorization to assess, collect, and transfer the Proposition A Revenue as described above. This is wrong. When voters are asked to approve a city's financial undertakings in an election, as was done here, Texas courts recognize that the terms of the election ordinances become a "contract with the voters." Op. Tex. Att'y Gen. No. GA-0156, at 6 (2004) (citing *Black v. Strength*, 246 S.W. 79, 79 (Tex. 1922); *Fletcher v. Ely*, 53 S.W.2d 817, 818 (Tex. Civ. App.—Amarillo 1932, writ ref'd)). "[T]he proceeds of bonds voted by the people must be expended for the purposes for which they were voted." *Lewis v. City of Fort Worth*, 126 Tex. 458, 463 (1936). Here, the City's adoption of the Austin Light Rail Implementation Plan was consistent with its contract with the voters.

35. Additionally, Texas law provides that, where a governing body reserves the discretion to make changes to a voter-approved project, elected officials are free to make changes according to their honest judgment and discretion. *Wright v. Allen*, 57 S.W. 980, 986 (Tex. Civ. App.—Dallas 1923, writ ref'd). In the Companion Resolution, the City expressly reserved a right to modify the Project Connect System Plan upon the joint concurrence of City Council and the Capital Metro Board of Directors. *See* Companion Resolution. Due to the drastic changes in the local and national economic environment and other developments discovered during design development, the original Project Connect System Plan presented to voters needed to be revised, and City Council, in joint concurrence with the Capital Metro Board of Directors, exercised its duly reserved discretion to revise it. It did this only after it expressly reserved the discretion to

modify the Project Connect System Plan, and ATP, on behalf of the City, engaged in a robust community engagement process before exercising that discretion by adopting the Austin Light Rail Implementation Plan.

VI. PRAYER

WHEREFORE, PREMISES CONSIDERED, Petitioners pray as follows:

36. That the Judge of this Honorable Court make and issue an order in general terms in the form of a notice directed to all interested parties including the Attorney General in accordance with Texas Government Code Section 1205.041–.044, requiring, in general terms and without naming them, all such persons and the Attorney General to appear for hearing and trial at 10:00 a.m. on the first Monday after the expiration of twenty (20) days from the date of issue of such order and show cause why the prayers of this petition should not be granted and the legal rights of the Petitioners and the proceedings of the Bonds be validated and confirmed as herein prayed;

37. That notice of this suit be published and served in accordance with law and that in the event the Attorney General does not waive service of citation, that the Clerk of this Court shall cause a copy of said order and this Petition, including all exhibits hereto, to be served upon the Attorney General in the manner and within the time as provided by Texas Government Code Section 1205.042;

38. That a day certain be set for the hearing of this cause in accordance with the provisions of Texas Government Code Section 1205.065 and, if necessary, trial be continued but not reset;

39. That upon a final hearing, this Honorable Court enters judgment declaring and establishing the following:

A. That the Petitioners are authorized to bring this suit, that the Court has jurisdiction over the parties and subject matter thereof, that all requirements of due process have been met in citing and giving notice to all possible challengers, opponents, and contestants to the legal authority of the City levy and collect *ad valorem* tax as authorized by and for the purposes described in Proposition A, the authority of ATP to issue obligations from time-to-time pursuant to the Financing Program, including the Initial Bonds, and that there is a justiciable controversy over which the Court has jurisdiction under Texas law to adjudicate in this declaratory judgment suit;

B. That the City is authorized, pursuant to its contract with the voters established with the passage of Proposition A, to levy and collect taxes at the increased rate approved by the voters in Proposition A;

C. That the City is authorized, pursuant to its contract with the voters, to pay, subject to appropriation, the Proposition A Revenue to ATP pursuant to the Funding Agreement, which is validated for the voter-approved purpose;

D. That the Contract Revenue Payments are the property of ATP, and ATP is authorized to pledge the Contract Revenue Payments as security for repayment of the Initial Bonds and other obligations pursuant to the Master Trust Agreement, as supplemented, and the Financing Program;

E. That ATP is authorized and required to spend the Contract Revenue Payments for implementing Project Connect, including the Light Rail Components as currently set forth in the Austin Light Rail Implementation Plan;

F. That the Initial Bonds and any other obligations authorized by the Financing Program, when issued and executed pursuant to the requirements provided by law, including

approval by the Attorney General and filing with the Comptroller of Public Accounts, will constitute valid and incontestable obligations, enforceable according to their terms;

G. That each public security authorization undertaken with respect to the Bonds was legal and valid;

H. That ATP is authorized to issue from time-to-time and use the proceeds of any bonds, notes, or other obligations issued pursuant to the terms of the Master Trust Agreement, as supplemented, and the Financing Program authorized by the Bond Resolution for financing or reimbursing the cost of acquiring, designing, constructing, and implementing of the Light Rail Components;

I. That the City's actions concerning Project Connect, including the adoption of the Austin Light Rail Implementation Plan, have not violated its contract with the voters; and

J. That all other matters of fact and law pertaining to the legality and validity of all proceedings referred to in this petition and developed at trial be adjudicated as part of this expedited validation proceeding and included in the court's declaratory judgment; and

40. For all such other and further relief, both general and special, at law and in equity, to which the Petitioners shall be justly entitled.

Respectfully submitted,

WINSTEAD PC

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**ATTORNEYS FOR PETITIONER THE CITY
OF AUSTIN**

EXHIBIT A



*Austin Transit Partnership Board of Directors Resolution
Meeting Date: 2/16/2024*

ATP-2024-006

*Resolution authorizing the issuance of ATP Contract Revenue
Bonds and Master Trust Agreement*

Subject: Approval of a resolution authorizing the issuance and sale of Austin Transit Partnership Local Government Corporation contract revenue bonds in one or more series in an aggregate principal amount not to exceed \$150,000,000 in accordance with the parameters and purposes set out in the resolution (including payment or reimbursement of costs related to the light rail components of Project Connect), authorizing related documents and approving the payment of costs of issuance and all related fees, and providing that the sale be accomplished by February 16, 2025; and approving other matters related to the bonds including instituting a bond validation suit.

Fiscal Impact: It is currently not anticipated that debt service requirements will have an impact on the Fiscal Year 2024 Budget. Debt service requirements are currently anticipated to begin in Fiscal Year 2024-25.

Executive Summary: In order to pay or reimburse the costs of the light rail components of Project Connect, ATP is proposing to issue its Austin Transit Partnership Local Government Corporation Contract Revenue Bonds (City of Austin Voter-Approved Project Connect Payments) in one or more series (collectively, the "Bonds") pursuant to ATP's Articles, Bylaws, the Enabling Act (particularly Chapter 431, Texas Transportation Code, Chapter 394, Texas Local Government Code and Chapter 22, Texas Business Organizations Code) and Chapters 1201 and 1371, Texas Government Code (collectively, the "Act"). The Bonds hereinafter authorized will be secured by a Master Trust Agreement (the "Master Trust Agreement" together with the First Supplemental Agreement (as defined herein), the "Trust Agreement"), between the Corporation and a trustee (the "Trustee"). The Bonds will be sold pursuant to one or more Purchase Contracts (collectively, the "Purchase Contracts") between the Corporation and the underwriter(s) named therein.

Procurement Summary: N/A

Disadvantaged Business Enterprise Program Summary: N/A



RESOLUTION OF THE AUSTIN TRANSIT PARTNERSHIP

BOARD OF DIRECTORS

STATE OF TEXAS
COUNTY OF TRAVIS

Resolution ID: ATP-2024-006

Resolution authorizing the issuance of ATP Contract Revenue Bonds

APPROVE A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF AUSTIN TRANSIT PARTNERSHIP LOCAL GOVERNMENT CORPORATION CONTRACT REVENUE BONDS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$150,000,000 IN ACCORDANCE WITH THE PARAMETERS AND PURPOSES SET OUT IN THE RESOLUTION (INCLUDING PAYMENT OR REIMBURSEMENT OF COSTS RELATED TO THE LIGHT RAIL COMPONENTS OF PROJECT CONNECT), AUTHORIZING RELATED DOCUMENTS AND APPROVING THE PAYMENT OF COSTS OF ISSUANCE AND ALL RELATED FEES, AND PROVIDING THAT THE SALE BE ACCOMPLISHED BY FEBRUARY 16, 2025; AND APPROVING OTHER MATTERS RELATED TO THE BONDS INCLUDING INSTITUTING A BOND VALIDATION SUIT

ADOPTED FEBRUARY 16, 2024

WHEREAS, the Austin Transit Partnership Local Government Corporation (the "Corporation"), created under the laws of the State of Texas, including particularly Chapter 431, Texas Transportation Code, Chapter 394, Texas Local Government Code and Chapter 22, Texas Business Organizations Code, was created to implement the following measure, known as Proposition A:

City of Austin Proposition A

Approving the ad valorem tax rate of \$0.5335 per \$100 valuation in the City of Austin for the current year, a rate that is \$0.0875 higher per \$100 valuation than the voter-approval tax rate of the City of Austin, for the purpose of providing funds for a citywide traffic-easing rapid transit system known as "Project Connect", to address traffic congestion, expand service for essential workers, reduce climate change emissions, decrease traffic fatalities, create jobs, and provide access to schools, health care, jobs and the airport; to include neighborhood supportive affordable housing investments along transit corridors and a fixed rail and bus rapid transit system, including associated road, sidewalk, bike, and street lighting improvements, park and ride hubs, on-demand neighborhood circulator shuttles, and improved access for seniors and persons with disabilities; to be operated by the Capital Metropolitan Transportation Authority, expending its funds to build, operate and maintain the fixed rail and bus rapid transit system; the additional revenue raised by the tax rate is to be dedicated by the City to an independent board to oversee and finance the acquisition, construction, equipping, and operations and maintenance of the rapid transit system by providing funds for loans and grants to develop or expand transportation within the City, and to finance the transit-supportive anti-displacement strategies related to Project Connect. Last year, the ad valorem tax rate in the City of Austin was \$0.4431 per \$100 valuation.

WHEREAS, in order to pay or reimburse certain Costs of the Light Rail Components of Project Connect, the Corporation is proposing to issue its initial Series of Austin Transit Partnership Local Government Corporation Contract Revenue Bonds in one or more Series as authorized herein (collectively, the "Bonds") pursuant to the Corporation's Articles of Incorporation and Bylaws, as well as the Acts; and

WHEREAS, the Bonds will be secured by a Master Trust Agreement (the "Master Trust Agreement" together with the First Supplemental Agreement (as defined herein), the "Trust Agreement"), between the Corporation and a trustee (the "Trustee"); and

WHEREAS, the Master Trust Agreement establishes a financing program for the Corporation to issue Obligations, such as the Bonds, from time to time as financially feasible, to pay Costs of the Light Rail Components of Project Connect, which financing program is currently estimated not to exceed \$5 billion as further provided in the Master Trust Agreement; and

WHEREAS, any capitalized terms not otherwise defined in this Resolution (this "Resolution") shall have the meanings given in the Trust Agreement; and

WHEREAS, the Board of Directors of the Corporation has determined to issue the Bonds under the First Supplemental Agreement (the "First Supplemental Agreement") to pay or reimburse (i) Costs of the Light Rail Components including planning, designing and engineering costs and (ii) the costs of issuance of the Bonds, all as further set forth in the First Supplemental Agreement and each Award Certificate delivered pursuant thereto; and

WHEREAS, the Chair of the Board of Directors and the Executive Director and Chief Financial Officer of the Corporation are each designated as a Pricing Officer pursuant to the First Supplemental Agreement and as a Corporation Representative pursuant to the Master Trust Agreement; and

WHEREAS, the Bonds will be sold pursuant to a negotiated sale with one or more Purchase Contracts (collectively, the "Purchase Contracts") between the Corporation and the underwriter(s) named therein; and

WHEREAS, the Corporation has determined and does hereby determine that the issuance of the Bonds in accordance with the terms of this Resolution and the Award Certificate is in the best interests of the Corporation; and

WHEREAS, these preambles shall constitute an integral part of this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE AUSTIN TRANSIT PARTNERSHIP LOCAL GOVERNMENT CORPORATION THAT:

Section 1. There is hereby authorized and directed the execution, issuance and sale by the Corporation of one or more Series of Bonds in the aggregate principal amount not to exceed \$150,000,000 (not including any premiums) for the purpose of paying or reimbursing (i) Costs of the Light Rail Components including planning, designing and engineering costs, and (ii) costs of issuance of the Bonds as contemplated by the Trust Agreement. The Bonds shall be dated and numbered as provided in the First Supplemental Agreement, shall mature on such date or dates not to exceed forty (40) years from their date, shall be subject to redemption, and shall have the form, details and specifications set out in the First Supplemental Agreement and each related Award Certificate. In no event will (i) the interest rate on any Series of Bonds exceed the maximum interest rate authorized by law; (ii) the purchase price on any Series of Bonds be less than 90% of the aggregate principal amount thereof plus accrued interest thereon, if any

or (iii) any Series of the Bonds be issued unless prior to delivery each Series of the Bonds is rated, by a Nationally Recognized Rating Agency for municipal securities, in one of the four highest rating categories for long-term debt instruments. A Pricing Officer is hereby authorized to execute and deliver each Series of the Bonds on behalf of the Corporation, and the Secretary of the Board is hereby authorized to attest and affix the Corporation's seal (if any) thereto, with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by such execution thereof.

Section 2. For the purpose of securing each Series of the Bonds, providing the details thereof and prescribing the terms and conditions on which such Bonds are to be secured, executed, authenticated, accepted and held, the Master Trust Agreement substantially in the form presented at this meeting is hereby approved and a Pricing Officer is hereby authorized and directed, for and on behalf of the Corporation, to date, sign and otherwise execute the Master Trust Agreement for and on behalf of the Corporation with such changes therein as shall be approved by such Pricing Officer with their execution thereof to constitute conclusive evidence of such approval.

Section 3. For the purpose of securing the Bonds, providing the details thereof and prescribing the terms and conditions on which the Bonds are to be secured, executed, authenticated, accepted and held, the First Supplemental Agreement substantially in the form presented at this meeting is hereby approved and a Pricing Officer is hereby authorized and directed, for and on behalf of the Corporation, to date, sign and otherwise execute the First Supplemental Agreement for and on behalf of the Corporation, with such changes therein as shall be approved by such Pricing Officer with their execution thereof to constitute conclusive evidence of such approval.

Section 4. To achieve advantageous borrowing costs for the Corporation each Series of the Bonds shall be sold by a negotiated sale. The sale of each Series of the Bonds at the price to be approved by a Pricing Officer is hereby authorized and approved, and one or more Purchase Contracts to sell each Series of the Bonds, substantially in the form presented to the Board of Directors, are hereby authorized to be dated, executed and delivered on behalf of the Corporation by a Pricing Officer with such terms and provisions as shall be approved by such Pricing Officer with their execution thereof to constitute conclusive evidence of such approval. The authority of a Pricing Officer to execute and deliver each Purchase Contract shall expire at 6:00 p.m. Central Time on February 16, 2025. Any Series of Bonds priced on or before February 16, 2025 may be delivered to the purchasers thereof after such date.

Section 5. In connection with the offering of the Bonds, the Board hereby authorizes the use and distribution of a Preliminary Official Statement and a final Official Statement (collectively, the "Official Statement") with respect to each Series of the Bonds. A Pricing Officer must approve the final form of the Official Statement.

Section 6. A Pricing Officer is hereby authorized to designate a trustee to serve as the Trustee for each Series of the Bonds under the Master Trust Agreement, as supplemented.

Section 7. A Pricing Officer is hereby authorized to execute the Letter of Representations with The Depository Trust Corporation with respect to any Series of the Bonds issued as book-entry-only.

Section 8. A Pricing Officer is hereby authorized and directed to execute (i) such certificates as shall be necessary to establish that interest on the Tax-Exempt Bonds will be excludable from the gross income of the Owners of the Bonds for federal income tax purposes of the Internal Revenue Code of 1986 (the "Code"); (ii) IRS Form 8038-G, as required under Section 149(e) of the Code, to be filed with the Internal Revenue Service; (iii) any certificates necessary to deem the Official Statement final or otherwise to comply with Securities Exchange Commission Rule 15c2-12; (iv) any other certificates, documents or other agreements necessary in connection with the issuance of each Series of the Bonds and approval of such Bonds by the Attorney General of the State of Texas and (v) any documents or certificates, if any, necessary in connection with the issuance and delivery of any Series of the Bonds.

Section 9. The officers of the Corporation are each hereby severally authorized and directed to execute, attest, seal and deliver any and all additional certificates, documents or other papers and to do any and all things deemed necessary to effect the issuance and sale of each Series of the Bonds, and the execution and delivery of the Master Trust Agreement, the First Supplemental Agreement and the Purchase Contracts, and to carry out the intent and purposes of this Resolution, including the preambles hereto.

A Pricing Officer is hereby authorized to have control of each Series of the Bonds initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and the investigation, examination and approval by the Attorney General of the State of Texas of the proceedings authorizing each Series of the Bonds. A Pricing Officer is further authorized, and general counsel to the Corporation is hereby authorized and directed, to approve, subsequent to the date of the adoption of this Resolution and prior to the initial delivery of any Series of the Bonds all matters related to the issuance of the Bonds including approving any actions required to effectuate the approval of each Series of the Bonds by any governmental body.

A Pricing Officer is further authorized, and general counsel to the Corporation and bond counsel to the Corporation are hereby authorized and directed, to approve, subsequent to the date of the adoption of this Resolution and prior to the initial delivery of each Series of the Bonds any technical changes or corrections to this Resolution or to any of the documents authorized or approved by this Resolution necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Resolution; (ii) make such other changes to this Resolution deemed reasonable and necessary by a Pricing Officer with the advice of general counsel to the Corporation

and bond counsel; (iii) obtain ratings from any Nationally Recognized Rating Agency, (iv) obtain the approval of each Series of the Bonds and the related contracts and agreements by the Texas Attorney General's office or (v) observe and perform the obligations of the Corporation under each Series of the Bonds, the Master Trust Agreement, the First Supplemental Agreement, the Purchase Contracts, the Funding Agreement and other related financing documents.

General counsel and bond counsel to the Corporation are hereby authorized to institute, subsequent to the date of the adoption of this Resolution and prior to the initial delivery of any Series of the Bonds, any bond validation suit under Chapter 1205, Texas Government Code, as amended (or any successor statute thereto), related to the initial Series of the Bonds.

Section 10. All details of each Series of the Bonds required to be prescribed in this Resolution by the Act not fully set forth herein are set forth in the Master Trust Agreement as supplemented and are hereby incorporated in this Resolution as if fully set forth herein.

Section 11. The Board of Directors of the Corporation hereby finds that the issuance of each Series of the Bonds by the Corporation will assist the City in providing funds for the Light Rail Components of Project Connect, including the promotion of economic development and the expansion of commerce within the City.

Section 12. After the Bonds are issued, this Resolution shall be and remain irrevocable until the Bonds and the interest thereon shall have been fully paid, canceled and discharged. The Bonds and the interest thereon shall be payable solely from the Trust Estate pledged pursuant to the Master Trust Agreement, as supplemented and shall never constitute and shall not be considered obligations, general or otherwise, of the City, the State of Texas or any political subdivision thereof. The Corporation has no taxing power.

Section 13. The Corporation expects to pay expenditures in connection with the Light Rail Components prior to the issuance of each Series of the Bonds. The Corporation finds, considers and declares that the reimbursement of the Corporation for the payment of such expenditures will be appropriate and consistent with the lawful objectives of the Corporation and, as such, chooses to declare its intention, in accordance with the provisions of Section 1.150-2 of the Treasury Regulations, to reimburse itself for such payments at such time as it issues Bonds to accomplish the purposes set forth in the First Supplemental Agreement. All costs to be reimbursed will be capital expenditures. No Tax-Exempt Bonds will be issued by the Corporation in furtherance of the First Supplemental Agreement after a date which is later than 18 months after the later of (1) the date the expenditures are paid or (2) the date on which the property, with respect to which such expenditures were made, is placed in service. The foregoing notwithstanding, no Tax-Exempt Bonds will be issued pursuant to the First Supplemental Agreement more than three (3) years after the date any expenditure which is to be reimbursed is paid unless the Corporation receives an engineering certification that such projects will require five (5) years to be completed. A Pricing Officer is authorized

to execute any reimbursement certifications required with respect to the Light Rail Components to be reimbursed with Bond proceeds.

Section 14. The provisions of this Resolution are hereby declared to be separable, and, if any section, phrase or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

Section 15. All resolutions and orders, or part thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 16. This Resolution shall become effective immediately upon its passage.

[Signature Page Follows]

APPROVED AND ADOPTED this 16th day of February, 2024.

AUSTIN TRANSIT PARTNERSHIP LOCAL
GOVERNMENT CORPORATION

By: 
Chair, Board of Directors

ATTEST:

By: 
BRANDON W. CARR
Secretary, Board of Directors

**FORM OF
MASTER TRUST AGREEMENT***

BY AND BETWEEN

AUSTIN TRANSIT PARTNERSHIP LOCAL GOVERNMENT CORPORATION

AND

AS TRUSTEE

SECURING
CONTRACT REVENUE OBLIGATIONS

Dated as of _____, ____

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

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MASTER TRUST AGREEMENT

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

WITNESSETH:

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

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

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

City of Austin Proposition A

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE I DEFINITIONS

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

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

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

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

ARTICLE II AUTHORIZATION AND ISSUANCE OF OBLIGATIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III REDEMPTION, TENDER AND PURCHASE OF OBLIGATIONS

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

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

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

ARTICLE IV CUSTODY AND APPLICATION OF PROCEEDS OF OBLIGATIONS

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

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

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

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

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

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

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

ARTICLE V PLEGGED REVENUES AND FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE VI DEPOSITS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE VII PARTICULAR COVENANTS

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

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

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

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

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

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

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

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

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

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

ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IX CONCERNING THE TRUSTEE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE XI SUPPLEMENTAL AGREEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE XII DEFEASANCE

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

ARTICLE XIII MISCELLANEOUS PROVISIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**AUSTIN TRANSIT PARTNERSHIP LOCAL
GOVERNMENT CORPORATION**

By: _____
Corporation Representative

_____,
as Trustee

By: _____
Title: _____

[Trustee Signature Page]

EXHIBIT A DEFINITIONS

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

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

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

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

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

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

"Assumed Variable Rate" – in the case of:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"SEC" – the United States Securities Exchange Commission.

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

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

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

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

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

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

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

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

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

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

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

"State" – the State of Texas.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EXHIBIT B

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

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

_____, Trustee

Attention: _____

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

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

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

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

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

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

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

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

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

AUSTIN TRANSIT PARTNERSHIP LOCAL
GOVERNMENT CORPORATION

By: _____

Name: _____

Title: _____

**FORM OF
FIRST SUPPLEMENTAL AGREEMENT***

BY AND BETWEEN

AUSTIN TRANSIT PARTNERSHIP LOCAL GOVERNMENT CORPORATION

AND

_____, AS TRUSTEE

SECURING

ONE OR MORE SERIES OF

SENIOR LIEN CONTRACT REVENUE BONDS,
SERIES 2024

Dated as of _____, _____

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

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FIRST SUPPLEMENTAL AGREEMENT

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

WITNESSETH:

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

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

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

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

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

ARTICLE I

DEFINITIONS

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

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

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

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

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

ARTICLE II

AUTHORIZATION AND DESIGNATION OF OBLIGATIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(f) Replacement Bonds.

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

(ii) Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made by the Owner thereof to the Trustee. In every case of loss, theft, or destruction of a Bond, the Owner applying for a replacement Bond shall furnish to the Corporation and to the Trustee such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the Owner shall furnish to the Corporation and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III

SECURITY FOR BONDS; MASTER TRUST AGREEMENT APPLICABLE

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

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

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

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

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

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

ARTICLE IV

PARTICULAR COVENANTS

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

ARTICLE V

TAX COVENANTS FOR THE TAX-EXEMPT BONDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE VI

AMENDING SUPPLEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 603. CONSENTS OF OWNERS OF THE BONDS AND OPINIONS.

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

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

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

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

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

ARTICLE VII

MISCELLANEOUS PROVISIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE VIII

GENERAL PROVISIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IX

CONTINUING DISCLOSURE UNDERTAKING

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

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

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

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

- A. Principal and interest payment delinquencies;
- B. Non-payment related defaults, if material within the meaning of the federal securities laws;
- C. Unscheduled draws on debt service reserves reflecting financial difficulties;
- D. Unscheduled draws on credit enhancements reflecting financial difficulties;
- E. Substitution of credit or liquidity providers, or their failure to perform;
- F. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Tax-Exempt Bonds, or other events affecting the tax-exempt status of the Tax-Exempt Bonds;
- G. Modifications to rights of holders of the Bonds, if material within the meaning of the federal securities laws;
- H. Bond calls, if material within the meaning of the federal securities laws and tender offers;
- I. Defeasances;
- J. Release, substitution, or sale of property securing repayment of the Bonds, if material within the meaning of the federal securities laws;
- K. Rating changes;
- L. Bankruptcy, insolvency, receivership or similar event of the Corporation;
- M. The consummation of a merger, consolidation, or acquisition involving the Corporation or the sale of all or substantially all of the assets of the Corporation, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material within the meaning of the federal securities laws;
- N. Appointment of a successor or additional trustee or the change of name of a trustee, if material within the meaning of the federal securities laws;

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

For these purposes, (a) any event described in the immediately preceding paragraph (L) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Corporation in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Corporation, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the Corporation in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Corporation, and (b) the Corporation intends the words used in the immediately preceding paragraphs (O) and (P) and the definition of Financial Obligation to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018.

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

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

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

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

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

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

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

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

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

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

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

[Signature Page Follows]

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

**AUSTIN TRANSIT PARTNERSHIP LOCAL
GOVERNMENT CORPORATION**

By: _____
Executive Director

[Signature Page]

_____,
as Trustee

By: _____
Title: _____

EXHIBIT "A"

DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Secretary" – The Secretary of the Corporation.

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

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

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

"State" – The State of Texas.

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

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

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

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

EXHIBIT "B"

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EXECUTED this _____, 2024.

Title: Chief Financial Officer
Austin Transit Partnership Local Government
Corporation

EXHIBIT I

TERMS OF THE SERIES 2024 BONDS

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

PRINCIPAL AMOUNT

\$ _____

GENERAL DESCRIPTION OF THE SERIES 2024 BONDS

Current Interest Series 2024 Bonds

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

CHARACTERISTICS OF THE SERIES 2024 BONDS

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

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

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

REDEMPTION PROVISIONS

Optional Redemption.

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

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

Mandatory Sinking Fund Redemption.

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

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

*Final Maturity

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

*Final Maturity

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

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

Selection of Series 2024 Bonds for Redemption.

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

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

EXHIBIT II

FORM OF BOND

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

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

NO. _____

PRINCIPAL AMOUNT
\$ _____

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

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

REGISTERED OWNER:

PRINCIPAL AMOUNT:

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

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

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

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

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

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

In the event of non-payment of interest on a scheduled interest payment date, and for 30 days thereafter, a new Record Date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from the Corporation. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date"), which shall be 15 days after the Special Record Date shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Owner of an Bond appearing on the Registration Books at the close of business on the last Business Day next preceding the date of mailing of such notice. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the Corporation and the securities depository.

If the date for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Trustee is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of an issue and Series of Bonds, dated _____, 2024, authorized in accordance with the Constitution and laws of the State of Texas in the aggregate principal amount of \$_____ for the purpose of paying or reimbursing Costs of the Light Rail Components including planning, design and engineering costs and costs of issuance of the Bonds.

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

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

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

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

Series 2024 Term Bonds
Maturing _____, 20
Redemption Date Principal Amount

*Final Maturity

Series 2024 Term Bonds
Maturing _____, 20
Redemption Date Principal Amount

*Final Maturity

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

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

to maturity at the option of the Corporation shall be the only notice actually required in connection with or as a prerequisite to such optional redemption of any Bonds or portions thereof. By the date fixed for any such redemption due provision shall be made with the Trustee for the payment of the required redemption price for the Bonds or portions thereof which are to be redeemed, plus accrued interest thereon to the date fixed for redemption. If notice of redemption is given and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being Outstanding except for the right of the Owner to receive the redemption price plus accrued interest from the Trustee out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Owner upon the surrender thereof for cancellation, at the expense of the Corporation, all as provided in the First Supplemental Agreement.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the First Supplemental Agreement have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Trustee prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the Corporation, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Trustee on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Corporation shall not redeem such Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

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

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

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

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

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

accordance with the form and procedures set forth in the First Supplemental Agreement and the Master Trust Agreement. The Corporation shall pay the Trustee's standard or customary fees and charges for transferring, converting, and exchanging any Bond or any portion thereof, but the one requesting such transfer, conversion, and exchange shall pay any taxes or governmental charges required to be paid with respect thereto as a condition precedent to the exercise of such privilege of conversion and exchange. The Trustee shall not be required to make any such conversion and exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

It is hereby certified, certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, sold, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; and that this Bond, along with other outstanding parity revenue obligations, is a special obligation of the Corporation, payable solely from the Trust Estate.

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

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

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

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

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

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

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

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

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

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

Chair
Austin Transit Partnership Local Government
Corporation

Secretary
Austin Transit Partnership Local Government
Corporation

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

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

_____,
Trustee

Dated:
ATP: 1stSuppAgrmnt

By: _____
Authorized Representative

FORM OF COMPTROLLER'S REGISTRATION CERTIFICATE

COMPTROLLER'S REGISTRATION CERTIFICATE REGISTER NO. _____

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

Witness my signature and seal this

(COMPTROLLER'S SEAL)

Comptroller of Public Accounts of
the State of Texas

FORM OF ASSIGNMENT

ASSIGNMENT

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

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

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

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

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

Please insert Social Security or
Other Identification Number of Assignee

/ _____ /

(Name and Address of Assignee)

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

Dated: _____

Signature Guaranteed: _____

INSERTIONS FOR THE INITIAL BOND

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

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

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

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

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

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