PRELIMINARY OFFICIAL STATEMENT

Dated September 22, 2026

HTS Continuing Disclosure Services
A Division of Hilltop Securities
(See "CONTINUING DISCLOSURE OF INFORMATION" herein)

Ratings:
S&P: "AA-"
"AA" (BAM Insured)
See ("OTHER INFORMATION - Ratings" herein)

NEW ISSUE - Book-Entry-Only

In the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, interest on the Series 2026A Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under "TAX MATTERS FOR THE SERIES 2026A BONDS" herein, including the alternative minimum tax on certain corporations.

THE SERIES 2026A BONDS ***WILL NOT BE*** *DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS*

$4,985,000*
TRINITY RIVER AUTHORITY OF TEXAS
(HUNTSVILLE REGIONAL WATER SUPPLY SYSTEM PROJECT)
CONTRACT REVENUE BONDS, SERIES 2026A

Dated Date: October 1, 2026 **Due: August 1, as shown on page ii**
Interest will accrue from the Delivery Date

PAYMENT TERMS . . . Interest on the $4,985,000* Trinity River Authority of Texas (Huntsville Regional Water Supply System Project) Contract Revenue Bonds, Series 2026A (the "Series 2026A Bonds") will accrue from the date they are initially delivered (the "Delivery Date") to the underwriter listed below (the "Underwriter"), will be payable on February 1, 2027 and on each August 1 and February 1 thereafter until maturity or prior redemption, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Series 2026A Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Series 2026A Bonds may be acquired in denominations of $5,000 or integral multiples thereof within a maturity. **No physical delivery of the** Series 2026A B**onds will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Series 2026A Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Series 2026A Bonds (see "THE BONDS - Book-Entry-Only System" herein). The initial Paying Agent/Registrar is BOKF, NA, Dallas, Texas (see "THE BONDS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Series 2026A Bonds are issued pursuant to the provisions of Acts of the 54th Legislature of Texas, 1955, Chapter 518 as amended, Chapter 30, Texas Water Code, as amended, Chapter 1371, Texas Government Code, as amended, and other applicable laws and a bond resolution authorizing the issuance of the Series 2026A Bonds (the "Bond Resolution") adopted by the Board of Directors (the "Board") of the Trinity River Authority of Texas (the "Authority" or "Issuer") on August 26, 2026. In the Bond Resolution, the Board has delegated to the General Manager and Chief Financial Officer of the Authority (each an "Authorized Officer") the authority to complete the sale of the Bonds. The terms of the sale will be included in a "Pricing Certificate" which will be approved and executed by the Authorized Officer and which will complete the sale of the Series 2026A Bonds (the Bond Resolution and the Pricing Certificate are jointly referred to as the "Resolution"). Under the Constitution and the statutes of the State of Texas (the "State"), the Authority has broad powers to effectuate flood control and the conservation and use for all beneficial purposes of storm and flood waters in the Trinity River watershed, and as a necessary aid to these purposes, the Authority has specific authority to construct, own and operate water and wastewater treatment, collection, and transportation systems, and to make contracts in reference thereto with municipalities and others.

PURPOSE . . . Proceeds from the sale of the Series 2026A Bonds will be used (i) to pay the costs of acquisition and construction of improvements to the Authority's Huntsville Regional Water Supply System (the "System"), (ii) to fund the debt service reserve fund, if necessary, and (iii) to pay the costs associated with the issuance of the Series 2026A Bonds.

SEPARATE ISSUES . . . The Series 2026A Bonds are being offered by the Authority concurrently with the $2,375,000 Trinity River Authority of Texas (Huntsville Regional Water Supply System Project) Contract Revenue Bonds, Taxable Series 2026B (the "Taxable 2026B Bonds") under a common Official Statement, and such Series 2026A Bonds and Taxable 2026B Bonds are hereinafter sometimes referred to collectively as the "Bonds." The Series 2026A Bonds and Taxable 2026B Bonds are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and, while the Series 2026A Bonds and Taxable 2026B Bonds share common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the federal, state or local tax consequences of the purchase, ownership or disposition of the Series 2026A Bonds and Taxable 2026B Bonds.

Bond Insurance . . . The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by Build America Mutual Assurance Company. ("BAM" or the "Insurer"). See "BOND INSURANCE" and "APPENDIX E – SPECIMEN MUNICIPAL BOND INSURANCE POLICY" herein.

BAM

CUSIP PREFIX: 896560
MATURITY SCHEDULE & 9 DIGIT CUSIP
See Schedule on page ii

LEGALITY . . . The Series 2026A Bonds are offered for delivery when, as and if issued, and accepted by the Underwriter and subject to the approving opinion of the Attorney General of Texas and the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, Dallas, Texas (see APPENDIX D, "Form of Bond Counsel's Opinion"). Certain legal matters will be passed upon for the Underwriter by Norton Rose Fulbright US LLP, Dallas, Texas, counsel for the Underwriter.

DELIVERY . . . It is expected that the Series 2026A Bonds will be available for delivery through the facilities of DTC on or about October 20, 2026 (the "Delivery Date").

SIEBERT WILLIAMS SHANK

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* Preliminary, subject to change.

CUSIP PREFIX: 896560(1)

$4,985,000*
TRINITY RIVER AUTHORITY OF TEXAS
(HUNTSVILLE REGIONAL WATER SUPPLY SYSTEM PROJECT)
CONTRACT REVENUE BONDS, SERIES 2026A

MATURITY SCHEDULE

$______________ Serial Bonds
(Interest to accrue from the Delivery Date)

Maturity (August 1)	Principal Amount ($)	Interest Rate (%)	Initial Yield	CUSIP Suffix(1)
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				
2047				
2048				
2049				
2050				
2051				

$______________ Term Bonds
(Interest to accrue from the Delivery Date)

$____________ Term Bond due August 1, 20__, Price to Yield ______%, CUSIP Suffix(1) _____

* Yield shown is the yield to the first optional call date, August 1, 20__.

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OPTIONAL REDEMPTION OF SERIES 2026A BONDS. . . The Authority reserves the right, at its option, to redeem the Series 2026A Bonds maturing on or after August 1, 20__, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on August 1, 20__, or any date thereafter, at the par value thereof plus accrued interest to date of redemption (see "THE BONDS – Redemption – Optional Redemption of Seres 2026A Bonds").

MANDATORY REDEMPTION . . . If two or more of the serial bonds of consecutive maturities are combined into one or more "Term Bonds" by the Underwriter, such Term Bonds will be subject to mandatory sinking fund redemption in accordance with the provisions of the Resolution as further described herein (see "THE BONDS – Redemption – Mandatory Redemption").

* Preliminary, subject to change.

PRELIMINARY OFFICIAL STATEMENT

Dated September 22, 2026

(See "CONTINUING DISCLOSURE OF INFORMATION" herein)

Ratings:
S&P: "AA-"
"AA" (BAM Insured)
See ("OTHER INFORMATION - Ratings" herein)

NEW ISSUE - Book-Entry-Only

Interest on the Taxable 2026B Bonds is not excludable from gross income for federal income tax purposes under existing law. See "TAX MATTERS FOR THE TAXABLE 2026B BONDS" herein.

$2,375,000*
TRINITY RIVER AUTHORITY OF TEXAS
(HUNTSVILLE REGIONAL WATER SUPPLY SYSTEM PROJECT)
CONTRACT REVENUE BONDS, TAXABLE SERIES 2026B

Dated Date: October 1, 2026
Interest will accrue from the Delivery Date

Due: August 1, as shown on page ii

PAYMENT TERMS . . . Interest on the $2,375,000* Trinity River Authority of Texas (Huntsville Regional Water Supply System Project) Contract Revenue Bonds, Taxable Series 2026B (the "Taxable 2026B Bonds") will accrue from the date they are initially delivered (the "Delivery Date") to the underwriter listed below (the "Underwriter"), will be payable on February 1, 2027 and on each August 1 and February 1 thereafter until maturity or prior redemption, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Taxable 2026B Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Taxable 2026B Bonds may be acquired in denominations of $5,000 or integral multiples thereof within a maturity. **No physical delivery of the** Taxable 2026B Bonds **will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Taxable 2026B Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Taxable 2026B Bonds (see "THE BONDS - Book-Entry-Only System" herein). The initial Paying Agent/Registrar is BOKF, NA, Dallas, Texas (see "THE BONDS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Taxable 2026B Bonds are issued pursuant to the provisions of Acts of the 54th Legislature of Texas, 1955, Chapter 518 as amended, Chapter 30, Texas Water Code, as amended, Chapter 1371, Texas Government Code, as amended, and other applicable laws and a bond resolution authorizing the issuance of the Taxable 2026B Bonds (the "Bond Resolution") adopted by the Board of Directors (the "Board") of the Trinity River Authority of Texas (the "Authority" or "Issuer") on August 26, 2026. In the Bond Resolution, the Board has delegated to the General Manager and Chief Financial Officer of the Authority (each an "Authorized Officer") the authority to complete the sale of the Bonds. The terms of the sale will be included in a "Pricing Certificate" which will be approved and executed by the Authorized Officer and which will complete the sale of the Taxable 2026B Bonds (the Bond Resolution and the Pricing Certificate are jointly referred to as the "Resolution"). Under the Constitution and the statutes of the State of Texas (the "State"), the Authority has broad powers to effectuate flood control and the conservation and use for all beneficial purposes of storm and flood waters in the Trinity River watershed, and as a necessary aid to these purposes, the Authority has specific authority to construct, own and operate water and wastewater treatment, collection, and transportation systems, and to make contracts in reference thereto with municipalities and others.

PURPOSE . . . Proceeds from the sale of the Taxable 2026B Bonds will be used (i) to pay the costs of acquisition and construction of improvements to the Authority's Huntsville Regional Water Supply System (the "System"), (ii) to fund the debt service reserve fund, if necessary, and (iii) to pay the costs associated with the issuance of the Taxable 2026B Bonds.

SEPARATE ISSUES . . . The Taxable 2026B Bonds are being offered by the Authority concurrently with the $4,985,000 Trinity River Authority of Texas (Huntsville Regional Water Supply System Project) Contract Revenue Bonds, Series 2026A (the "Series 2026A Bonds") under a common Official Statement, and such Taxable 2026B Bonds and Series 2026A Bonds are hereinafter sometimes referred to collectively as the "Bonds." The Taxable 2026B Bonds and Series 2026A Bonds are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and, while the Series 2026A Bonds and Taxable 2026B Bonds share common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the federal, state or local tax consequences of the purchase, ownership or disposition of the Series 2026A Bonds and Taxable 2026B Bonds.

Bond Insurance . . . The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by Build America Mutual Assurance Company. ("BAM" or the "Insurer"). See "BOND INSURANCE" and "APPENDIX E – SPECIMEN MUNICIPAL BOND INSURANCE POLICY" herein.

CUSIP PREFIX: 896560
MATURITY SCHEDULE & 9 DIGIT CUSIP
See Schedule on page ii

LEGALITY . . . The Taxable 2026B Bonds are offered for delivery when, as and if issued, and accepted by the Underwriter and subject to the approving opinion of the Attorney General of Texas and the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, Dallas, Texas (see APPENDIX D, "Form of Bond Counsel's Opinion"). Certain legal matters will be passed upon for the Underwriter by Norton Rose Fulbright US LLP, Dallas, Texas, counsel for the Underwriter.

DELIVERY . . . It is expected that the Taxable 2026B Bonds will be available for delivery through the facilities of DTC on or about October 20, 2026 (the "Delivery Date").

SIEBERT WILLIAMS SHANK

* Preliminary, subject to change.

CUSIP PREFIX: 896560[(1)]

$2,375,000*
TRINITY RIVER AUTHORITY OF TEXAS
(HUNTSVILLE REGIONAL WATER SUPPLY SYSTEM PROJECT)
CONTRACT REVENUE BONDS, TAXABLE SERIES 2026B

MATURITY SCHEDULE

$______________ Serial Bonds
(Interest to accrue from the Delivery Date)

Maturity (August 1)	Principal Amount ($)	Interest Rate (%)	Initial Yield	CUSIP Suffix[(1)]
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				
2047				
2048				
2049				
2050				
2051				

$______________ Term Bonds
(Interest to accrue from the Delivery Date)

$____________ Term Bond due August 1, 20__, Price to Yield ______%, CUSIP Suffix[(1)] _____

* Yield shown is the yield to the first optional call date, August 1, 20__.

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OPTIONAL REDEMPTION OF TAXABLE 2026B BONDS. . . The Taxable 2026B Bonds are subject to redemption prior to maturity, at the option of the Issuer, in whole or in part, on any Business Day in such amounts and maturities as designated by the Issuer (i) before August 1, 203_ at the Make-Whole Redemption Price (as further described herein) applicable to the Taxable 2026B Bonds, together with accrued interest thereon to the redemption date and (ii) on or after August 1, 203_, at a redemption price equal to 100% of the principal amount of the Taxable 2026B Bonds to be redeemed, together with accrued interest thereon to the redemption date (see "THE BONDS – Redemption – Optional Redemption of Taxable 2026B Bonds").

MANDATORY REDEMPTION . . . If two or more of the serial bonds of consecutive maturities are combined into one or more "Term Bonds" by the Underwriter, such Term Bonds will be subject to mandatory sinking fund redemption in accordance with the provisions of the Resolution as further described herein (see "THE BONDS – Redemption – Mandatory Redemption").

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* Preliminary, subject to change.

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission ("Rule 15c2-12"), this document constitutes an "official statement" of the Authority with respect to the Bonds that has been deemed "final" by the Authority as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

This Official Statement, which includes the cover page and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale. This Official Statement is not to be used in connection with an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACT. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAW OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES, IF ANY, CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. THE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

No dealer, broker, salesman or other person has been authorized by the Authority or the Underwriter to give any information, or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Authority or the Underwriter. This Official Statement does not constitute an offer to sell Bonds in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter do not guarantee the accuracy or completeness of such information.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, Rule 15c2-12 of the United States Securities and Exchange Commission.

Certain information set forth herein has been obtained from the Authority, the City (as defined herein) and other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Financial Advisor or the Underwriter. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the City or other matters described herein since the date hereof. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the Authority's and the City undertakings to provide certain information on a continuing basis.

NONE OF THE AUTHORITY, ITS FINANCIAL ADVISOR, NOR THE UNDERWRITER MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY OR ITS BOOK-ENTRY-ONLY SYSTEM, AS SUCH INFORMATION HAS BEEN PROVIDED BY THE DEPOSITORY TRUST COMPANY.

This Official Statement includes descriptions and summaries of certain events, matters and documents. Such descriptions and summaries do not purport to be complete and all such descriptions, summaries and references thereto are qualified in their entirety by reference to this Official Statement in its entirety and to each such document, copies of which may be obtained from the Financial Advisor. Any statements made in this Official Statement or the appendices hereto involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such opinions or estimates will be realized.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE" and "APPENDIX E".

This Official Statement contains "forward-looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Such statements may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements to be different from future results, performance and achievements expressed or implied by such forward-looking statements. Investors are cautioned that the actual results could differ materially from those set forth in the forward-looking statements.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT SUMMARY

This summary is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

THE AUTHORITY

The Trinity River Authority of Texas (the "Authority" or "Issuer") is a governmental agency of the State of Texas and a body politic and corporate, created as a conservation and reclamation district under Article XVI, Section 59 of the Texas Constitution pursuant to Chapter 518, Acts of the 54th Texas Legislature, Regular Session, 1955, as amended (the "Authority Act"). The Authority is governed by a Board (the "Board") of 25 directors who are appointed by the Texas Governor for six-year terms. Effective September 1, 2025, directors will be appointed for a term of four-years, as approved by the Texas 89th legislature. Notwithstanding the foregoing, any director serving on the Board prior to September 1, 2025, shall continue to serve the remainder of his or her six-year term.

THE BONDS

The Bonds are issued as $4,985,000* Trinity River Authority of Texas (Huntsville Regional Water Supply System Project) Contract Revenue Bonds, Series 2026A (the "Series 2026A Bonds") and $2,375,000* Trinity River Authority of Texas (Huntsville Regional Water Supply System Project) Contract Revenue Bonds, Taxable Series 2026B (the "Taxable 2026B Bonds" and with the Series 2026A Bonds, the "Bonds"). The Series 2026A Bonds may be issued as serial bonds maturing on August 1 in each of the years 2028* through 2051*, inclusive (see "The Bonds - Description of the Bonds" and "MATURITY SCHEDULE" on page ii). The Taxable 2026B Bonds may be issued as serial bonds maturing on August 1 in each of the years 2028* through 2051*, inclusive (see "The Bonds - Description of the Bonds" and "MATURITY SCHEDULE" on page iii).

PAYMENT OF INTEREST

Interest on the Bonds accrues from the date they are initially delivered to the Underwriter, and is payable February 1, 2027, and each August 1 and February 1 thereafter until maturity or prior redemption (see "THE BONDS - Description of the Bonds").

AUTHORITY FOR ISSUANCE

The Bonds are issued pursuant to the provisions of the Authority Act; Chapter 30, Texas Water Code, as amended; Chapter 1371, Texas Government Code, as amended, and other applicable laws, and a bond resolution authorizing the issuance of the Bonds (the "Bond Resolution") adopted by the Board on August 26, 2026. In the Bond Resolution, the Board has delegated to the General Manager and Chief Financial Officer of the Authority (each an "Authorized Officer") the authority to complete the sale of the Bonds. The terms of the sale will be included in a "Pricing Certificate" which will be approved and executed by the Authorized Officer and which will complete the sale of the Bonds (the Bond Resolution and the Pricing Certificate are jointly referred to as the "Resolution") (see "THE BONDS - Authority for Issuance").

SECURITY FOR THE BONDS

The Bonds constitute special obligations of the Authority, payable both as to principal and interest, and secured by a first lien on a pledge of the Pledged Revenues (as defined in the Resolution) of the Authority under the Contract entered into with the City of Huntsville, Texas (the "City" or the "Contracting Party") (see "THE BONDS - Security and Source of Payment").

REDEMPTION

The Authority reserves the right, at its option, to redeem the Series 2026A Bonds maturing on or after August 1, 20__ in whole or in part, in principal amounts of $5,000 or any integral multiple thereof, on August 1, 20__ or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "The Bonds – Redemption – Optional Redemption of Series 2026A Bonds"). The Taxable 2026B Bonds are subject to redemption prior to maturity, at the option of the Issuer (i) before August 1, 203_ at the Make-Whole Redemption Price (as further described herein) applicable to the Taxable 2026B Bonds, together with accrued interest thereon to the redemption date and (ii) on or after August 1, 203_, at a redemption price equal to 100% of the principal amount of the Taxable 2026B Bonds to be redeemed, together with accrued interest thereon to the redemption date (see "THE BONDS – Redemption – Optional Redemption of Taxable 2026B Bonds"). If two or more serial bonds of consecutive maturities are combined into one or more "Term Bonds" by the Underwriter, such Term Bonds will be subject to mandatory sinking fund redemption in accordance with the provisions of the respective Series 2026A Resolution or the Taxable Series 2026B Resolution as further described herein (see "THE BONDS – Redemption – Mandatory Redemption").

TAX MATTERS

In the opinion of Bond Counsel, the interest on the 2026A Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under the caption "TAX MATTERS" herein, including the alternative minimum tax on certain corporations.

Interest on the Taxable 2026B Bonds is not excludable from gross income for federal income tax purposes under existing law. See "TAX MATTERS FOR THE Taxable 2026B Bonds" herein.

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* Preliminary, subject to change.

USE OF PROCEEDS	Proceeds from the sale of the Bonds will be used (i) to pay the costs of acquisition and construction of improvements to the Authority's Huntsville Regional Water Supply System (the "System"), (ii) to fund the debt service reserve fund, if necessary, and (iii) to pay the costs associated with the issuance of the Bonds.
RATINGS	The Bonds are rated "AA-" by S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P"), without regard to credit enhancement. (see "OTHER INFORMATION - Ratings"). The Bonds are rated "AA" by S&P based on the insurance policy provided by Build America Mutual Assurance Company ("BAM").
BOND INSURANCE	The scheduled payment of principal and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by BAM. See "BOND INSURANCE" and "APPENDIX E" herein.
BOOK-ENTRY-ONLY SYSTEM	The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of DTC pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof within a maturity. No physical delivery of the Bonds will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see "THE BONDS - Book-Entry-Only System").
PAYMENT RECORD	Neither the Authority nor the City have ever defaulted in payment of their bonds.

For additional information regarding the Authority, please contact:

Ms. Christine J. Epps, C.P.A. Trinity River Authority of Texas P.O. Box 60 Arlington, Texas 76004 (817) 493-5192	or	Ms. Mary Williams Ms. Ester Flores Hilltop Securities Inc. 717 Harwood Street, 34th Floor Dallas, Texas 75201 (214) 953-4000

AUTHORITY OFFICIALS, STAFF AND CONSULTANTS

Board Members**	Position	Area Represented
Megan W. Deen	President and Member, Executive Committee	Tarrant County
Henry Borbolla III	Vice-President and Member, Executive Committee	Tarrant County
Cathy Altman	Chair, Legal and Public Policy Committee and Member, Executive Committee	Ellis County
C. Cole Camp	Chair, Utility Services Committee and Member, Executive Committee	Director at Large
Benny L. Fogleman	Chair, Administration and Audit Committee and Member, Executive Committee	Polk County
John W. Jenkins	Chair, Resources Development Committee and Member, Executive Committee	Chambers County
C. Dwayne Somerville	Chair, Executive Committee	Freestone County
Jeffrey H. Bradley	Member, Legal and Public Policy Committee	Walker County
Casey Yeary Callas	Member, Utility Services Committee	Trinity County
R. Carson Dennis	Member, Resources Development Committee	Dallas County
Jerry F. House, D. Min	Member, Resources Development Committee	Leon County
Margaret S.C. Keliher	Member, Administration and Audit Committee	Dallas County
David B. Leonard	Member, Utility Services Committee	Liberty County
Robert F. McFarlane, M.D.	Member, Resources Development Committee	Director at Large
Lewis H. McMahan	Member, Legal and Public Policy Committee	Dallas County
Vacant	Member, Resources Development Committee	Kaufman County
Kathryn L. Sanders Pyle	Member, Administration and Audit Committee	Henderson County
Steven L. Roberts	Member, Resources Development Committee	San Jacinto County
Amir A. Rupani	Member, Administration and Audit Committee	Dallas County
Frank H. Steed, Jr.	Member, Legal and Public Policy Committee	Navarro County
Frederick C. Tate	Member, Administration and Audit Committee	Director at Large
Elizabeth C. Thomas	Member, Legal and Public Policy Committee	Tarrant County
Brenda K. Walker	Member, Legal and Public Policy Committee	Anderson County
David G. Ward	Member, Utility Services Committee	Madison County
Gregory S. Wassberg	Member, Utility Services Committee	Houston County

Management Officers

J. Kevin Ward*	General Manager
Glenn C. Clingenpeel	Deputy General Manager
Alexis S. Long	Secretary, Board of Directors and General Counsel
Christine J. Epps, CPA	Treasurer, Board of Directors, and Chief Financial Officer
Douglas D. Haude, P.E.	Executive Manager, Southern Region
Taylor L. Huynh	Executive Manager, Administrative Services
Matthew S. Jalbert, P.E.	Executive Manager, Northern Region
Webster M. Mangham	Executive Manager, Technical Services and Basin Planning
Gary N. Oradat, P.E.	Executive Manager, Planning, Design and Construction Administration
Douglas L. Short	Chief Information Officer

Consultants and Advisors

Authority Counsel	Booth, Ahrens & Werkenthin, P.C.	Austin, Texas
Independent Auditors	Weaver and Tidwell, LLP	Dallas, Texas
Bond Counsel	McCall, Parkhurst & Horton L.L.P.	Dallas, Texas
Financial Advisor	Hilltop Securities Inc.	Dallas, Texas

*The Authority's current General Manager, J. Kevin Ward, has announced his planned retirement. The Board of Directors anticipates appointing a special committee at the next Board meeting to determine the process for naming the Authority's next General Manager. To assist with the transition, the Executive Committee approved the creation of the Deputy General Manager position in March 2026. This position has since been filled.

**The Governor has appointed seven new directors who are expected to be sworn in before the next scheduled Board of Directors meeting in October 2026.

PRELIMINARY OFFICIAL STATEMENT
RELATING TO
$7,360,000*

TRINITY RIVER AUTHORITY OF TEXAS
(HUNTSVILLE REGIONAL WATER SUPPLY SYSTEM PROJECT)
CONTRACT REVENUE BONDS
CONSISTING OF:

$4,985,000 SERIES 2026A
AND
$2,375,000 TAXABLE SERIES 2026B

INTRODUCTION

This Official Statement, which includes the Appendices hereto, provides certain information regarding the issuance of $4,985,000* Trinity River Authority of Texas (Huntsville Regional Water Supply System Project) Contract Revenue Bonds, Series 2026A (the "Series 2026A Bonds") and $2,375,000* Trinity River Authority of Texas (Huntsville Regional Water Supply System Project) Contract Revenue Bonds, Taxable Series 2026B (the "Taxable 2026B Bonds" and with the Series 2026A Bonds", the "Bonds"). Capitalized terms used but not defined in this Official Statement have the same meanings assigned to such terms in Resolution (defined herein), except as otherwise indicated herein (see "SELECTED PROVISIONS OF THE BOND RESOLUTION").

There follows in this Official Statement descriptions of the Bonds and certain information regarding the Trinity River Authority of Texas (the "Authority" or "Issuer") and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the Authority's Financial Advisor, Hilltop Securities Inc., Dallas, Texas.

Description of the Authority

The Authority is a governmental agency of the State of Texas (the "State") and a body politic and corporate, created as a conservation and reclamation district under Article XVI, Section 59 of the Constitution pursuant to Chapter 518, Acts of the 54th Legislature of Texas, Regular Session, 1955, as amended. Under the Constitution and the statutes of the State, the Authority has broad powers to effectuate flood control and the conservation and use for all beneficial purposes of storm and flood waters in the Trinity River watershed, and as a necessary aid to these purposes, the Authority has specific authority to construct, own and operate water and wastewater treatment, collection and transportation systems, and to make contracts in reference thereto with municipalities and others (see "THE AUTHORITY").

The Authority consists of all the territories in the Counties of Dallas, Tarrant, Ellis, Navarro and Chambers, and the principal watershed portions of Anderson, Freestone, Henderson, Houston, Kaufman, Leon, Madison, Polk, San Jacinto, Trinity, Walker and Liberty Counties. The Authority is governed by a Board (the "Board") of 25 directors who are appointed by the Texas Governor with the advice and consent of the Texas Senate. Three of the directors are appointed from the area-at-large; three directors are from Tarrant County; four are from Dallas County; and one director is from each of the other counties. The term of each director is four years and then until the director's successor has been appointed and qualifies. The Governor designates a member of the Board as the president of the Board to serve in that capacity at the pleasure of the Governor.

THE BONDS

Purpose

Proceeds from the sale of the Bonds will be used for the purpose of providing funds to (i) to pay the costs of acquisition and construction of improvements to the Authority's Huntsville Regional Water Supply System (the "System"), (ii) to fund the debt service reserve fund, if necessary, and (iii) to pay the costs associated with the issuance of the Bonds.

Description of the Bonds

The Bonds are dated October 1, 2026, and mature on August 1 in each of the years and in the amounts shown on page ii hereof. Interest will accrue from the date they are initially delivered to the Underwriter, and will be payable on February 1 and August 1 of each year, commencing February 1, 2027, until maturity or prior redemption.

The definitive Bonds will be issued only in fully registered form in any integral multiple of $5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. **No physical delivery of the Bonds will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see "THE BONDS – Book-Entry-Only System" herein).

Interest on the Bonds is payable to the registered owner appearing on the bond registration books of the Paying Agent/Registrar on the Record Date (as defined below) and such interest shall be paid by the Paying Agent/Registrar (i) by check sent by United States Mail, first class postage prepaid, to the address of the registered owner recorded in the bond register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. Principal of and interest on the Bonds at maturity will be payable upon their presentation

*Preliminary, subject to change.

and surrender to the Paying Agent/Registrar; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Bonds, all payments will be made as described under "THE BONDS - Book-Entry-Only System" herein. If the date for any payment on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the designated corporate office of the Paying Agent/Registrar is located is 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 when 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.

Authority For Issuance

The Bonds are being issued pursuant to the provisions of the Authority Act; Chapter 30, Texas Water Code, as amended; Chapter 1371, Texas Government Code, as amended; and other applicable laws and a bond resolution authorizing the issuance of the Bonds (the "Bond Resolution") adopted by the Board on August 26, 2026. In the Bond Resolution, the Board has delegated to the General Manager and Chief Financial Officer of the Authority (each an "Authorized Officer") the authority to complete the sale of the Bonds. The terms of the sale will be included in a "Pricing Certificate" which will be approved and executed by the Authorized Officer and which will complete the sale of the Bonds (the Bond Resolution and the Pricing Certificate are jointly referred to as the "Resolution").

Security and Source of Payment

The Authority has entered into a contract (the "Contract") with the City of Huntsville, Texas (the "City" or the "Contracting Party") to enable it to provide water treatment, transmission and storage facilities (the "System") for the benefit of the City (the "Project") (see "THE SYSTEM"). The City has agreed, in the Contract, to pay to the Authority its cost of operation and maintenance of the System and debt service on the Bonds. The debt service on any Additional Bonds (as defined herein) that are required to construct any future additions or expansions will be paid by the City and any Additional Contracting Parties added to the System. The City will pay its obligation to the Authority, including the debt service due on the Bonds, out of moneys received from the operation of its Combined Waterworks and Sewer System, which obligation is an operation and maintenance expense of the City.

The Bonds, and interest thereon, are payable solely from "Pledged Revenues" under the Resolution. In the Resolution, "Pledged Revenues" means: (a) the Net Revenues and (b) any additional revenues, income, receipts, donations, or other resources derived or received or to be received from any public or private source, whether pursuant to an agreement or otherwise, which in the future may, at the option of the Issuer, be pledged to the payment of the Bonds or the Additional Bonds. The term "Net Revenues" means the Gross Revenues less the Operation and Maintenance Expenses. "Gross Revenues" means all of the revenues, income, rentals, rates, fees, and charges of every nature derived by the Issuer from the operation and/or ownership of the System, including specifically all payments and amounts received by the Issuer from the City pursuant to the Contract, and any income from the investment of money in any Funds created by this Resolution, excepting any amounts required to be rebated to the Internal Revenue Service in accordance with the Resolution. (see "SELECTED CONTRACT PROVISIONS" herein).

Reserve Fund

In the Resolution, the Authority has established a Reserve Fund to be used to finally retire or to pay when due debt service on the Bonds and any Additional Bonds to the extent the amounts in the Interest and Redemption Fund are insufficient. The Resolution provides that so long as the market value of the money and investments in the Reserve Fund are not less than a "Required Reserve" equal to the average annual principal and interest requirements of the Bonds and any Additional Bonds, no deposit to the Reserve Fund is required. (See "SELECTED PROVISIONS OF THE BOND RESOLUTION"). Following the issuance of the Bonds, the Authority will deposit Bond proceeds in an amount required to fully fund the Required Reserve.

Redemption

Optional Redemption of Series 2026A Bonds. The Authority reserves the right, at its option, to redeem 2026A Bonds maturing on or after August 1, 20__, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof, on August 1, 20__, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Bonds are to be redeemed, the Authority may select the maturities of the Bonds to be redeemed. If less than all of the Bonds of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Bonds are in Book-Entry-Only form) shall determine by lot the Bonds, or portions thereof, within such maturity to be redeemed.

Optional Redemption of Taxable 2026B Bonds. The Taxable 2026B Bonds are subject to redemption prior to maturity, at the option of the Issuer, in whole or in part, on any Business Day in such amounts and maturities as designated by the Issuer (i) before August 1, 20__ at the Make-Whole Redemption Price (as further described herein) applicable to the Taxable 2026B Bonds, together with accrued interest thereon to the redemption date and (ii) on or after August 1, 20__, at a redemption price equal to 100% of the principal amount of the Taxable 2026B Bonds to be redeemed, together with accrued interest thereon to the redemption date. (see "THE BONDS – Redemption – Optional Redemption of Taxable 2026B Bonds").

Optional Redemption at Make-Whole Redemption Price. The Board has reserved the right, exercisable at its option, to redeem the Taxable 2026B Bonds, in whole or in part (and, if in part, in integral multiples of $5,000), on any Business Day occurring prior to August 1, 20__ at the Make-Whole Redemption Price. In the event such option is exercised, the Board shall retain an independent accounting firm or financial advisor to determine, to include performance of all actions and make all calculations required to determine, the Make-Whole Redemption Price. The Paying Agent/Registrar and the Board may conclusively rely on such accounting firm's or financial advisor's calculations in connection with, and determination of, the Make-Whole Redemption Price, and neither the Paying Agent/Registrar nor the Board will have any liability for such reliance. The determination of the Make-Whole Redemption Price by such accounting firm or financial advisor shall be conclusive and binding on the Paying Agent/Registrar, the Board and the owners of the Taxable 2026B Bonds.

For purposes of the preceding paragraph, the following capitalized terms have the indicated meanings:

"Make-Whole Redemption Price" means the greater of (i) 100% of the principal amount of the Taxable 2026B Bonds to be redeemed or (ii) the sum of the present values of the remaining scheduled payments of principal and interest to the stated maturity of the Taxable 2026B Bonds to be redeemed (not including any portion of those payments of interest accrued and unpaid as of the date on which such Taxable 2026B Bonds are to be redeemed), discounted to the date on which such Taxable 2026B Bonds are to be redeemed on a semi-annual basis assuming a 360-day year consisting of twelve 30-day months at the Treasury Rate: plus _____ (__) basis points for those Taxable 2026B Bonds maturing on August 1, 20__ through August 1, 20__, plus accrued and unpaid interest on such Taxable 2026B Bonds to, but excluding, the redemption date.

"Treasury Rate" means, with respect to any redemption date for a particular bond, the yield to maturity of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Statistical Release H.15 (519) that has become publicly available on a day selected by the Board that is at least two Business Days, but no more than 45 calendar days, prior to such redemption date) (excluding inflation indexed securities) most nearly equal to the period from such redemption date to the maturity date of the bond to be redeemed (taking into account any sinking fund installments for such bonds); provided, however, that if the Federal Statistical Release H.15 (519) is no longer published, "Treasury Rate" means the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date; and provided, further, that if the period from the redemption date to the maturity date of the bond to be redeemed is less than one year, the yield to maturity of the United States Treasury securities with a constant maturity of one year will be used.

"Comparable Treasury Issue" means the United States Treasury security or securities selected by a Designated Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the bond(s) to be redeemed that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of the bonds to be redeemed.

"Comparable Treasury Price" means the average of the Primary Treasury Dealer Quotations for such redemption date or, if the Designated Investment Banker obtains only one Primary Treasury Dealer Quotation, such Primary Treasury Dealer Quotation.

"Designated Investment Banker" means a Primary Treasury Dealer appointed by the Board.

"Primary Treasury Dealer" means one or more entities appointed by the Board, which, in each case, is a primary U.S. Government securities dealer in the City of New York, New York, and its or their respective successors. "Primary Treasury Dealer Quotations" means, with respect to each Primary Treasury Dealer and any redemption date for the Taxable 2026B Bonds, the average, as determined by the Designated Investment Banker, of the bid and ask prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such Primary Treasury Dealer at 3:30 p.m. New York time not later than on the third Business Day or earlier than on the forty-fifth (45th) calendar day preceding such redemption date.

"Business Day" means any day other than a Saturday, Sunday, or legal holiday, or a day on which banking institutions in either the State of New York or the State of Texas are authorized by law or executive order to close.

Mandatory Redemption. If two or more serial bonds of consecutive maturities are combined into one or more "Term Bonds" by the Underwriter, such Term Bonds will be subject to mandatory sinking fund redemption in accordance with the provisions of the respective Series 2026A Resolution or Taxable Series 2026B Resolution.

Notice of Redemption

At least 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the registered owner of each Bond to be redeemed at its address as it appeared on the day such notice of redemption is mailed and to major securities depositories, national bond rating agencies and any national information service that disseminates redemption notices; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is published and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of $5,000, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Resolution.

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

The Paying Agent/Registrar and the Authority, so long as a Book-Entry-Only System is used for the Bonds, will send any notice of redemption, notice of proposed amendment to the Resolution or other notices only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the beneficial owner, shall not affect the validity of the redemption of Bonds called for redemption or any other action premised on any such notice. Redemption of portions of the Bonds by the Authority will reduce the outstanding principal amount of such Bonds held by DTC. In such event, DTC may implement, through its Book-Entry-Only System, a redemption of such Bonds held for the account of DTC participants in accordance with its rules or other agreements with DTC participants and then DTC participants and indirect participants may implement a redemption of such Bonds from the beneficial owners. Any such selection of Bonds to be redeemed will not be governed by the Resolution and will not be conducted by the Authority or the Paying Agent/Registrar. Neither the Authority nor the Paying Agent/Registrar will have any responsibility to DTC participants, indirect participants or the persons for whom DTC participants act as nominees, with respect to the payments on the Bonds or the providing of notice to DTC participants, indirect participants, or beneficial owners of the selection of portions of the Bonds for redemption (see "THE BONDS - Book-Entry-Only System").

Defeasance

The Resolution provides for the defeasance of the Bonds when the payment of all amounts due with respect to the Bonds to the due date thereof is provided by irrevocably depositing with the Paying Agent/Registrar or an authorized escrow agent, in trust (1) money sufficient to make such payment and/or (2) Defeasance Securities to mature as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Bonds. The Bond Resolution provides that "Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to discharge obligations such as the Bonds. Current State law permits defeasance with the following types of securities: (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the Authority adopts or approves the proceedings authorizing the issuance of refunding obligations, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (c) 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 governing body of the Authority adopts or approves the proceedings authorizing the issuance of refunding obligations, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent or (d) any additional securities and obligations hereafter authorized by Texas laws as eligible securities as deemed necessary, in connection with the sale of the Bonds. **The Authorized Officer may modify the categories of Defeasance Securities that are eligible to defease the Bonds in order to accommodate requests from potential investors and shall include any such modification in the Pricing Certificate, and such modification shall be disclosed in the final Official Statement.** Further, there is no assurance that current State law will not be amended in a manner that expands or contracts the list of permissible defeasance securities (such list consisting of those securities identified in clauses (a) through (c) above), or any rating requirement thereon, that may be purchased with defeasance proceeds relating to the Bonds, though the Authority has reserved the right to utilize any additional securities for such purpose in the event the aforementioned list is expanded. The Authority has the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Defeasance Securities for the Defeasance Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the Authority moneys in excess of the amount required for such defeasance.

The Bond Resolution does not contractually limit such investments, and therefore registered owners will be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law.

Upon such deposit as described above, such Bonds shall no longer be regarded to be outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment or redemption of the Bonds have been made as described above, all rights of the Authority to initiate proceedings to call the Bonds for redemption or take any other action amending the terms of the Bonds are extinguished; provided, however, that the right to call the Bonds for redemption (to the extent the Bonds are subject to redemption) is not extinguished if the Authority: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call such Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of such Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

Book-Entry-Only System

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The Authority and the Underwriter believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

The Authority and the Underwriter cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate for each maturity will be issued for the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, is the holding company of DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.
Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity in the series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the Authority or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

Use of Certain Terms in Other Sections of this Official Statement. In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Resolution will be given only to DTC.
Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the Authority or the Underwriter.

Effect of Termination of Book-Entry-Only System. In the event the Book-Entry-Only System with respect to the Bonds is discontinued by DTC, or the use of the Book-Entry-Only System with respect to the Bonds is discontinued by the Authority, printed Bond certificates will be issued to the respective holders of the Bonds, and the respective Bonds will be subject to transfer, exchange, and registration provisions as set forth in the Resolution, summarized under "THE BONDS – Transfer, Exchange And Registration" below.

Paying Agent/Registrar

The initial Paying Agent/Registrar is BOKF, NA, Dallas, Texas. In the Resolution, the Authority retains the right to replace the Paying Agent/Registrar. The Authority covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are duly paid and any successor Paying Agent/Registrar shall be a commercial bank or trust company organized under the laws of the State or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Bonds. Upon any change in the Paying Agent/Registrar for the Bonds, the Authority agrees to promptly cause a written notice thereof to be sent to each registered owner of the Bonds by United States mail, first class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Transfer, Exchange and Registration

In the event the Book-Entry-Only System should be discontinued, the Bonds will be printed and delivered to the beneficial owners thereof, and thereafter the Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender to the Paying Agent/Registrar and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. Bonds may be assigned by the execution of an assignment form on the respective Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bonds being transferred or exchanged, at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Bonds to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in any integral multiple of $5,000 for any one maturity and for a like aggregate designated amount as the Bonds surrendered for exchange or transfer. See "THE BONDS – Book-Entry-Only System" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds.

Limitation on Transfer of Bonds

The Paying Agent/Registrar shall not be required to make any transfer, conversion or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 30 days prior to its redemption date.

Record Date for Interest Payment

The record date ("Record Date") for the interest payable on the Bonds on any interest payment date means the close of business on the fifteenth calendar day of the preceding month.
In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder of a Bond appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

Bondholders' Remedies

The Resolution does not specify events of default with respect to the Bonds. If the Authority defaults in the payment of principal, interest, or redemption price on the Bonds when due, or the Authority defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Resolution, the registered owners may seek a writ of mandamus to compel the Authority or Authority officials to carry out the legally imposed duties with respect to the Bonds if there is no other available remedy at law to compel performance of the obligations set forth in the Bonds or the Resolution and the Authority's obligations are not uncertain or disputed. The issuance of a writ of mandamus is controlled by equitable principles, so it rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Resolution does not provide for the appointment of a trustee to represent the interest of the bondholders upon any failure of the Authority to perform in accordance with the terms of the Resolution, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners.

On June 30, 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W. 3d 325 (Tex. 2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Because it is unclear whether the Texas legislature has effectively waived the Authority's sovereign immunity from a suit for money damages, Bondholders may not be able to bring such a suit against the Authority for breach of the covenants contained in the Bonds or Resolution in the absence of Authority action. Chapter 1371, Texas Government Code ("Chapter 1371"), which pertains to the issuance of public securities by issuers such as the Authority, permits the Authority to waive sovereign immunity in the proceedings authorizing its bonds. The Bonds are being issued pursuant to Chapter 1371, however, the Authority has not waived sovereign immunity in connection with the issuance of the Bonds. Even if a judgment against the Authority could be obtained, it could not be enforced by direct levy and execution against the Authority's property. Further, the registered owners cannot themselves foreclose on property within the Authority or sell property within the Authority to enforce any tax lien on property to pay the principal of and interest on the Bonds. Furthermore, the Authority is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, such provision is subject to judicial construction. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or Bondholders of an entity which has sought protection under Chapter 9. Therefore, should the Authority avail itself of Chapter 9 protection from creditors, the ability to enforce creditors rights would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Bonds are qualified with respect to the customary rights of debtors relative to their creditors.

Sources and Uses of Bond Proceeds
The proceeds from the sale of the Bonds will be applied approximately as follows:

Sources of Funds	
Par Amount of Bonds	$
[Net] Reoffering Premium	
Total Sources of Funds	$

Uses of Funds:	
Deposit to Project Fund	$
[Deposit to Debt Service Reserve Fund]	
Underwriter's Discount	
Costs of Issuance (including bond insurance)	
Total Uses of Funds	$

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM" or the "Insurer") will issue its Municipal Bond Insurance Policy (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.bambonds.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at https://www.spglobal.com/en/. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2026 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $505.6 million, $295.6 million and $210.0 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.bambonds.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at https://bambonds.com/insights/#video. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at https://bambonds.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

BOND INSURANCE RISK FACTORS

General

In the event of default of the payment of principal or interest with respect to the Insured Bonds when all or some becomes due, any owner of the Insured Bonds shall have a claim under the applicable Policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy may not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional redemption of any Insured Bonds by the Authority which is recovered by the Authority from any owner of the Insured Bonds as a voidable preference under applicable bankruptcy law may be covered by the Policy, however, such payments may be made by the Insurer at such time and in such amounts as would have been due absent such prepayment by the Authority unless the Insurer chooses to pay such amounts at an earlier date.

Default of payment of principal and interest will not obligate acceleration of the obligations of the Insurer without appropriate consent. The Insurer may require its consent to any remedies and the Insurer's consent may be required in connection with amendments to the Resolution and any other applicable Bond documents.

In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Insured Bonds will be payable solely from the moneys pledged pursuant to the Resolution. In the event the Insurer becomes obligated to make payments with respect to the Insured Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) of the Bonds.

The long-term ratings on the Insured Bonds will be dependent in part on the financial strength of the Insurer and its claims-paying ability. The Insurer's financial strength and claims-paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Insurer and of the ratings on the Insured Bonds insured by the Insurer will not be subject to downgrade, and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See the description under "OTHER INFORMATION - Rating" herein.

The obligations of the Insurer are contractual obligations and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law or State law related to insolvency of insurance companies.

Neither the Authority nor the Underwriters have made independent investigations into the claims-paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the Authority to pay principal of and interest on the Bonds and the claims-paying ability of the Insurer, particularly over the life of the Bonds.

Claims-Paying Ability and Financial Strength of Municipal Bond Insurers

Moody's Investor Services, Inc., S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, and Fitch Ratings (the "Rating Agencies") have downgraded the claims-paying ability and financial strength of most providers of municipal bond insurance. Additional downgrades or negative changes in the rating outlook for all bond insurers is possible. In addition, certain events in the credit markets have had substantial negative effects on the bond insurance business. These developments could be viewed as having a material adverse effect on the claims-paying ability of such bond insurers, including any bond insurer of the Bonds.

THE SYSTEM

The System

The Huntsville Regional Water Supply System (the "System") was established in September 1976 with the approval of a water service contract between the City and the Authority. The original facilities were placed into operation in September 1980. The system currently provides service for a population of approximately 55,044. The Authority provides raw water for this system through a withdrawal facility located in the headwaters of Lake Livingston. Raw water is processed and pumped to facilities in Huntsville and the Ellis and Estelle Units of the Texas Department of Criminal Justice.

In 1998, the City entered into an Agreement for Purchase and Delivery of Treated Water with Tenaska Frontier Partners Ltd. ("Tenaska"). The contract requires the City to provide non-potable (partially treated) water to Tenaska's power generating plant located approximately 25 miles west of the City, in Grimes County, from the City's system. The water is to be used for cooling and process purposes. In April 2000, System treatment plant and raw water pump station improvements were completed to provide clarified water to the City and then to Tenaska. Tenaska and the City's current contract is through December 31, 2030, which extended the previous contract end date from December 31, 2020.

In 2016, an expansion at the plant was completed, which included the construction of raw-water pump station improvements, approximately 2,000 feet of a new 36-inch diameter raw-water pipeline, new denitrifying filters for nitrate removal, chemical feed systems, high-service pumps, electrical service, and clear-well storage at the treatment plant site. The System is presently composed of an advanced treatment plant having a permitted capacity of 12 MGD.

The City and the Authority have a Raw Water Supply Contract through November 30, 2070 with a current minimum contract quantity of 12,946 acre-feet per year and a reservation quantity of 16,200 acre-feet per year. The contracted price for both the contract minimum and reservation quantity is established and can be amended based on a Board resolution. Currently, the contract minimum is $95 per acre-foot and the reservation rate is 30% of that rate.

The Project . . . The System has a newly developed capital improvement plan. Included in this multi-year plan is the design and construction of improvements to the raw water intake, raw water transmission line, and high service treated water transmission line all of which have been in operation since 1980.

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DEBT INFORMATION

Debt Service Requirements

Fiscal Year Ending November 30	Outstanding Bonds Debt Service[(1)]			The Bonds			Total Outstanding Debt Service[(2)]
	Principal	Interest	Total	Principal	Interest	Total	
2027	$ 710,000	$ 465,900	$ 1,175,900			$ -	$ 1,175,900
2028	755,000	430,400	1,185,400			-	1,185,400
2029	790,000	392,650	1,182,650			-	1,182,650
2030	190,000	359,900	549,900			-	549,900
2031	340,000	350,400	690,400			-	690,400
2032	355,000	333,400	688,400			-	688,400
2033	375,000	315,650	690,650			-	690,650
2034	395,000	296,900	691,900			-	691,900
2035	415,000	277,150	692,150			-	692,150
2036	430,000	256,400	686,400			-	686,400
2037	455,000	234,900	689,900			-	689,900
2038	475,000	212,150	687,150			-	687,150
2039	500,000	188,400	688,400			-	688,400
2040	525,000	163,400	688,400			-	688,400
2041	550,000	137,150	687,150			-	687,150
2042	575,000	109,650	684,650			-	684,650
2043	605,000	80,900	685,900			-	685,900
2044	635,000	53,075	688,075			-	688,075
2045	530,000	23,850	553,850			-	553,850
2046	-	-	-			-	-
2047	-	-	-			-	-
2048	-	-	-			-	-
2049	-	-	-			-	-
2050	-	-	-			-	-
2051	-	-	-			-	-
	$ 9,605,000	$ 4,682,225	$ 14,287,225	$ -	$ -	$ -	$ 14,287,225

(1) Outstanding debt service based on the following Principal by Series as of September 22, 2026:

Series 2025	$	6,270,000
Series 2024	$	3,335,000
Total	$	9,605,000

(2) Totals may not add due to rounding.

Anticipated Issuance of Additional System Revenue Bonds

The Authority has plans to issue bonds for certain treatment plant and collection system improvements for the System totaling approximately $266.380 million* in projects from 2026 through 2031.

SELECTED PROVISIONS OF THE CONTRACT

The following is a composite summary of certain provisions of the Contract. Reference is hereby made to each full and complete Contract for further information, copies of which are available upon request from the Financial Advisor. Certain provisions, including dates and other time references discussed below, are as expressly specified in the Contract and have not been revised to reflect more recent dates or time periods.

Section 1. DEFINITION OF TERMS. Terms and expressions as used in this Contract, unless the context clearly shows otherwise, shall have the following meanings:

A. "Additional Contracting Party" means any party, other than the Contracting Party, with whom Authority makes a contract for supplying treated water from the water treatment facilities of the System or Project, any such Additional Contracting Party being required to execute a contract with Authority substantially similar to this Contract.

B. "Adjusted Annual Payment" means the Annual Payment, as adjusted due to service to Additional Contracting Parties and/or as required during or after each Fiscal Year.

* Preliminary, subject to change.

C. "Annual Payment" means the amount of money to be paid to Authority by City as its proportionate share of the Annual Requirement.

D. "Annual Requirement" means the total amount of money required for Authority to pay all Operation and Maintenance Expense of the System, to pay the debt service on its Bonds and to pay any amounts required to be deposited in any special or reserve funds required to be established and/or maintained by the provisions of the Bond Resolution.

E. "Bond Resolution" means the resolution or resolutions of Authority which authorize the Bonds.

F. "Bonds" means the revenue bonds issued by Authority, whether one or more issues, and the interest coupons appertaining thereto, if any, to finance the Project, including the Initial Project and any Additional Project, and any bonds issued to refund any such bonds or refunding bonds.

G. "Contracting Party" means the City of Huntsville.

H. "Fiscal Year" means the fiscal year of Authority, which is December 1 through November 30.

I. "MGD" is an abbreviation for "million gallons of water per day" and refers to a quantity of water during a period of time expressed for convenience in terms of an average daily quantity during a calendar year (unless a different period of time is specified). The value of two MGD, for example, is calculated as follows: Two million gallons multiplied by the number of days in a calendar year.

J. "Operation and Maintenance Expense" means all costs of operation and maintenance of the System, including (for greater certainty but without limiting the generality of the foregoing) repairs and replacements for which no special fund is created in the Bond Resolution, the cost of utilities, supervision, engineering, accounting, auditing, legal services, and any other supplies, services, administrative costs and equipment necessary for proper operation and maintenance of the System, and payments made by Authority in satisfaction of judgments resulting from claims not covered by Authority's insurance or not paid by either City or an Additional Contracting Party or Parties arising in connection with the operation and maintenance of the System. The term also includes the charges of the bank or banks where the Bonds are payable. The term does not include the cost of raw water supplies.

Section 2. CONSULTING ENGINEER, CONSTRUCTION OF PROJECT. Authority and City shall mutually agree upon and designate the consulting engineers for the Project. Authority will construct the Project as part of the System in general accordance with the applicable Engineering Report. It is anticipated that such construction will be in phases and that each phase will be financed by Authority through the issuance of its Bonds. A substantial copy of any proposed Bond Resolution shall be submitted to City for approval thereof and no Bonds shall be issued by Authority until a substantial copy of the Bond Resolution authorizing the issuance thereof has been approved by ordinance or resolution of City; however, it shall not be required that the price, interest rates or purchasers of any Bonds be approved by City. City agrees that it will not unreasonably withhold its approval of any submitted proposed Bond Resolution.

Section 3. QUANTITY, QUALITY, POINTS OF DELIVERY, MEASURING EQUIPMENT, UNIT OF MEASUREMENT AND DELIVERY PRESSURE.

A. QUANTITY OF TREATED WATER. Authority has agreed in the Original Contract to provide treatment facilities which will enable Authority to deliver City an annual average daily amount of 4.0 MGD with a 100% peaking capability, and Authority will use its best efforts to enlarge the capacity of the System or Project from time to time, to remain in position to deliver water sufficient for the reasonable demands of City, but its obligations in this regard shall be limited to the amount of water Authority is obligated to sell to City under a contract dated September 28, 1976, or any amendment thereof, which contract is adopted by reference, and by its commitments to Additional Contracting Parties. Provided that Authority will not obligate to deliver water to Additional Contracting Parties which will jeopardize Authority's ability to deliver to City amounts of water from time to time generally in accordance with the above cited contract unless such obligation has been approved by a resolution or ordinance of City.

B. QUALITY OF TREATED WATER. The parties recognize that the source of water to be delivered by Authority to City under this agreement is from Livingston Reservoir, and must be chemically treated and filtered. The water to be delivered by Authority and received by City shall be potable treated water meeting applicable purity standards of the Texas Commission on Environmental Quality and, where feasible, the U.S. Environmental Protection Agency Standards with the additional requirements that calcium carbonate stability shall be within .3 plus or minus of the stability point as calculated by the Langelier Index method, and a residual chlorine of not less than 0.5 ppm at the Point or Points of Delivery. City has satisfied itself that such water will be suitable for its needs.

C. POINTS OF DELIVERY. The initial point of delivery under the Original Contract is located at the treatment plant constructed pursuant thereto by Authority for discharge into the transmission facilities as provided in the engineering report described in the Original Contract. A different or additional point or points of delivery may be agreed upon by the parties hereto as circumstances may require.

D. MEASURING EQUIPMENT.

(a) Pursuant to the Original Contract, Authority has furnished and installed and is operating and maintaining the necessary metering equipment of standard type for measuring properly the quantity of water delivered under the Original Contract. Such metering equipment is located at points designated by Authority in accordance with the engineering report referred to in the Original Contract. Such meters and other equipment so installed shall remain the property of Authority. Additional metering equipment may be installed upon mutual agreement of Authority and City in accordance with an Additional Engineering Report. City shall have access to such metering equipment at all reasonable times, to inspect and to employ an independent laboratory to check metering equipment, but the reading, calibration and adjustment thereof shall be done only by the employees or agents of Authority. For the purpose of this Contract, the original record or reading of a meter shall be the journal or other record book of Authority in its office in which the records of the employees or agents of Authority who take the reading are or may be transcribed. Upon written request of City, Authority will give City a copy of such journal or record book, or permit City to have access to the same in the office of Authority during reasonable business hours.

(b) In July of each calendar year, Authority shall calibrate its meter or meters, if requested in writing by City to do so, in the presence of a representative of City, and the parties shall jointly observe any adjustments which are made to the meter in case any adjustments shall be necessary, and if the check meter hereinafter provided for has been installed, the same shall also be calibrated by City in the presence of a representative of Authority and the parties shall jointly observe any adjustment in case any adjustment is necessary. If City shall in writing request Authority to calibrate its meters and Authority shall give City written notice of the time when any such calibration is to be made and a representative of City is not present at the time set, Authority may proceed with calibration and adjustment in the absence of any representative of City.

(c) If either party at any time observes a variation between a delivery meter and the check meter, if any such check meter shall be installed, such party will promptly notify the other party, and the parties hereto shall then cooperate to procure an immediate calibration test and joint observation of any adjustment and the meter shall then be adjusted to accuracy. Each party shall give the other party forty-eight (48) hours' notice of the time of any test of meter so that the other party may conveniently have a representative present.

(d) If, upon any test, the percentage of inaccuracy of metering equipment is found to be in excess of two percent (2%), registration thereof shall be corrected for a period extending back to the time when such inaccuracy began, if such time is ascertainable, and if such time is not ascertainable, then for a period extending back one-half (1/2) of the time elapsed since the last date of calibration, but in no event farther back than a period of six (6) months. If, for any reason, the meter is out of service or out of repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered, through the period such meter is out of service or out of repair, shall be estimated and agreed upon by the parties thereto upon the basis of the best data available. For such purpose, the best data available shall be deemed to be the registration of any check meter if the same has been installed and is accurately registering. Otherwise, the best data available shall be deemed any other meters in the transmission line or treatment plant which can be related to the delivery meter. If no other meters in the system are operational which will allow determination of delivered quantity, then the amount of water delivered during such period may be estimated (i) by correcting the error if the percentage of error is ascertainable by calibration tests or mathematical calculation, or (ii) by estimating the quantity of delivery by deliveries during the preceding periods under similar conditions when the meter was registering accurately.

(e) City may, at its option and its own expense, install and operate a check meter to check the meter installed by Authority, but the measurement of water for the purpose of this Contract shall be solely by Authority's meter, except in the cases hereinabove specifically provided to the contrary. Such check meter shall be of standard make and shall be subject at all reasonable times to inspection and examination by any employee or agent of Authority, but the reading, calibration and adjustment thereof shall be made only by City, except during any period when a check meter may be used under the provisions hereof for measuring the amount of water delivered, in which case the reading, calibration and adjustment thereof shall be made by Authority with like effect as if such check meter had been furnished or installed by Authority.

E. UNIT OF MEASUREMENT. The unit of measurement for water delivered hereunder shall be 1,000 gallons of water, U. S. Standard Liquid Measure.

F. DELIVERY PRESSURE. Pursuant to the Original Contract and this Contract, water shall be delivered by Authority at the point(s) of delivery at a pressure sufficient to transmit the water into the clear well storage facilities or as otherwise described as part of the System or Project.

Section 4. FISCAL PROVISIONS.

A. FINANCING THE PROJECT. Authority will use its best efforts to pay for the cost of construction of the Project as part of the System through the issuance of its Bonds in amounts necessary which, together with other available funds, if any, will be sufficient to accomplish such construction.

B. ANNUAL REQUIREMENT. It is acknowledged and agreed that payments to be made under this Contract and similar contracts with Additional Contracting Parties will be the only source available to Authority to provide the Annual Requirement; and that Authority has a statutory duty to establish and from time to time to revise the charges for services to be rendered and made available to City hereunder so that the Annual Requirement shall at all times be not less than an amount sufficient to pay or provide for the payment of:

(a) all Operation and Maintenance Expense;

(b) the principal of and the interest on the Bonds, as such principal and interest become due, less interest to be paid out of Bond proceeds as permitted by the Bond Resolution;

(c) during each Fiscal Year, the proportionate part of any special or reserve funds required to be established and/or maintained by the provisions of the Bond Resolution; and

(d) an amount in addition thereto sufficient to restore any deficiency in any of such funds or accounts required to be accumulated and maintained by the provisions of the Bond Resolution.

C. PAYMENTS BY CITY FOR SERVICES.

(a) For services to be rendered to City by Authority hereunder, City agrees to pay, at the time and in the manner herein provided, its proportionate share of the Annual Requirement, which shall be determined as follows and shall constitute City's Annual Payment:

(i) For the Fiscal Year or fraction thereof during which the Project initially begins operations, City's proportionate share of the Annual Requirement shall be a percentage obtained by dividing City's estimated annual treated water requirement by the total estimated volume to be treated and used by City and all Additional Contracting Parties. City's Annual Payment shall be made to Authority in twelve equal monthly installments. In the event Authority is unable to offer service under this Contract to City for the complete initial Fiscal Year, the portion of City's Annual Payment attributable to Operation and Maintenance Expense shall be reduced to the prorata portion of the Fiscal Year for which service is provided. Such payments shall be made in accordance with and at the times set forth in a Schedule of Payments for such initial Fiscal Year, which will be supplied to City. At the close of such initial Fiscal Year, Authority shall determine City's percentage by dividing City's actual metered usage by the total actual metered usage of the System by City and all Additional Contracting Parties. City's Adjusted Annual Payment shall be calculated by multiplying City's redetermined percentage times the Annual Requirement. The difference between the Adjusted Annual Payment and the Annual Payment, if any, when determined, shall be applied as a credit or a debit to City's account with Authority and shall be credited or debited to City's next subsequent monthly statement or statements.

(ii) For each succeeding Fiscal Year thereafter, City's proportionate share of the Annual Requirement shall be a percentage obtained by dividing City's estimated treated water requirement for such year by the total estimated treated water requirement of City and all Additional Contracting Parties for such year. Calculation of Annual Payment and Adjusted Annual Payment for each succeeding Fiscal Year thereafter shall be determined in the manner described in (i) above.

(b) If, during any Fiscal Year, Authority begins providing services to an Additional Contracting Party or Parties, City's Annual Payment for such Fiscal Year shall be determined in the following manner:

(i) Such Additional Contracting Party or Parties estimated treated water requirement for such year, or portion thereof, shall be determined by Authority;

(ii) City's proportionate share of the Annual Requirement shall be a percentage, redetermined by dividing City's estimated treated water requirement by the total annual estimated treated water requirement by City and all Additional Contracting Parties, including that estimated for the new Additional Contracting Party or Parties for the remaining portion of such Fiscal Year;

(iii) Authority shall redetermine the Annual Requirement, taking into consideration any costs incurred on account of the new Additional Contracting Party or Parties;

(iv) City's Annual Payment shall be redetermined by multiplying City's redetermined percentage times the redetermined Annual Requirement;

(v) Following the first Fiscal Year or part thereof of service to a new Additional Contracting Party, City's Annual Payment shall be determined annually in the manner set forth above, incorporating the new Additional Contracting Party in the calculations on the same basis as all parties being served by the System.

(c) City's Annual Payment shall also be redetermined, in the manner set out above, at any time during any Fiscal Year if:

(i) Additions, enlargements or improvements to the Project are constructed by Authority to provide continuing service which in turn requires a redetermination of the Annual Requirement; or

(ii) Unusual or extraordinary expenditures for maintenance and operation are required which are not provided for in the Annual Budget or in the Bond Resolution.

(d) Provided, that in determining City's proportionate share of the Annual Requirement, City's estimated treated water requirement and actual metered usage for any Fiscal Year shall never be considered to be less than that portion of the Project constructed for the exclusive requirements of the City, in accordance with Section 3.A. of the Original Contract.

(e) On or before July 1 of each year Authority shall furnish City with a tentative schedule of the monthly payments to be made by City to Authority for the ensuing Fiscal Year. On or before November 1 of each year, Authority shall furnish City with a final schedule of the monthly payments to be made by City to Authority for the ensuing Fiscal Year, together with supporting budgetary or proposed budgetary data showing the basis for arriving at such schedule. City hereby agrees that it will make such payments to Authority on or before the 10th day of each month of such Fiscal Year. If City at any time disputes the amount to be paid by it to Authority, City shall nevertheless promptly make the payment or payments previously approved for the immediately preceding budget period, provided that such payment shall never be less than City's proportionate share of (b), (c) and (d) of subsection B above, and, if it is subsequently determined by agreement, arbitration or court decision that such disputed payments made by City should have been less, or more, Authority shall promptly revise and reallocate the charges among all parties then being served by Authority in such manner that City will recover its overpayment or Authority will recover the amount due it.

(f) If City's Annual Payment is redetermined as is herein provided, Authority will promptly furnish City with an updated schedule of monthly payments reflecting such redetermination.

(g) As additional consideration for the payments provided for above, City shall have an exclusive right to the use of the transmission and clear well storage facilities described in the engineering report incorporated into the Original Contract. Further, City shall have the right to tap said facilities, if need be, to serve water customers of City. The rights herein granted shall be for the useful life of said facilities, as determined by City. Provided, when the debt service requirements of Authority attributable to said transmission and clear well storage facilities have been finally paid, City shall have the rights granted herein without payment of any fees or charges to Authority, except for any actual costs to Authority attributable to ownership of said facilities which Authority is required to pay.

Section 5. SPECIAL PROVISIONS.

A. Authority will proceed to finance and construct the Project in accordance with the Engineering Report without unreasonable delay.

B. Title to any water supplied hereunder shall remain in Authority through the Point(s) of Delivery, and upon passing through the Point(s) of Delivery, such title to the water shall pass to City. Each of the parties hereto agrees to save and hold the other party harmless from all claims, demands and causes of action which may be asserted by anyone on account of the transportation and delivery of said water while title remains in such party.

C. It is expressly understood and agreed that any obligations on the part of Authority to construct or complete the Project and to provide water to City shall be (i) conditioned upon Authority's ability to obtain all necessary material, labor and equipment and upon the ability of Authority to finance the cost of the Project through the actual sale of Authority's Bonds and (ii) subject to all present and future valid laws, orders, rules and regulations of the United States of America, the State of Texas, and any regulatory body having jurisdiction (and the parties agree to cooperate to obtain compliancy therewith).

D. Authority shall never have the right to demand payment by City of any obligations assumed by it or imposed on it under and by virtue of this Contract from funds raised or to be raised by taxes levied by City. City's obligations under this Contract shall never be construed to be a debt of City of such kind as to require it under the law of this State to levy and collect a tax to discharge such obligation, it being expressly understood by the parties hereto that all payments due by City hereunder are to be made from water and sewer revenues received by City.

E. City represents and covenants that all payments to be made hereunder by it shall constitute "Operating Expenses" of its waterworks and sewer system as defined in Article 1113 of the Revised Civil Statutes of Texas, as amended, and that all such payments will constitute operating expenses of City's waterworks and sewer system.

F. City agrees to fix and collect such rates and charges for water and sewer services to be supplied by its waterworks and sewer system as will produce revenues in an amount equal to at least the minimum payments due under this Contract and to comply with provisions of ordinances authorizing its outstanding revenue bonds.

G. It is agreed and understood by the parties to this Contract that City now owns and operates a system of wells producing water and City may elect to acquire and operate additional wells. While nothing in this Contract shall obligate City to continue the operation of its own wells, nevertheless City agrees that so long as it does operate such wells, it will coordinate production from its own wells in such manner as to minimize large daily fluctuations in any quantity of water taken under this Contract.

H. The transmission and clear well storage facilities described in Chapter IV of the initial engineering report described in the Original Contract shall be maintained and operated by City at its expense, and City covenants that it will operate and maintain said facilities. City agrees that it will save and hold harmless Authority from all claims, demands and causes of action which may be asserted by anyone on account of Authority's ownership of said transmission and clear well storage facilities so long as City is operating and maintaining said facilities.

Section 6. FORCE MAJEURE. If by reason of force majeure either party hereto shall be rendered unable wholly or in part to carry out its obligations under this Contract, other than the obligation of City to make the payments required under subsection 4(B)(b)-(d) of this Contract, then if such party shall give notice and full particulars of such force majeure in writing to the other party within a reasonable time after occurrence of the event or cause relied on, the obligation of the party giving such notice, so far as it is affected by such force majeure, shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "Force Majeure" as employed herein shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of public enemy, orders of any kind of the Government of the United States or the State of Texas or any Civil or military authority, insurrection, riots, epidemics, landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply, and inability on part of Authority to deliver water hereunder for any reason, or City to receive water hereunder for any reason, or on account of any other causes not reasonably within the control of the party claiming such inability.

Section 7. UNCONDITIONAL OBLIGATION TO PAY DEBT SERVICE. Recognizing that Authority will use payments received by City and others to pay, secure and finance the issuance of the Bonds, it is hereby agreed that upon the issuance and sale of any Bonds by Authority to provide funds for the Project, City shall be unconditionally obligated to pay its proportionate share of the debt service on such Bonds, regardless of whether or not Authority is actually delivering water to City hereunder, or whether or not City actually takes water hereunder, whether due to Force Majeure or otherwise. Under such circumstances, the amount due to Authority from City shall be a percentage of the debt service on the Bonds for the period of any such failure of service hereunder. Such percentage shall be the last percentage used by Authority in determining City's Annual Payment prior to any such failure of service, and, in the event service is not begun hereunder, such percentage shall be that specified in Section 4C(a)(i) hereof. This covenant by City shall be for the benefit of the owners of the Bonds.

Section 8. TERM OF CONTRACT; MODIFICATION; NOTICES; STATE OR FEDERAL LAWS, RULES, ORDERS OR REGULATIONS.

A. TERM OF CONTRACT. This Contract shall be effective upon execution hereof and shall continue in force and effect until November 30, 2074,* and for so long thereafter until any Bonds or any Bonds issued to refund same, if any, have been paid in full.

B. MODIFICATION. No change or modification of this Contract shall be made which will affect adversely the prompt payment when due of all moneys required to be paid by City under the terms of this Contract and no such change shall be effective which would cause a violation of any provisions of any Bond Resolution.

* As amended on February 28, 2024 by the "Trinity River Authority of Texas - First Amendment - Huntsville Regional Water Supply System Contract", between the Issuer and the City.

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D. STATE OR FEDERAL LAWS, RULES, ORDERS OR REGULATIONS. This Contract is subject to all applicable Federal and State laws and any applicable ordinances, rules, orders and regulations of any local, state or federal governmental authority having or asserting jurisdiction, but nothing contained herein shall be construed as a waiver of any right to question or contest any such law, ordinance, order, rule or regulation in any forum having jurisdiction.

Section 9. SEVERABILITY. The parties hereto agree that if any of the provisions of this Contract should be or be held to be invalid or to contravene the laws of this State, or the United States, such fact shall not invalidate the whole agreement, but it shall be construed as though not containing that particular provision, and the rights and obligations of the parties shall be construed and remain in force accordingly.

Section 10. CONTINUED SERVICE. The parties hereto agree that upon the expiration of this Contract that City shall have the right to continued service for an additional period of fifty (50) years, or for such other time as may be agreed, upon execution of an appropriate agreement between City and Authority.

Section 11. REMEDIES UPON DEFAULT. It is not intended hereby to specify (and this Contract shall not be considered as specifying) an exclusive remedy for any default, but all such other remedies (other than termination) existing at law or in equity may be availed of by either party hereto and shall be cumulative. Recognizing, however, that Authority's undertaking to provide and maintain a supply of water hereunder is an obligation, failure in the performance of which cannot be adequately compensated in money damages alone, Authority agrees, in the event of any default on its part, that City shall have available to it the equitable remedy of specific performance in addition to any other legal or equitable remedies (other than termination) which may also be available to City. Recognizing that failure in the performance of any of City's obligations hereunder could not be adequately compensated in money damages alone, City agrees in the event of any default on its part that Authority shall have available to it the equitable remedy of specific performance in addition to any other legal or equitable remedies (other than termination) which may also be available to Authority. Notwithstanding anything to the contrary contained in this Contract, any right or remedy or any default hereunder, except the right of Authority to receive the Annual Payment which shall never be determined to be waived, shall be deemed to be conclusively waived unless asserted by a proper proceeding at law or in equity within two (2) years after the occurrence of such default. No waiver or waivers of any breach or default (or any breaches or defaults) by either party hereto of any term, covenant, condition, or liability hereunder or of performance by the other party of any duty or obligation hereunder shall be deemed a waiver thereof in the future, nor shall any such waiver or waivers be deemed or construed to be waiver of subsequent breaches or defaults of any kind, character or description, under any circumstances.

SELECTED PROVISIONS OF THE BOND RESOLUTION

THE FOLLOWING ARE SELECTED PROVISIONS OF THE RESOLUTION. THE SELECTED PROVISIONS ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE FULL AND COMPLETE DOCUMENT.

Section 2. DEFINITIONS.

(a) The term "Additional Bonds" means the additional parity bonds permitted to be authorized in this Resolution.

(b) The terms "Authority" and "Issuer" shall have the meaning set forth in the preamble.

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

(d) The terms "Bond Resolution" and "Resolution" mean this resolution adopted by the Board of Directors of the Issuer authorizing the issuance of the Bonds.

(e) The term "Bonds" means collectively the Bonds or other evidence of indebtedness authorized by law and as authorized by this Resolution, and all substitute bonds exchanged therefor and other substitute bonds as provided for in this Resolution.

(f) The term "City" means the City of Huntsville, Texas.

(g) The term "Code" means the United States Internal Revenue Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto.

(h) The term "Contract" means, collectively, the "*Trinity River Authority of Texas – Huntsville Regional Water Supply System Contract*" dated June 25, 1997, as amended on February 28, 2024 by the "*Trinity River Authority of Texas - First Amendment - Huntsville Regional Water Supply System Contract*", between the Issuer and the City.

(i) The term "Fiscal Year" shall mean the Authority's fiscal year, which initially shall be the year commencing December 1 of each calendar year and ending on November 30 of the following calendar year, but which subsequently may be any other 12-month period hereafter established by the Issuer as a Fiscal Year.

(j) The term "Gross Revenues" means all of the revenues, income, rentals, rates, fees, and charges of every nature derived by the Issuer from the operation and/or ownership of the System, including specifically all payments and amounts received by the Issuer from the City pursuant to the Contract, and any income from the investment of money in any Funds created by this Resolution, excepting any amounts required to be rebated to the Internal Revenue Service in accordance with this Resolution.

(k) The term "Improvements" means all of the Issuer's additions, improvements, repairs, replacements, expansions and extensions of the System. However, said terms do not include any facilities acquired or constructed by the Issuer with the proceeds from the issuance of "Special Facilities Bonds", which are hereby defined as being revenue obligations of the Issuer which are not issued as Additional Bonds, and which are payable from any source, contract, or revenues whatsoever other than the Pledged Revenues; and Special Facilities Bonds may be issued for any lawful purpose and made payable from any source, contract, or revenues whatsoever other than the Pledged Revenues.

(l) The terms "Net Revenues" means the Gross Revenues less the Operation and Maintenance Expenses.

(m) The term "Operation and Maintenance Expenses" means all costs and expenses of operation and maintenance of the System, including (for greater certainty but without limiting the generality of the foregoing) repairs and replacements for which no special fund is created in the resolutions authorizing the issuance of the Bonds or Parity Bonds, operating personnel, the cost of utilities, the costs of supervision, engineering, accounting, auditing, legal services, supplies, services, administrative costs, including general overhead expenses of the Issuer attributable to the System, insurance premiums, equipment necessary for proper operation and maintenance of the System, and payments made by the Issuer in satisfaction of judgments resulting from claims not covered by the Issuer's insurance arising in connection with the operation and maintenance of the System. The term also includes the charges of the bank or banks where the Bonds are payable. The term does not include the cost of raw water supplies.

(n) The term "Parity Bonds" means (i) the Bonds and (ii) any Additional Bonds.

(o) The term "Pledged Revenues" means: (a) the Net Revenues and (b) any additional revenues, income, receipts, donations, or other resources derived or received or to be received from any public or private source, whether pursuant to an agreement or otherwise, which in the future may, at the option of the Issuer, be pledged to the payment of the Bonds or the Additional Bonds.

(p) The term “System” means the water treatment facilities, including raw water intake facilities, water treatment plants and metered treated water discharge facilities, water transmission and clear well storage and pumping facilities, constituting the Huntsville Regional Water Supply System including all Improvements.

Section 6. PLEDGE.

(a) The Bonds and any Additional Bonds, and the interest thereon, are and shall be secured equally and ratably on a parity by and payable from a first lien on and pledge of the Pledged Revenues, and the Pledged Revenues are further pledged to the establishment and maintenance of the Interest and Sinking Fund, the Reserve Fund, and the Contingency Fund as provided in this Resolution.

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

Section 7. REVENUE FUND CREATION. There shall be established and maintained on the books of the Issuer, and accounted for separate and apart from all other funds of the Issuer, a special fund to be entitled the "*Trinity River Authority of Texas Huntsville Regional Water Supply System Revenue Bonds Revenue Fund”* (hereinafter called the "Revenue Fund"). All Gross Revenues (excepting investment income from any Fund other than the Revenue Fund) shall be credited to the Revenue Fund promptly after they become available. All Operation and Maintenance Expenses shall be paid from the Gross Revenues, as a first charge against same.

Section 8. INTEREST AND SINKING FUND. For the sole purpose of providing an interest and sinking fund for paying the principal of and interest on all Parity Bonds and any Additional Bonds, as the same come due, there shall be established and maintained on the books of the Issuer a separate fund to be entitled the "*Trinity River Authority of Texas Huntsville Regional Water Supply System Revenue Bonds Interest and Sinking Fund*" (hereinafter called the "Interest and Sinking Fund").

Section 9. RESERVE FUND. There shall be established and maintained on the books of the Issuer a separate fund to be entitled the "*Trinity River Authority of Texas Huntsville Regional Water Supply System Revenue Bonds Reserve Fund*” (hereinafter called the "Reserve Fund"). The Reserve Fund shall be used solely for the purpose of finally retiring the last of any Parity Bonds or Additional Bonds, or for paying when due the principal of and interest on any Parity Bonds or Additional Bonds when and to the extent the amounts in the Interest and Sinking Fund and Contingency Fund are insufficient for such purpose.

Section 10. CONTINGENCY FUND. There shall be established and maintained on the books of the Issuer a separate fund to be entitled the "*Trinity River Authority of Texas Huntsville Regional Water Supply System Revenue Bonds Contingency Fund*" (hereinafter called the "Contingency Fund"). The Contingency Fund shall be used solely for the purpose of paying the costs of Improvements or other capital expenditures relating to the System, and unexpected or extraordinary repairs or replacements of the System for which funds are not otherwise available, or for paying unexpected or extraordinary Operation and Maintenance Expenses for which funds are not otherwise available, or for paying principal of and interest on any Parity Bonds or Additional Bonds, when and to the extent the amount in the Interest and Sinking Fund is insufficient for such purpose.

Section 11. REVENUE FUND. All Pledged Revenues shall be credited as received by the Issuer to the Revenue Fund, and shall be deposited from the Revenue Fund into the other Funds created by this Resolution, in the manner and amounts hereinafter provided, and each of such Fund shall have priority as to such deposits in the order in which they are treated in the following Sections.

Section 12. INTEREST AND SINKING FUND REQUIREMENTS. There shall be deposited into the Interest and Sinking Fund the following:

(a) promptly after the delivery of the Bonds the Issuer shall cause to be deposited to the credit of the Interest and Sinking Fund, from the proceeds received from the sale and delivery of the Bonds, the accrued interest received, if any.

(b) on or before the last day of the January or July, whichever comes first, immediately following delivery of the Bonds to the purchaser thereof, and semiannually thereafter, on or before the last day of each January and July, an amount sufficient, together with other amounts, if any, then on hand in the Interest and Sinking Fund and available for such purpose, to pay the interest and/or principal and interest scheduled to accrue and come due on the Parity Bonds and any Additional Bonds on the next succeeding interest payment date.

(c) The Interest and Sinking Fund shall be used solely to pay the principal of and interest on the Parity Bonds and any Additional Bonds as such principal matures and such interest comes due.

Section 13. RESERVE REQUIREMENTS. If required, immediately after the delivery of the Bonds, the Issuer will deposit in the Reserve Fund, from funds derived from the sale of the Bonds or lawfully available funds of the Issuer, an amount of money equal to the average annual principal and interest requirements of the Parity Bonds, or other amount specified in the Pricing Certificate (the "Reserve Required Amount"), taking into account any Additional Bonds to which Section 18(d) applies. No deposits shall be made into the Reserve Fund as long as the money and investments in the Reserve Fund are at least equal in market value to the Reserve Required Amount; but if and whenever the market value of money and investments in the Reserve Fund is reduced below said Reserve Required Amount because of a decrease in market value of investments, then the Issuer shall require the City to increase their payments under the Contract as soon as practicable, and in any event within one year, in an amount sufficient to restore the Reserve Fund to the Reserve Required Amount. In the event the Reserve Fund is used to pay the principal of or interest on the Parity Bonds because of insufficient amounts being available in the Interest and Sinking Fund and the Contingency Fund, then the Issuer shall require the City to increase their payments under the Contract in an amount sufficient to restore the Reserve Fund to the Reserve Required Amount in market value, and the Issuer shall deposit in the Reserve Fund, in approximately equal semiannual installments, such amounts as are required to restore the Reserve Fund to the Reserve Required Amount in market value within five years from any date of the use of the Reserve Fund to pay such principal or interest.

Whenever Additional Bonds are issued pursuant to Section 18, then the term "Reserve Required Amount" thereafter shall mean an amount in market value equal to the average annual principal and interest requirements of all Parity Bonds and Additional Bonds which will be outstanding after the issuance of each installment of Additional Bonds (taking into account any Additional Bonds to which Section 18(d) applies) or as may be otherwise provided in the Pricing Certificate for such proposed Additional Bonds.

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Section 16. DEFICIENCIES; EXCESS PLEDGED REVENUES.

(a) If on any occasion there shall not be sufficient Pledged Revenues to make the required deposits into the Interest and Sinking Fund, the Reserve Fund, and the Contingency Fund, then such deficiency shall be made up as soon as possible from the next available Pledged Revenues.

(b) Subject to making the required deposits to the credit of the Interest and Sinking Fund, the Reserve Fund, and the Contingency Fund, when and as required by this Resolution, or any resolution authorizing the issuance of Additional Bonds, the excess Pledged Revenues may be used for any lawful purpose relating to the System.

Section 17. PAYMENT OF PARITY BONDS AND ADDITIONAL BONDS. On or before the first interest or principal payment date of the Bonds immediately following delivery of the Bonds to the purchaser thereof, and semiannually on or before each principal and interest payment date thereafter while any of the Parity Bonds or Additional Bonds are outstanding and unpaid, the Issuer shall make available to the Paying Agent/Registrar, out of the Interest and Sinking Fund, or the Contingency Fund or the Reserve Fund, if necessary, money sufficient to pay such interest on and such principal of the Parity Bonds and Additional Bonds as will be payable on each principal and interest payment date.

Section 18. ADDITIONAL BONDS.

(a) The Issuer shall have the right and power at any time and from time to time, and in one or more series or issues, to authorize, issue, and deliver additional parity revenue bonds (herein called "Additional Bonds"), in accordance with law, in any amounts, for any lawful purpose related to the System, including the refunding of Parity Bonds, Additional Bonds or bonds secured by Pledged Revenues that is junior and subordinate in all respects to the liens, pledges, covenants and agreements hereof or any resolution authorizing the issuance of Additional Bonds. Such Additional Bonds, when issued and delivered in accordance with the provisions hereof, shall be secured by and made payable equally and ratably on a parity with the Parity Bonds, from a first lien on and pledge of the Pledged Revenues.

(b) The Interest and Sinking Fund, the Reserve Fund, and the Contingency Fund established pursuant to this Resolution shall secure and be used to pay all Additional Bonds as well as the Parity Bonds, all on a parity. However, each resolution under which Additional Bonds are issued shall provide and require that, in addition to the amounts required by the provisions of this Resolution and the provisions of each resolution authorizing Additional Bonds to be deposited to the credit of the Interest and Sinking Fund, the Issuer shall deposit to the credit of the Interest and Sinking Fund at least such amounts as are required for the payment of all principal of and interest on said Additional Bonds then being issued, as the same come due; and that the aggregate amount to be accumulated and maintained in the Reserve Fund shall be increased (if and to the extent necessary) to an amount specified in the Pricing Certificate for such proposed Additional Bonds; and that any required additional amount shall be so accumulated by the deposit in the Reserve Fund of all or any part of said required additional amount in cash immediately after the delivery of the then proposed Additional Bonds, or, at the option of the Issuer, by the deposit of said required additional amount (or any balance of said required additional amount not deposited in cash as permitted above) in 120 approximately equal monthly installments, made on or before the 25th day of each month following the delivery of the then proposed Additional Bonds.

(c) All calculations to determine the Reserve Required Amount pursuant to this Section shall be made as of the date the proposed Additional Bonds will be issued.

(d) Notwithstanding sections (a) through (c) of this Section, the resolution authorizing a future issue of Additional Bonds may provide that such series shall not be secured by the Reserve Fund. Such series of Additional Bonds shall nevertheless be secured by and made payable equally and ratably on a parity with the Parity Bonds from a first lien on and pledge of the Pledged Revenues. The Interest and Sinking Fund and the Contingency Fund shall also secure and be used to pay such proposed series of Additional Bonds. If such series of Additional Bonds is issued and not secured by the Reserve Fund, the debt service on such series shall not be taken into account when calculating the average annual principal and interest requirements of the Parity Bonds to determine the Reserve Required Amount.

Section 19. FURTHER REQUIREMENTS FOR ADDITIONAL BONDS. Additional Bonds shall be issued only in accordance with the provisions hereof, but notwithstanding any provisions hereof to the contrary, no installment, series, or issue of Additional Bonds shall be issued or delivered unless the General Manager or Chief Financial Officer of the Issuer sign a written certificate to the effect that the Issuer is not in default as to any covenant, condition, or obligation in connection with all outstanding Parity Bonds and Additional Bonds, and the resolutions authorizing the same, that the Interest and Sinking Fund and the Reserve Fund each contains the amount then required to be therein, and that either (1) based on a report of an independent engineer or firm of engineers, the Pledged Revenues, in each Fiscal Year thereafter, commencing with the third complete Fiscal Year following the date of such report, are estimated to be at least equal to 1.25 times the average annual principal and interest requirements of all Parity Bonds and Additional Bonds to be outstanding after the delivery of the then proposed Additional Bonds, or (2) based upon an opinion of legal counsel to the Issuer, there is a Contract then in effect pursuant to which the City and others, if any, which are parties to such Contract are obligated to make payments to the Issuer during each Fiscal Year (including during periods when services of the System may not be available to such City and others) in such amounts as shall be necessary to provide to the Issuer Pledged Revenues sufficient to pay when due all principal of and interest on all Parity Bonds and Additional Bonds to be outstanding after the issuance of the proposed Additional Bonds, and to make the deposits into the Reserve Fund as required under this Resolution.

Section 20. GENERAL COVENANTS. The Issuer further covenants and agrees that:

(a) PERFORMANCE. It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in each resolution authorizing the issuance of the Parity Bonds and any Additional Bonds, and in each and every Parity Bond and Additional Bond; that it will promptly pay or cause to be paid the principal of and interest on every Parity Bond and Additional Bond, on the dates and in the places and manner prescribed in such resolutions and Parity Bonds or Additional Bonds, and that it will, at the times and in the manner prescribed, deposit or cause to be deposited the amounts required to be deposited into the Interest and Sinking Fund and the Reserve Fund and any holder of the Parity Bonds or Additional Bonds may require the Issuer, its Board of Directors, and its officials and employees, to carry out, respect, or enforce the covenants and obligations of each resolution authorizing the issuance of the Parity Bonds and Additional Bonds, by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings, in any court of competent jurisdiction, against the Issuer, its Board of Directors, and its officials and employees.

(b) ISSUER'S LEGAL AUTHORITY. It is a duly created and existing conservation and reclamation district of the State of Texas pursuant to Article 16, Section 59, of the Texas Constitution, and Chapter 518, Acts of the 54th Legislature, Regular Session, 1955, as amended, and is duly authorized under the laws of the State of Texas to create and issue the Parity Bonds; that all action on its part of the creation and issuance of the Parity Bonds has been duly and effectively taken, and that the Parity Bonds in the hands of the owners thereof are and will be valid and enforceable special obligations of the Issuer in accordance with their terms.

(c) TITLE. It has or will obtain lawful title to, or the lawful right to use and operate, the lands, buildings, and facilities constituting the System and will use its best efforts to acquire and construct the System as provided in the Contract, that it warrants that it will defend the title to or lawful right to use and operate, all of the aforesaid lands, buildings, and facilities, and every part thereof, for the benefit of the owners of the Parity Bonds and Additional Bonds against the claims and demands of all persons whomsoever, that it is lawfully qualified to pledge the Pledged Revenues to the payment of the Parity Bonds and Additional Bonds in the manner prescribed herein, and has lawfully exercised such rights.

(d) LIENS. It will from time to time and before the same become delinquent pay and discharge all taxes, assessments, and governmental charges, if any, which shall be lawfully imposed upon it, or the System, that it will pay all lawful claims for rents, royalties, labor, materials, and supplies which if unpaid might by law become a lien or charge thereon, the lien of which would be prior to or interfere with the liens hereof, so that the priority of the liens granted hereunder shall be fully preserved in the manner provided herein, and that it will not create or suffer to be created any mechanic's, laborer's, materialman's, or other lien or charge which might or could be prior to the liens hereof, or do or suffer any matter or thing whereby the liens hereof might or could be impaired; provided, however, that no such tax, assessment, or charge, and that no such claims which might be used as the basis of a mechanic's, laborer's, materialman's, or other lien or charge, shall be required to be paid so long as the validity of the same shall be contested in good faith by the Issuer.

(e) OPERATION OF IMPROVEMENTS. That while the Parity Bonds or any Additional Bonds are outstanding and unpaid it will cause the System to be continuously and efficiently operated and maintained in good condition, repair, and working order, and at a reasonable cost.

(f) FURTHER ENCUMBRANCE. That while the Parity Bonds or any Additional Bonds are outstanding and unpaid the Issuer shall not additionally encumber the Pledged Revenues in any manner, except as permitted hereby in connection with Additional Bonds, unless said encumbrance is made junior and subordinate in all respects to the liens, pledges, covenants and agreements hereof and any resolution authorizing the issuance of Additional Bonds; but the right of the Issuer and the Board to issue revenue bonds for any lawful purpose payable from a subordinate lien on the Pledged Revenues is specifically recognized and retained.

(g) SALE OF PROPERTY. That while the Parity Bonds or any Additional Bonds, are outstanding and unpaid, the Issuer will maintain its current legal corporate status as a conservation and reclamation district, and the Issuer shall not sell, convey, mortgage, or in any manner transfer title to, or lease, or otherwise dispose of the entire System, or any significant or substantial part thereof; provided that whenever the Issuer deems it necessary or advisable to dispose of any real or personal property, machinery, fixtures, or equipment, it may sell or otherwise dispose of such property, machinery, fixtures, or equipment if the Issuer determines that such property, machinery, fixtures, or equipment are not needed for System purposes, or if the Issuer has made arrangements to replace the same or provide substitutes therefor.

(h) INSURANCE.

(1) That it will carry fire, casualty, public liability, and other insurance (including self-insurance to the extent deemed advisable by the Issuer) on the System for purposes and in amounts which ordinarily would be carried by a privately owned utility company owning and operating such facilities, except that the Issuer shall not be required to carry liability insurance except to insure itself against risk of loss due to claims for which it can, in the opinion of the Issuer's legal counsel, be liable under the Texas Tort Claims Act or any similar law or judicial decision. Such insurance will provide, to the extent feasible and practical, for the restoration of damaged or destroyed properties and equipment to minimize the interruption of the services of such facilities. All such policies shall be open to the inspection of the owners of the Parity Bonds and their representatives at all reasonable times.

(2) Upon the happening of any loss or damage covered by insurance from one or more of said causes, the Issuer shall make due proof of loss and shall do all things necessary or desirable to cause the insuring companies to make payment in full directly to the Issuer. The proceeds of insurance covering such property, together with any other funds necessary and available for such purpose, shall be used forthwith by the Issuer for repairing the property damaged or replacing the property destroyed; provided, however, that if said insurance proceeds and other funds are insufficient for such purpose, then said insurance proceeds pertaining to the System shall be used promptly as follows:

(a) for the redemption prior to maturity of the Parity Bonds and Additional Bonds, if any, ratably in the proportion that the outstanding principal of each Series or issue of Parity Bonds or Additional Bonds bears to the total outstanding principal of all Parity Bonds and Additional Bonds; provided that if on any such occasion the principal of any such Series or issue is not subject to redemption, it shall not be regarded as outstanding in making the foregoing computation; or

(b) if none of the outstanding Parity Bonds or Additional Bonds is subject to redemption, then for the purchase on the open market and retirement of said Parity Bonds and Additional Bonds, in the same proportion as prescribed in the foregoing clause (2), to the extent practicable; provided that the purchase price for any such Parity Bond or Additional Bond shall not exceed the redemption price of such Parity Bond or Additional Bond on the first date upon which it becomes subject to redemption; or

(c) to the extent that the foregoing clauses (a) and (b) cannot be complied with at the time, the insurance proceeds, or the remainder thereof, shall be deposited in a special and separate trust fund, at an official depository of the Issuer, to be designated the Insurance Account. The Insurance Account shall be held until such time as the foregoing clauses (a) and/or (b) can be complied with, or until other funds become available which, together with the Insurance Account, will be sufficient to make the repairs or replacements originally required, whichever of said events occurs first.

(i) RATE COVENANT. It will fix, establish, maintain, and collect such rentals, rates, charges, and fees for the use and availability of the System as are necessary to produce Gross Revenues sufficient, together with any other Pledged Revenues, (a) to pay all Operation and Maintenance Expenses, and (b) to make all payments and deposits required to be made into the Interest and Sinking Fund and to maintain the Reserve Fund and the Contingency Fund, when and as required by the resolutions authorizing all Parity Bonds and Additional Bonds.

(j) RECORDS. Proper books of records and account will be kept in which full, true, and correct entries will be made of all dealings, activities, and transactions relating to the System, the Pledged Revenues, and all Funds created pursuant to this Bond Resolution; and all books, documents, and vouchers relating thereto shall at all reasonable times be made available for inspection upon request of the owner of any Parity Bond.

(k) AUDITS. Each Fiscal Year while any of the Parity Bonds or Additional Bonds are outstanding, an audit will be made of its books and accounts relating to the System and the Pledged Revenues by an independent certified public accountant or an independent firm of certified public accountants. As soon as practicable after the close of each Fiscal Year, and when said audit has been completed and made available to the Issuer, a copy of such audit for the preceding Fiscal Year shall be mailed to any owner of any Parity Bond who shall so request in writing. Such annual audit reports shall be open to the inspection of the owners of the Parity Bonds and their agents and representatives at all reasonable times.

(l) GOVERNMENTAL AGENCIES. It will comply with all of the terms and conditions of any and all franchises and permits applicable to the System granted by any governmental agency, and all franchises, permits, and agreements applicable to the System and the Parity Bonds or Additional Bonds entered into between the Issuer and any governmental agency, and the Issuer will take all action necessary to enforce said terms and conditions; and the Issuer will obtain and keep in full force and effect all franchises, permits, and other requirements necessary with respect to the acquisition, construction, operation, and maintenance of the System.

(m) CONTRACT. It will comply with the terms and conditions of the Contract and will cause the City and others to comply with all of their obligations thereunder by all lawful means; and that the Contract will not be changed, rescinded, modified, or amended in any way which would have a materially adverse effect on the operation and maintenance of the System by the Issuer or the rights of owners of the Parity Bonds or Additional Bonds.

(n) ANNUAL BUDGET. The Issuer shall prepare and adopt an Annual Budget for the System for each Fiscal Year as required by the Contract.

***

Section 28. CONTINUING DISCLOSURE OF INFORMATION.

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

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

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

(c) <u>Annual Reports</u>.

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

The Authority's Fiscal Year end is November 30. Accordingly, the Authority must provide updated information by May 31 in each year beginning with the Fiscal Year ending in 2025. If the Authority changes its Fiscal Year, the Authority will notify the MSRB of the change (and of the date of the new Fiscal Year end) prior to the next date by which the Authority otherwise would be required to provide financial statements pursuant to this Section.

(d) The Issuer shall notify the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Bonds:

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

As used in clause 12 above, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court of governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if jurisdiction has been assumed by leaving the Board and officials or officers of the Issuer in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

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

(f) The financial statements to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet website or filed with the SEC. All financial statements and notices required to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB.

THE AUTHORITY

THE AUTHORITY'S ACTIVITIES

1. Master Planning. After a series of public hearings, the Authority adopted the original master plan (the "Master Plan") in April 1958. The purpose of the Master Plan is to define and provide a course of action for the Authority to achieve water and soil conservation goals for which purpose the Authority was established by the State Legislature. The Master Plan goals can generally be described as: to improve the quality of water within the Trinity River Basin in order to provide supplies of good quality water for all beneficial purposes, conserve water and soil resources, reduce flooding, promote water oriented recreation, preserve natural areas, promote the diversity and productivity of aquatic life, and foster an understanding of the complex interrelationships among people, resources, economy and the environment in the basin. The Authority's Board of Directors reviews the status of the Master Plan annually and amends the Master Plan periodically when it is deemed necessary.

2. Federal Projects. By various resolutions, the Authority has agreed to serve as the local sponsor of the Navarro Mills Reservoir, Bardwell Reservoir, Joe Pool Lake and the Wallisville Salt Water Barrier Project in cooperation with local municipalities or districts that benefit from these projects.

3. Revenue Based Projects. The Authority, without collecting any property taxes, has implemented service projects serving cities, communities and other special districts throughout the Trinity River Basin. The majority of these funds for these projects have come from the sale of tax exempt contract service revenue bonds, service payments from customers, federal grants and long term federal loans. The Authority has responsibility for operating certain of these projects (referred to below as "Operating"). Projects referred to below as "Non-Operating" require a limited amount of Authority personnel involvement and are primarily financing arrangements with the entities. These projects and those served include:

The Authority's Revenue-Based Projects

Project Name (Operating)	Cities and Entities Served
Central Regional Wastewater System	Addison, Arlington, Bedford, Carrollton, Cedar Hill, Colleyville, Coppell, Dallas, Dallas/Fort Worth International Airport Board, Duncanville, Euless, Farmers Branch, Fort Worth, Grand Prairie, Grapevine, Hurst, Irving, Keller, Mansfield, North Richland Hills, and Southlake
Ten Mile Creek Regional Wastewater System	Cedar Hill, DeSoto, Duncanville, Ferris, Lancaster, and Wilmer
Denton Creek Regional Wastewater Treatment System	Argyle, Circle T Municipal Utility District No. 1, Circle T Municipal Utility District No. 3, Flower Mound, Fort Worth, Haslet, Justin, Keller, Northlake, Roanoke, Southlake, Westlake and Furst Ranch Municipal Utility District No. 1
Red Oak Creek Regional Wastewater Project	Cedar Hill, DeSoto, Glenn Heights, Lancaster, Ovilla, and Red Oak
Mountain Creek Regional Wastewater System	Grand Prairie, Mansfield, Midlothian, and Venus
Tarrant County Water Supply Project	Bedford, Colleyville, Euless, Grapevine, and North Richland Hills
Huntsville Regional Water Supply System	Huntsville
Livingston Regional Water Supply System	Livingston
Trinity County Regional Water Supply System	Trinity
Lake Livingston—Wallisville Project	Houston, 21 lakeside communities (and two industries)
Livingston Recreation Facilities	Serving the General Public

Project Name (Non-Operating)	Cities and Entities Served
Walker-Calloway Branch Outfall Line	Hurst and North Richland Hills
Northeast Lakeview Project	Cedar Hill and Grand Prairie
Lakeview Regional Water Supply Project	Cedar Hill, Duncanville, and Grand Prairie
Navarro Mills Reservoir	Corsicana
Bardwell Reservoir	Ennis and Ellis County WCID #1
Joe Pool Lake Project	Cedar Hill, Duncanville, Grand Prairie, and Midlothian

Project Name (Operating)	Cities and Entities Served
Pollution Control Facilities	Community Waste Disposal, Inc.
Denton Creek Wastewater Transportation Project	Argyle, Flower Mound, and Northlake
Denton Creek Justin Northlake Interceptor	Justin and Northlake

The Future Role of the Authority

In recognition of the fact that the Authority does not exercise control over all facets of water resource management within the Trinity River watershed, the goals of the Authority's Basin Master Plan are objectives for the Trinity River Basin, regardless of the implementing agency.

1. Master Planning.

    a. The Authority will carefully monitor the progress being made as to each Master Plan goal.
    b. The Authority will support the accomplishments of all institutional and financial arrangements necessary to the achievement of the goals.
    c. The Authority will amend the Master Plan as needed.
    d. The Authority will continue its leadership in water quality planning in the basin.

2. Revenue-based Services. When desired by others and when an adequate revenue base and other finances are available, the Authority will exercise its powers to provide needed services in the areas of water supply, wastewater treatment, parks and recreational facilities, pollution control facilities and solid waste disposal.

3. Federal Projects. The Authority will continue to serve as local sponsor of the Navarro Mills Reservoir, Bardwell Reservoir, the Wallisville Salt Water Barrier Project and Joe Pool Lake.

4. Public Information. The Authority will continue to encourage the public's understanding of the complex interrelationships among the people, resources, economy and environment of the Trinity River Basin.

5. Tax based Services. If there is public support, the Authority will seek to obtain some form of tax-based support for specific programs which should be implemented for comprehensive management of the basin's soil and water resources: conservation of the use of water, soil conservation, water oriented recreation and adequate public access to the river and basin lakes, greenbelts, preservation of natural areas, fish and wildlife mitigation, coordination of floodwater reservoir releases, and full dissemination of flood plain information under the Flood Insurance Act throughout the Authority's territory. At this time the Authority has no plans to pursue any form of tax based support for these programs.

6. The Authority's Territory. In order to provide services on a truly basin wide basis, the Authority will support legislation to add to its territory those parts of the basin not presently within the Authority's defined territory if this is desired by any of the involved counties.

7. Financing of Flood Control and Navigation Projects. Implementation of flood control (by whatever means) and navigation projects should be through a combination of revenues, locally provided taxes and federal funds. The Authority's support of any navigation project is based on three conditions: public support, environmental soundness and economic feasibility.

Pension Plan

The Authority has a defined contribution pension plan for its employees. All full-time and permanent part time employees are eligible for participation after six months of service, provided that they work for the Authority at least 1,000 hours per year. The Authority contributes an amount equivalent to 12% of the employee's salary annually to the plan with each employee having the option to contribute up to 10% of annual salary. An employee becomes 20% vested in the plan after three years and 100% vested in the plan after seven years, or at age 55. An employee is 100% vested in all personal contributions to the plan when made.

Other Post-Employment Benefits

The Authority's defined benefit Other Post-Employment Benefits ("OPEB") plan, Retiree Medical Plan ("RMP"), provides OPEB for all permanent full-time employees of the Authority enrolled in the Staywell Health Program that meet eligibility requirements at the time of retirement. RMP is a single employer defined benefit OPEB plan administered by the Authority. The Authority's Board of Directors has the authority to establish and amend the benefit terms and financing requirements of the RMP. Management has the authority to set the group rate premiums annually and make any modifications to those premiums as necessary. No assets are accumulated in a trust.

The Authority will pay a portion of the Pre-65 (under age 65 at retirement) coverage when participants retire with 80 points (age plus years of service). The Pre-65 retiree and their spouse will have access to enroll in the employer-sponsored retiree health insurance at a 50% reduced monthly premium for retiree only and/or retiree and spouse coverage until Medicare-eligible. Should the retired employee die while the employee and spouse are covered, the spouse may continue coverage until the earliest of age 65, Medicare eligibility, or coverage under another plan.

The Authority will share the cost of the Post-65 (age 65 or older) that meet the eligibility requirement of 80 points (age plus years of service). The Authority shares the cost of Medicare premiums provided by the Authority upon enrollment in Medicare parts B, D and G and will be covered at a rate to be approved annually for the retiree’s lifetime. Spouses of retiring members are also eligible for coverage under the Plan as long as the retiring member meets the retirement eligibility of 80 points. If the retiree predeceases the spouse, coverage is still available to the surviving spouse.

The OPEB liability is included in the Authority’s Staywell Health Insurance Fund and the OPEB retiree benefit payments are paid out of the Staywell Fund. Staywell collects revenue for retirees active on the plan as benefits come due from other Authority funds including the General Fund, Water Sales Special Revenue Fund, Enterprise Funds and Internal Service Funds based on the assignment of an employee at retirement. Additional information on the OPEB plan and the Staywell Health Insurance Internal Service Fund can be found in the Authority’s audited annual comprehensive financial report.

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OTHER OUTSTANDING INDEBTEDNESS OF THE AUTHORITY

The Authority has outstanding bonds which are listed below. The outstanding bonds are system or project specific and payable from each of the related system's or project's pledged revenues. See "Security and Source of Payment."

OUTSTANDING BONDS OF THE AUTHORITY Total Outstanding Principal by System/Project:	Outstanding September 22, 2026	
Central Regional Wastewater System	$1,071,420,000	(1)
Denton Creek Regional Wastewater Treatment System	330,110,000	(2)
Trinity River Authority of Texas (General Improvement Project of The Authority)	70,870,000	
Huntsville Regional Water Supply System	9,605,000	
Denton Creek Justin-Northlake Interceptor System	42,160,000	
Livingston Regional Water Supply Project	12,825,000	
Mountain Creek Regional Wastewater System	111,490,000	(3)
Northeast Lakeview Wastewater Transportation Project	1,230,000	
Red Oak Creek Regional Wastewater System	87,175,000	(4)
Tarrant County Water Project	256,306,825	(5)
Ten Mile Creek Regional Wastewater System	91,145,000	(6)
Town of Flower Mound Wastewater Transportation Project	1,120,000	
Walker Calloway System	13,350,000	
SUB-TOTAL	$2,098,806,825	
The Bonds		
TOTAL	$2,098,806,825	

The Authority has one outstanding conduit debt issue for Community Waste Disposal, L.P. The company makes debt service payments through Wells Fargo Bank, as the trustee. The Authority has no obligation for this debt.

Outstanding Principal - Conduit Debt:	Outstanding September 26, 2025
Community Waste Disposal, L.P.	$6,640,000

In addition to the preceding statement of indebtedness, the Trinity River Authority has four outstanding contracts with the U.S. Army Corp of Engineers related to water rights and flood control. Contractual revenues collected annually from the entities identified next to the projects below are used to pay debt service on these contracts.

Outstanding Principal - Project:	Outstanding September 26, 2025
Bardwell Reservoir (City of Ennis and Ellis Co. WCID #1)	$404,605
Joe Pool Lake ARRA Costs (City of Cedar Hill, Midlothian, Grand Prairie and Duncanville)	90,985
Wallisville Lake (City of Houston)	7,415,252
TOTAL	$7,910,842

Cost-Share Liability Pay-off	Outstanding November 30, 2025	
Lake Livingston (City of Houston)	$53,739,095	(7)

[(1)] Does not include debt service on the $500,000,000 Extendable Commercial Paper Bonds ("ECP Bonds") program for the Authority's Central Regional Wastewater System ("CRWS"). The ECP Bonds are secured by and payable from a first lien on the Net Revenues of CRWS created in the resolution authorizing their issuance; provided that the pledge of Net Revenues securing the ECP Bonds is expressly made junior and subordinate to the pledge of Net Revenues securing First Lien Bonds of CRWS as described herein. The ECP Bonds are and shall be secured by and payable only from the Net Revenues of CRWS, from the proceeds from the sale of ECP Bonds to refinance maturing ECP Bonds (i.e., "roll") and the proceeds of Refunding Bonds to be issued by the Authority.

[(2)] Does not include debt service on the $400,000,000 Extendable Commercial Paper Bonds ("ECP Bonds") program for the Authority's Denton Creek Regional Wastewater System ("DCRWS"). The ECP Bonds are secured by and payable from a first lien on the Net Revenues of DCRWS created in the resolution authorizing their issuance; provided that the pledge of Net Revenues securing the ECP Bonds is expressly made junior and subordinate to the pledge of Net Revenues securing First Lien Bonds of DCRWS as described herein. The ECP Bonds are and shall be secured by and payable only from the Net Revenues of DCRWS, from the proceeds from the sale of ECP Bonds to refinance maturing ECP Bonds (i.e., "roll") and the proceeds of Refunding Bonds to be issued by the Authority.

[(3)] Does not include debt service on the $250,000,000 Extendable Commercial Paper Bonds ("ECP Bonds") program for the Authority's Mountain Creek Regional Wastewater System ("MCRWS"). The ECP Bonds are secured by and payable from a first lien on the Net Revenues of MCRWS created in the resolution authorizing their issuance; provided that the pledge of Net Revenues securing the ECP Bonds is expressly made junior and subordinate to the pledge of Net Revenues securing First Lien Bonds of MCRWS as described herein. The ECP Bonds are and shall be secured by and payable only from the Net Revenues of MCRWS, from the proceeds from the sale of ECP Bonds to refinance maturing ECP Bonds (i.e., "roll") and the proceeds of Refunding Bonds to be issued by the Authority.

[(4)] Does not include debt service on the $250,000,000 Extendable Commercial Paper Bonds ("ECP Bonds") program for the Authority's Red Oak Creek System ("ROCRWS"). The ECP Bonds are secured by and payable from a first lien on the Net Revenues of ROCRWS created in the resolution authorizing their issuance; provided that the pledge of Net Revenues securing the ECP Bonds is expressly made junior and subordinate to the pledge of Net Revenues securing First Lien Bonds of ROCRWS as described herein. The ECP Bonds are and shall be secured by and payable only from the Net Revenues of ROCRWS, from the proceeds from the sale of ECP Bonds to refinance maturing ECP Bonds (i.e., "roll") and the proceeds of Refunding Bonds to be issued by the Authority. The Authority issued $15,000,000 in Tax-Exempt ECP Bonds on May 19, 2026. The Authority currently has $15,000,000 of Tax-Exempt ECP Bonds outstanding with a maturity date of November 2, 2026. The Authority currently plans to roll that amount at the maturity date.

[(5)] Includes the Authority's portion of common capital costs owed to the City of Arlington through an Interlocal Agreement to use the Lake Arlington Raw Water Pump Station. The obligation will fully mature in 2041. Additionally, the Authority anticipates closing on the creation of a $400,000,000 Extendable Commercial Paper Bonds ("ECP Bonds") program for the Authority's Tarrant County Water Project ("TCWP") on October 20, 2026. The amount above does not include any outstanding debt service related to the ECP Bonds. ECP Bonds are secured by and payable from a first lien on the Net Revenues of TCWP created in the resolution approved August 26, 2026 authorizing their issuance; provided that the pledge of Net Revenues securing the ECP Bonds is expressly made junior and subordinate to the pledge of Net Revenues securing First Lien Bonds of TCWP as described herein. The ECP Bonds are and shall be secured by and payable only from the Net Revenues of TCWP, from the proceeds from the sale of ECP Bonds to refinance maturing ECP Bonds (i.e., "roll") and the proceeds of Refunding Bonds to be issued by the Authority.

[(6)] Does not include debt service on the $250,000,000 Extendable Commercial Paper Bonds ("ECP Bonds") program for the Authority's Ten Mile Creek Regional Wastewater System ("TMCRWS"). The ECP Bonds are secured by and payable from a first lien on the Net Revenues of TMCRWS created in the resolution authorizing their issuance; provided that the pledge of Net Revenues securing the ECP Bonds is expressly made junior and subordinate to the pledge of Net Revenues securing First Lien Bonds of TMCRWS as described herein. The ECP Bonds are and shall be secured by and payable only from the Net Revenues of TMCRWS, from the proceeds from the sale of ECP Bonds to refinance maturing ECP Bonds (i.e., "roll") and the proceeds of Refunding Bonds to be issued by the Authority.

[(7)] This figure represents the Authority's obligation associated with Lake Livingston's initial project cost plus annual operation and maintenance expenses as of the last fiscal year end. In connection with original agreements to construct Lake Livingston, the available yield of Lake Livingston was divided 70% for the City of Houston and 30% for the Authority. The Authority was responsible for 30% of the initial project cost plus annual operation and maintenance costs; its payments, however, were expressly based on the Authority's water sales from the Lake – the Authority would pay Houston $2.20 per acre-foot of water sold by the Authority. However, the obligation continues to accumulate because the $2.20 per acre-foot fee is insufficient for the Authority to retire its 30% of annual costs of operating and maintaining Lake Livingston. In 2016, Houston and the Authority agreed to use the charges due from Houston to the Authority for water sales as a "credit" against this obligation which will allow the Authority to retire the obligation by 2040 (or possibly sooner if the City of Houston exercises its rights to increase the maximum amount of water it is able to purchase from Lake Livingston).

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TAX MATTERS FOR THE SERIES 2026A BONDS

Opinion

On the date of initial delivery of the Series 2026A Bonds, McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel to the Issuer, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), (1) interest on the Series 2026A Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the Series 2026A Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). Except as stated above, Bond Counsel to the Issuer will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Series 2026A Bonds. See APPENDIX D – Form of Bond Counsel's Opinion.

In rendering its opinion, Bond Counsel to the Issuer will rely upon (a) the Issuer's federal tax certificate and (b) covenants of the Issuer with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Series 2026A Bonds and certain other matters. Failure of the Issuer to comply with these representations or covenants could cause the interest on the Series 2026A Bonds to become includable in gross income retroactively to the date of issuance of the Series 2026A Bonds.

Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel's opinion is not a guarantee of a result. The Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that such Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Series 2026A Bonds.

A ruling was not sought from the Internal Revenue Service by the Issuer with respect to the Series 2026A Bonds or the Project. Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the representations of the Issuer that it deems relevant to render such opinion and is not a guarantee of a result. No assurances can be given as to whether or not the Internal Revenue Service will commence an audit of the Series 2026A Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the Issuer as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Series 2026A Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the Series 2026A Bonds may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Bonds"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the Series 2026A Bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Series 2026A Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Series 2026A Bonds. This discussion is based on existing statutes, regulations, published rulings and court decisions, all of which are subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, owners of interests in a FASIT, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with Subchapter C earnings and profits, taxpayers qualifying for the health insurance premium assistance credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE SERIES 2026A BONDS.

Interest on the Series 2026A Bonds may be includable in certain corporation's "adjusted financial statement income" determined under section 56A of the Code to calculate the alternative minimum tax imposed by section 55 of the Code.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Series 2026A Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Series 2026A Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount Bonds" to the extent such gain does not exceed the accrued market discount of such Bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local and Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Series 2026A Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Series 2026A Bonds will be sent to each registered holder and to the IRS. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Series 2026A Bonds under Federal or state law and could affect the market price or marketability of the Series 2026A Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Series 2026A Bonds should consult their own tax advisors regarding the foregoing matters.

TAX MATTERS FOR THE TAXABLE 2026B BONDS

Certain Federal Income Tax Considerations

General. The following discussion is a summary of certain expected material federal income tax consequences of the purchase, ownership and disposition of the Taxable 2026B Bonds and is based on the Internal Revenue Code of 1986 (the "Code"), the regulations promulgated thereunder, published rulings and pronouncements of the Internal Revenue Service ("IRS") and court decisions currently in effect. There can be no assurance that the IRS will not take a contrary view, and no ruling from the IRS, has been, or is expected to be, sought on the issues discussed herein. Any subsequent changes or interpretations may apply retroactively and could affect the opinion and summary of federal income tax consequences discussed herein.

The following discussion is not a complete analysis or description of all potential U.S. federal tax considerations that may be relevant to, or of the actual tax effect that any of the matters described herein will have on, particular holders of the Taxable 2026B Bonds and does not address U.S. federal gift or estate tax or (as otherwise stated herein) the alternative minimum tax, state, local or other tax consequences. This summary does not address special classes of taxpayers (such as partnerships, or other pass-thru entities treated as a partnerships for U.S. federal income tax purposes, S corporations, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, real estate investment trusts, grantor trusts, former citizens of the U.S., broker-dealers, traders in securities and tax-exempt organizations, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be subject to branch profits tax or personal holding company provisions of the Code or taxpayers qualifying for the health insurance premium assistance credit) that are subject to special treatment under U.S. federal income tax laws, or persons that hold Taxable 2026B Bonds as a hedge against, or that are hedged against, currency risk or that are part of hedge, straddle, conversion or other integrated transaction, or persons whose functional currency is not the "U.S. dollar". This summary is further limited to investors who will hold the Taxable 2026B Bonds as "capital assets" (generally, property held for investment) within the meaning of Section 1221 of the Code. This discussion is based on existing statutes, regulations, published rulings and court decisions, all of which are subject to change or modification, retroactively.

As used herein, the term "U.S. Holder" means a beneficial owner of a Taxable 2026B Bond who or which is: (i) an individual citizen or resident of the United States, (ii) a corporation or partnership created or organized under the laws of the United States or any political subdivision thereof or therein, (iii) an estate, the income of which is subject to U.S. federal income tax regardless of the source; or (iv) a trust, if (a) a court within the U.S. is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (b) the trust validly elects to be treated as a U.S. person for U.S. federal income tax purposes. As used herein, the term "Non-U.S. Holder" means a beneficial owner of a Taxable 2026B Bond that is not a U.S. Holder.

THIS SUMMARY IS INCLUDED HEREIN FOR GENERAL INFORMATION ONLY AND DOES NOT DISCUSS ALL ASPECTS OF THE U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER OF TAXABLE 2026B BONDS IN LIGHT OF THE HOLDER'S PARTICULAR CIRCUMSTANCES AND INCOME TAX SITUATION. PROSPECTIVE HOLDERS OF THE TAXABLE 2026B BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE BONDS BEFORE DETERMINING WHETHER TO PURCHASE TAXABLE 2026B BONDS. THE FOLLOWING DISCUSSION IS NOT INTENDED OR WRITTEN TO BE USED TO AVOID PENALTIES THAT MIGHT BE IMPOSED ON THE TAXPAYER IN CONNECTION WITH THE MATTERS DISCUSSED THEREIN. INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX IMPLICATIONS OF RECENTLY ENACTED LEGISLATION OR THE PURCHASE, OWNERSHIP OR DISPOSITION OF THE TAXABLE 2026B BONDS UNDER APPLICABLE STATE OR LOCAL LAWS, OR ANY OTHER TAX CONSEQUENCE.

FOREIGN INVESTORS SHOULD ALSO CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES UNIQUE TO NON-U.S. HOLDERS.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Taxable 2026B Bonds will be sent to each registered holder and to the IRS. Payments of interest and principal may be subject to withholding under sections 1471 through 1474 or backup withholding under Section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Certain U.S. Federal Income Tax Consequences to U.S. Holders

Periodic Interest Payments and Original Issue Discount. The Taxable 2026B Bonds are not obligations described in Section 103(a) of the Code. Accordingly, the stated interest paid on the Taxable 2026B Bonds or any original issue discount accruing on the Taxable 2026B Bonds will be includable in "gross income" within the meaning of Section 61 of the Code of each owner thereof and be subject to federal income taxation when received or accrued, depending upon the tax accounting method applicable to such owner.

Disposition of Taxable 2026B Bonds. An owner will recognize gain or loss on the redemption, sale, exchange or other disposition of a Bond equal to the difference between the redemption or sale price (exclusive of any amount paid for accrued interest) and the owner's tax basis in the Taxable 2026B Bonds. Generally, a U.S. Holder's tax basis in the Taxable 2026B Bonds will be the owner's initial cost, increased by income reported by such U.S. Holder, including original issue discount and market discount income, and reduced, but not below zero, by any amortized premium. Any gain or loss generally will be a capital gain or loss and either will be long-term or short-term depending on whether the Taxable 2026B Bonds has been held for more than one year.

Defeasance of the Taxable 2026B Bonds. Defeasance of any Taxable 2026B Bond may result in a reissuance thereof, for U.S. federal income tax purposes, in which event a U.S. Holder will recognize taxable gain or loss as described above.

State, Local and Other Tax Consequences. Investors should consult their own tax advisors concerning the tax implications of holding and disposing of the Taxable 2026B Bonds under applicable state or local laws, or any other tax consequence, including the application of gift and estate taxes. Certain individuals, estates or trusts may be subject to a 3.8% surtax on all or a portion of the taxable interest that is paid on the Taxable 2026B Bonds.

PROSPECTIVE PURCHASERS OF THE TAXABLE 2026B BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE FOREGOING MATTERS

Certain U.S. Federal Income Tax Consequences to Non-U.S. Holders

A Non-U.S. Holder that is not subject to U.S. federal income tax as a result of any direct or indirect connection to the U.S. in addition to its ownership of a Taxable 2026B Bond, will not be subject to U.S. federal income or withholding tax in respect of such Taxable 2026B Bond, provided that such Non-U.S. Holder complies, to the extent necessary, with identification requirements including delivery of a signed statement under penalties of perjury, certifying that such Non-U.S. Holder is not a U.S. person and providing the name and address of such Non-U.S. Holder. Absent such exemption, payments of interest, including any amounts paid or accrued in respect of accrued original issue discount, may be subject to withholding taxes, subject to reduction under any applicable tax treaty. Non-U.S. Holders are urged to consult their own tax advisors regarding the ownership, sale or other disposition of a Taxable 2026B Bond.

The foregoing rules will not apply to exempt a U.S. shareholder of a controlled foreign corporation from taxation on the U.S. shareholder's allocable portion of the interest income received by the controlled foreign corporation.

CONTINUING DISCLOSURE OF INFORMATION

In the Continuing Disclosure Agreement entered into between the Authority and the City, the City has made the following agreements for the benefit of the holders and beneficial owners of the Bonds. The City and the Authority are required to observe the agreements for so long as the City remains obligated to advance funds to pay the Bonds. Under the agreements, the Authority and the City will be obligated to provide certain updated financial information and operating data annually, and the Authority and the City will be obligated to provide timely notice of certain specified events, to the Municipal Securities Rulemaking Board (the “MSRB”). All financial information, operating data, and financial statements and notices required to be provided to the MSRB shall be provided in electronic format and be accompanied by identifying information prescribed by the MSRB.

Annual Reports

The Authority and the City will provide certain updated financial information and operating data to the MSRB annually. The information to be provided and updated by the City includes all quantitative financial information and operating data with respect to the City of the general type included in Appendix B to this Official Statement and the City’s audited financial statements, when and if available. The City will file such financial information and operating data with the MSRB through its Electronic Municipal Market (“EMMA”) system within six months after the end of the City’s fiscal year, beginning with the fiscal year ending in 2026. In addition, the City will file its audited financial statements, when and if available, with the MSRB through its EMMA system within twelve months after the end of the City’s fiscal year, beginning with the fiscal year ending in 2026. If the audit of the City’s financial statements is not complete within twelve months after any such fiscal year end, then the City shall file unaudited financial statements within such twelve-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

The Authority will file its audited financial statements, when and if available, within six months after the end of its fiscal year, beginning with the fiscal year ending in 2026. If audited financial statements are not available by the required time, the Authority will provide unaudited financial statements within the required time and audited financial statements when and if such audited financial statements become available.

Any such financial statements will be prepared in accordance with generally accepted accounting principles in effect at the time or that the Authority or the City may be required to employ from time to time pursuant to State law or regulation.

The financial information and operating data to be provided and updated by the City or the Authority may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB’s Internet Web site or filed with the United States Securities and Exchange Commission (the “SEC”), as permitted by the Rule.

The Authority’s fiscal year end is November 30 and the City’s fiscal year end is September 30. Accordingly, the City must provide its updated financial information and operating data by March 31 in each year and its audited financial statements (or unaudited financial statements if its audited financial statements are not available) by September 30 in each year. The Authority must provide its audited financial statement (or unaudited financial statements if its audited financial statements are not available) by May 31 in each year. If the City or the Authority change their fiscal year, the City or the Authority, as applicable, will notify the MSRB of the change.

All financial information, operating data, and financial statements and notices required to be provided by to the MSRB shall be provided in electronic format and be accompanied by identifying information prescribed by the MSRB.

Disclosure Event Notices

The Authority will provide timely notices of certain events to the MSRB. The Authority will provide notice in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event), of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the Authority; (13) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material; (15) incurrence of a Financial Obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such Financial Obligation of the Authority, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any such Financial Obligation of the Authority, any of which reflect financial difficulties.

Additionally, the City will provide timely notices of certain events to the MSRB. The City will provide notice in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event), of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the City; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material; (15) incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such Financial Obligation of the City, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any such Financial Obligation of the City, any of which reflect financial difficulties.

The term "Financial Obligation" as used in the preceding two paragraphs has the meaning assigned in the Rule: (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b) above. Pursuant to the Rule, the term Financial Obligation does not include municipal securities for which a final official statement has been provided to the MSRB consistent with the Rule. For purposes of the City's obligation to make event filings, and particularly with the events described in (15) and (16), the City shall make filings for only those events which relate to or impact the credit of the Authority's Bonds related to the System.

Neither the Bonds nor the Bond Resolution makes any provision for credit enhancement.

As used in clause (12) in the preceding paragraphs, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent or similar officer for the Authority or the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court of governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority or the City, or if jurisdiction has been assumed by leaving the Board and/or officials or officers of the Authority or the City in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority or the City. In addition, the Authority and the City will provide timely notice of any failure by the Authority or the City, respectively, to provide information, data, or financial statements in accordance with its agreement described above under "Annual Reports." The Authority and the City will provide each notice described in this paragraph to the MSRB.

Availability of Information

The Authority and the City have agreed to provide the foregoing information only as described above. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org.

Limitations and Amendments

The Authority and the City have agreed to update information and to provide notices of certain events only as described above. The Authority and the City have not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The Authority and the City make no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The Authority and the City disclaim any contractual or tort liability for damages resulting in whole or in part from any breach of their continuing disclosure agreement or from any statement made pursuant to their agreement, although holders of Bonds may seek a writ of mandamus to compel the Authority or the City to comply with its agreement.

The Authority or the City may amend their continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any person unaffiliated with the Authority or the City (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The Authority or the City may also amend or repeal the provisions of the continuing disclosure agreement if the SEC amends or repeals the applicable provisions 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. If the Authority or the City so amend the agreement, the City and the Authority have agreed to include with the next financial information and operating data provided in accordance with its respective agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

Compliance With Prior Undertakings

Consistent with its prior continuing disclosure undertakings relating to its bonds, the Authority assumed certain responsibilities and the City assumed certain responsibilities for filing information, as described above. The Authority is responsible for making its filings in connection with the Rule but does not provide continuing disclosure filings for the City.

Authority. During the last five years, the Authority has complied in all material respects with all continuing disclosure undertakings made by it relating to its Outstanding Parity Bonds in accordance with the Rule.

The City. During the last five years, the City has complied in all material respects with its undertaking to provide financial information and operating data of the general type included in Appendix B to this Official Statement within six months of the end of its fiscal year.

The information in the preceding paragraphs with respect to the City has been included based upon publicly filed information available on EMMA and other publicly available sources including offering documents prepared by the City.

OTHER INFORMATION

Ratings

The Bonds are rated "AA" by S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P") by virtue of a municipal bond insurance policy to be issued by BAM upon delivery of the Bonds to the Underwriters. In addition, the Bonds are rated "AA-" with a stable outlook by S&P, without regarding to credit enhancement. An explanation of the significance of these ratings may be obtained from the company furnishing the ratings. The ratings reflect only the view of such rating organization and the Authority makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating company, if in the judgment of such company, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

Litigation

It is the belief of the Authority Attorney and Authority Staff that there is no pending litigation against the Authority that would have a material adverse financial impact upon the Authority or its operations. No pending litigation against the City that would have a material adverse financial impact upon the Authority or its operations of the System has been brought to the attention of the Authority.

At the time of the initial delivery of the Bonds, the Authority will provide the Underwriter with a certificate to the effect that no litigation of any nature has been filed or is then pending challenging the issuance of the Bonds or that affects the payment and security of the Bonds or in any other manner questioning the issuance, sale or delivery of the Bonds.

Registration and Qualification of Bonds for Sale

The sale of the Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any other jurisdiction. The Authority assumes no responsibility for qualification of the Bonds under the securities laws of any other jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

Legal Investments and Eligibility to Secure Public Funds in Texas

Section 1201.041 Texas Government Code, provides that the Bonds are negotiable instruments, investment securities governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State, the Public Funds Investment Act requires that the Bonds be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency (see "OTHER INFORMATION - Ratings" above). In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Public Funds Collateral Act, Chapter 2257, Texas Government Code, provides that the Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the Authority has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

The Authority has made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Bonds for such purposes. The Authority has made no review of laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

Legal Matters

The Authority will furnish a complete transcript of proceedings relating to the authorization and issuance of the Bonds, including the approving legal opinion of the Attorney General of Texas approving the Bonds and to the effect that the Bonds are valid and legally binding special obligations of the Authority and, based upon examination of such transcript of proceedings, the approving legal opinion of Bond Counsel, to like effect and to the effect that the interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described under "TAX MATTERS" herein. Though it represents the Financial Advisor and the Underwriter from time to time in matters unrelated to the issuance of the Bonds, Bond Counsel has been engaged by and only represents the Authority in the issuance of the Bonds. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information in the Official Statement under the captions "THE BONDS" (excluding the information under the subcaptions "Sources and Uses of Bond Proceeds"), "Book-Entry-Only System", "SELECTED CONTRACT PROVISIONS," "SELECTED PROVISIONS OF THE RESOLUTION," "TAX MATTERS FOR THE SERIES 2026A BONDS," "TAX MATTERS FOR THE TAXABLE 2026B BONDS," "CONTINUING DISCLOSURE OF INFORMATION" (excluding the information under the subcaption "Compliance with Prior Undertakings"), and the subcaptions "Registration and Qualification of Bonds for Sale," "Legal Investments and Eligibility to Secure Public Funds in Texas" and "Legal Matters" (excluding the last sentence of the first paragraph thereof) under the caption "OTHER INFORMATION," and such firm is of the opinion that the information relating to the Bonds and the legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Resolution. The legal fee to be paid to Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent on the sale and delivery of the Bonds. The legal opinion will accompany the Bonds deposited with DTC or will be printed on the Bonds in the event of the discontinuance of the Book-Entry-Only System. Certain legal matters will be passed upon for the Underwriter by its counsel, Norton Rose Fulbright US LLP, Dallas, Texas, whose legal fee for services rendered in connection with the issuance of the Bonds is contingent on the sale and delivery of the Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Authenticity of Financial Data and Other Information

The financial data and other information contained herein have been obtained from Authority records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

Financial Advisor

Hilltop Securities Inc., ("Hilltop" or the "Financial Advisor") is employed as Financial Advisor to the Authority in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. Hilltop, in its capacity as Financial Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies. In the normal course of business, the Financial Advisor may also from time to time sell investment securities to the Authority for the investment of bond proceeds or other funds of the Authority upon the request of the Authority.
The Financial Advisor to the Authority has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Authority and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

Underwriting

The Underwriter has agreed, subject to certain conditions, to purchase the Bonds from the Authority at a purchase price of $________, which represents the par amount of the Bonds, [plus/less] a [net] original issue [premium/discount] of $________, less an Underwriter's discount of $_________, and no accrued interest. The Underwriter's obligations are subject to certain conditions precedent, and they will be obligated to purchase all of the Bonds if any of the Bonds are purchased. The Bonds may be offered and sold to certain dealers and others at prices lower than such public offering prices, and such public prices may be changed from time to time by the Underwriter.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Authority for which it received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for its own account and for the accounts of its customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority.

Forward-Looking Statements Disclaimer

The statements contained in this Official Statement, and in any other information provided by the Authority that are not purely historical, are forward-looking statements, including statements regarding the Authority's expectations, hopes, intentions, or strategies regarding the future.

Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Authority on the date hereof, and the Authority assumes no obligation to update any such forward-looking statements. The Authority's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Authority. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

Miscellaneous

The Pricing Certificate to be executed by an Authorized Officer of the Authority, which certificate will be a part of the Resolution authorizing the issuance of the Bonds, will approve the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and will authorize its further use in the reoffering of the Bonds by the Underwriter.

Cybersecurity

Computer networks and data transmission and collection are vital to the operations of the Authority. Information technology and infrastructure of the Authority may be subject to attacks by outside or internal hackers and may be subject to breach by employee error, negligence or malfeasance. An attack or breach could compromise systems and the information stored thereon, result in the loss of confidential or proprietary data and disrupt the operations of the Authority. To mitigate these risks, the Authority continuously endeavors to improve protection/security posture with a defensible security architecture and required training for Authority staff and administration. The Authority has not been the victim of a cyberattack that has resulted in material financial losses or operational disruption. The Authority carries cybersecurity insurance as one of its mitigating strategies.

TRINITY RIVER AUTHORITY OF TEXAS

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J. KEVIN WARD
General Manager and Authorized Officer

APPENDIX A

Biographical Information
Board of Directors*
and
Management Officers†

* The Governor has appointed seven new directors who are expected to be sworn in before the next scheduled Board of Directors meeting in October 2026.
† The Authority's current General Manager, J. Kevin Ward, has announced his planned retirement. The Board of Directors anticipates appointing a special committee at the next Board meeting to determine the process for naming the Authority's next General Manager. To assist with the transition, the Executive Committee approved the creation of the Deputy General Manager position in March 2026. This position has since been filled.

BOARD OF DIRECTORS

MEGAN W. DEEN of Fort Worth, Texas (President and member, Executive Committee). Deen is the chief financial officer for the Fort Worth Zoo. From 2011-2015, Deen was the accounting manager at Oak Hill Capital, and from 2002-2011, she was a senior manager at KPMG, LLP. She is a member of the American Institute of Certified Public Accountants and the Texas Society of Certified Public Accountants. Additionally, Deen is a sustainer of the Junior League of Fort Worth and a member of the Association of Zoos and Aquariums, a former committee member of the Harris Methodist Breakfast with St. NICUlas, and former volunteer for the March of Dimes Fort Worth. She serves as the annual giving chair, volunteer and former finance committee member at Trinity Valley School. Deen received a Bachelor of Business Administration in accounting and finance and a Master of Accountancy from Texas Christian University. Deen was appointed as a director for Tarrant County in 2018 and reappointed as a director for the county in 2025.

HENRY BORBOLLA III of Fort Worth, Texas (Vice President and member, Executive Committee). Borbolla is a Fort Worth native and graduate of Texas Christian University. He is a banker with Ciera Bank Fort Worth. His community involvements include board and committee positions with Big Brothers Big Sisters, Bobby Bragan Youth Foundation, Catholic Charities Fort Worth, Community Hospice of Texas, Fort Worth Stock Show, and the University of North Texas Health Science Center Foundation. Others include DFW International Airport, Downtown Fort Worth, Inc., and the Fort Worth Visitors and Convention Bureau. He is a member of the Rotary Club of Fort Worth and the Fort Worth Stock Show Syndicate. Borbolla was appointed as director for Tarrant County in 2012 and was reappointed as director for the county in 2013 and 2019.

CATHY ALTMAN of Midlothian, Texas (member, Executive Committee and Chair, Legal and Public Policy Committee). Altman is an attorney and partner at Carrington Coleman Sloman & Blumenthal. She is a member of the American Bar Association, State Bar of Texas, Dallas Bar Association and Ellis County Bar Association. She is chair of the Midlothian Chamber of Commerce, vice president of the Ellis County Women in Business, board member of the North Texas Commission and serves on the Governing Committee of the ABA Forum on Construction Law. Altman received a Bachelor of Arts in English from Vanderbilt University and a Juris Doctor degree from the University of Kentucky School of Law. Altman was appointed as director for Ellis County in 2018 and was reappointed as director for the county in 2025.

C. COLE CAMP of Arlington, Texas, (member, Executive Committee and Chair, Utility Services Committee). Camp is the Safety and Environmental Manager for Principle Services. He is a coach for the South Metro Composite Mountain Bike Team. Cole currently serves as Chairman of the Board for Texas Interscholastic Mountain Bike League and is active in the Bikes for Mission Arlington effort. Previously, he served as vice president and director for the Red River Authority and the Opportunity School of Amarillo. He was also a member of the Panhandle Water Planning Group and the Randall County Sheriff Citizens Academy. He also served the city of Amarillo in various capacities including serving on the Water Conservation Team, Environmental Task Force, Urban Design Standards Board and the Local Emergency Planning Committee. Camp earned a Bachelor of Arts degree in political science from the University of Colorado, Colorado, Springs. Camp was appointed director at large in 2019.

BENNY L. FOGLEMAN of Livingston, Texas (member, Executive Committee and Chair Administrative and Audit Committee). Fogleman is an agency owner with Farmers Insurance Group, the President of JJ's Properties, LLC and a mortgage loan originator with 1st Alliance Mortgage Company, LLC. He holds a group one Life license and a Property and Casualty license with the State of Texas. He was recently elected as a director of the Livingston Lions Club, where he helps lead the eyeglasses program. Fogleman formerly served as the President of Livingston Rotary Club. Fogleman was appointed as director for Polk County in 2022.

JOHN W. JENKINS of Hankamer, Texas (member, Executive Committee and Chair, Resources Development Committee). Jenkins is a self-employed partner in a major farming enterprise. He graduated from Southwest Texas State University in 1981 with a bachelor's degree. He is a member of the Anahuac Area Chamber of Commerce. He serves on the boards of the Anahuac National Bank, the Texas Rice Council and the American Plant Food Corporation. Jenkins is also a committee chair for the Texas Gatorfest Committee. He is a former board member of the Trinity Bay Conservation District, the Devers Canal Rice Producers Association, the Trinity Valley Exposition, the Texas Rice Festival and the Chambers County Farm bureau. Jenkins was appointed as director for TRA's Chambers County in 1997. He was reappointed as director at large in 2009. Jenkins served as president of TRA's board of directors from 2003-2005 and as vice president from 2001-2003. He was chairman of the executive committee from 2005-2007 and chairman of the resources development committee from 2000-2002. He served as chairman of the administration committee from 2007-2009 and chairman of the legal committee from 2009-2011. Jenkins was reappointed as director for Chambers County in 2023.

C. DWAYNE SOMERVILLE of Mexia, Texas (Chair, Executive Committee). Somerville is president and owner of Natural Alternatives, Inc., Henderson RV Sales, Palestine RV Center, Eagle Ford RV Park, South Texas Family Housing, and Wash Mart Laundry, and president of Fairfield Homes and Land, LLC. He is a member of the Coin Laundry Association, an assistant scoutmaster of the Mexia Boy Scouts of America, and a youth group leader for the First Baptist Church of Mexia. Somerville attended Kilgore College. Somerville was reappointed as director for Freestone County in 2019.

JEFFREY H. BRADLEY of Huntsville, Texas (member, Legal and Public Policy Committee). Bradley is the owner of Jeff Bradley Co. He is a volunteer and participant with the Texas Alliance for Life, former member of the Huntsville Cemetery Board, and a former trustee of the American Orchid Society. He maintains and preserves one of the most historically important collections of rare orchids in the world and has lectured on his conservation efforts throughout the United States and abroad. Bradley studied natural sciences at The University of Texas at Austin, studied theology at the University of St. Thomas in Houston, and completed theological studies at Fontgombault Abbey in France. Bradley was appointed as director for Walker County in 2025.

CASEY YEARY CALLAS of Apple Springs, Texas (member, Utility Services Committee). Callas is a realtor, business owner, operator, and investor. She is a member of the National Association of Realtors and the Texas Farm Bureau and a former board member of the Ellen Trout Zoo. She is a volunteer for the Angelina County Youth Fair and former volunteer with the George H. Henderson, Jr. Exposition Center, Angelina County Chamber of Commerce, Pineywoods Youth Rodeo, and Lufkin Independent School District. Callas received a Bachelor of Business Administration in Marketing from Stephen F. Austin University. Callas was appointed as director for Trinity County in 2025.

R. CARSON DENNIS of Dallas, Texas, (member, Resources Development Committee) is an investment manager at Granite Properties, Inc. He is actively involved with Trinity Christian Academy and Park Cities Baptist Church. Dennis received a Bachelor of Business Administration from Texas A&M University. Dennis was appointed as director for Dallas County in 2025.

JERRY F. HOUSE, D. MIN. of Leona, Texas (member, Resources Development Committee). House is the owner of Leona General Store and Steakhouse and the Pecan Grove Café in Leona. He retired after 39 years of serving as a United Methodist Minister. He is a member of the Texas Restaurant Association, Southwest Cattlemen's Association and the Friends of Fort Boggy State Park. House received a Bachelor of Arts from Southwestern University, a masters in Divinity from Southern Methodist University Perkins School of Theology and a Doctor in Ministry from the McCormick Theological Seminary at the University of Chicago. House was appointed as director for Leon County in 2018 and was reappointed as director for the county in 2025.

MARGARET S.C. KELIHER of Dallas, Texas (member, Administration and Audit Committee). Keliher is a practicing attorney with a primary focus of litigation consulting. She is also the Chief Executive Officer of the Dallas Breakfast Group, which hosts civic participation events for Dallas area business and community leaders. Previously, she served as Dallas County Judge from 2002 to 2006. Prior to that, she served as Judge for the 44th State Civil District Court. She is a member of the State Bar of Texas, Dallas Bar Association, and the Texas Society of CPAs. She is a board member of the YMCA of Metropolitan Dallas, Advisory Council member of SPARK! Dallas, an arts education non-profit, a board member of the Center of American and International Law, and an executive board member of the SMU Dedman School of Law. Additionally, she is the former board chair of the Trinity River Audubon Center. Keliher received a Bachelor of Science in Accounting from the University of Virginia and a Juris Doctor degree from SMU Dedman School of Law. Keliher was appointed as director for Dallas County in 2022.

DAVID B. LEONARD of Liberty, Texas (member, Utility Services Committee). Leonard is a member of the Liberty-Dayton Chamber of Commerce and a member and past president of the Liberty Lions Club. Leonard is the director of the Knights of Columbus and a member of the Liberty Elks Lodge. He is past director of the Trinity Valley Exposition. He attended Lee College and was reappointed as director for Liberty County in 2019.

ROBERT F. MCFARLANE, M.D. of Palestine, Texas (member, Resources Development Committee). McFarlane is a cardiologist with East Texas Physician's Alliance and chief of staff at Palestine Regional Hospital, and he is the managing partner of the BigWoods on the Trinity. He is a member of the Texas Medical Association and past director and a lifetime member of the Texas Wildlife Association. In addition, he founded the Trinity Waters Foundation and served as its president for five years. He also founded East Texas Black Gumbo Retriever Club. McFarlane received a Bachelor of Arts in chemistry from Harvard College and a Doctor of Medicine from Harvard Medical School, and is board certified in internal medicine and cardiology. McFarlane was reappointed as director for Anderson County in 2023.

LEWIS H. McMAHAN of Dallas, Texas, (member, Legal and Public Policy Committee). McMahan is the owner and operator of MWR Ranch, LLC. He currently serves as a member of the advisory board of Southern Methodist University's Lyle School of Engineering, member on the Dallas Symphony Orchestra Building Committee and former member of SMU Alumni Board. He previously served as chairman on the Texas Instruments Foundation Board and as president of Texas Instruments Alumni Association, Texas Water Development Board, Dallas Regional Chamber Water Committee and past board member of the United Way of Metropolitan Dallas and the Dallas Museum of Art. McMahan earned a Bachelor of Science degree in civil engineering from SMU. McMahan was appointed as director for Dallas County in 2019.

KATHRYN L. SANDERS PYLE of Athens, Texas (member, Administration and Audit Committee). Sanders retired from teaching in 2010, after 27 years. She owned South Athens Storage for 17 years and managed Sanders Investment Properties for 13 years. She has volunteered with the Henderson County Food Pantry and the Athens Thrift Store. She earned a Bachelor of Science in family and consumer economics from the University of North Texas. Sanders was appointed as director for Henderson County in 2021.

STEVEN L. ROBERTS of Coldspring, Texas (member, Resources Development Committee). Roberts is a former partner of Eversheds-Sutherland, and a former partner of Fulbright & Jaworski (now Norton Rose Fulbright). He is a member of the State Bar of Texas, College of the State Bar of Texas, American Bar Association, International Association of Drilling Contractors, Maritime Law Association of the United States, and the Texas Association of Defense Counsel. Roberts is actively involved in adolescent drug recovery and education, and was a founding director/member of ArchwayAcademy.org and Cornerstone. He served in the U.S. Navy and worked for the Department of Corrections. Roberts holds a Bachelor of Science in criminology and corrections from Sam Houston State University and a law degree from the University of Houston. He currently serves on various local boards and committees, including serving as President of the Cape Royale POA, and formerly served as the vice president of the San Jacinto County Appraisal District and on the Houston Livestock and Rodeo, Grand Entry Committee. His work and service as a lawyer has been recognized by Chambers USA, Benchmark Litigation, the Texas Bar Foundation and other organizations. Roberts was appointed as director for San Jacinto County in 2018 and was reappointed as director for the county in 2025.

AMIR A. RUPANI of Dallas, Texas (member, Administration and Audit Committee). Rupani is chief executive officer and president of King Import Warehouse and Texas Prince Inc. He serves as chairman of the Greater Dallas Asian American Chamber of Commerce and on the board of directors for the World Affairs Council in Dallas/Fort Worth. Formerly, he served on the board of directors for the Dallas Convention and Visitor's Bureau, the Dallas Citizens Council, the Dallas Assembly and the Dallas Planning and Zoning Board. He is the founder, organizer and former president of One World Holding Inc. And former chairman of One World Bank. Rupani was named Businessman of the Year in 2005 by the Pakistan American Congress in Washington, D.C. He received the Pioneer Award in 2006 from the Dallas/Fort Worth Asian American Citizens Council and the Minority Business Leader Award in 2008 from the Dallas Business Journal. Under his leadership, King Import Warehouse was named Exemplary Importer/Exporter Firm of the Year in 2004 by the Minority Business Development Agency, a branch of the U.S. department of Commerce. King Import Warehouse was named the Fastest Growing Company in Dallas by the Cox School of Business at Southern Methodist University in 2004. Rupani attended City College of Karachi in Pakistan. He was reappointed as director for Dallas County in 2019.

FRANK H. STEED, JR. of Kerens, Texas (member, Legal and Public Policy Committee). Steed is a 50-year veteran of the restaurant industry and is president and CEO of The Steed Consultancy. He is president and commissioner of the Navarro County Emergency Services District #1 and a board member and past chairman of the Corsicana-Navarro County Chamber of Commerce. Previously, he served as a member of the Board of

Governors of the University of North Texas School of Hospitality and the Women's Food Service Forum. Steed received an honorable discharge from the Mississippi Army National Guard. Steed was appointed as director for Navarro County in 2023.

FREDERICK C. TATE of Colleyville (member, Administration and Audit Committee). Tate is the founder and managing director of CFO Shield, LLC, a fractional CFO and bookkeeping firm. Prior to launching his business, he was a vice-president with Willis Towers Watson. He is a member of Financial Executives International and volunteers with Patriot PAWS Service Dogs. Additionally, he is a member of the Colleyville Chapter of Lions International. He also serves as a member of the Judicial Compensation Commission and as a commissioner for the State Commission on Judicial Conduct. Tate received a Bachelor of Business Administration from Baylor University, with a double major in Finance and Economics.

ELIZABETH C. THOMAS, of Fort Worth, Texas (member, Legal and Public Policy Committee) is an attorney and partner at Kelly Hart and Hallman LLP. She is a member of the Tarrant County Bar Association, State Bar of Texas, and the New York State Bar. Additionally, she is an alumna interviewer with the Dartmouth College Alumni Admissions Ambassador Program. Thomas received a Bachelor of Arts in Government from Dartmouth College and Juris Doctor from University of Michigan Law School. Thomas was appointed as director for Tarrant County in 2025.

BRENDA K. WALKER, Palestine, Texas (member, Legal and Public Policy Committee). Walker is an Area Manager for Oncor Electric Delivery. She is a board member of Tri-County Meals on Wheels, Leon County Economic Development Association, Cartmell Communities Inc., and the Leon County Local Emergency Planning Committee and serves as chair of the Real Estate committee of the City of Palestine. She is a past district governor for Rotary International and currently serves as chair of the Rotary Club of Palestine Satellite Evening Club and Rotary District 5910 Youth Exchange Treasurer. Walker received a Bachelor of Applied Business Administration from Dallas Baptist University. Walker was appointed as director for Anderson County in 2019.

DAVID G. WARD of Madisonville, Texas (member, Utility Services Committee). Ward is the owner of David Ward Investments and D&J Storage. Ward is a native of Madisonville who attended the University of Houston and graduated from Universal CIT-School of Finance, Ford Motor Company School of Dealership Management and General Motors University of Automotive Management. He is a member and past president of the Madisonville Sidewalk Cattleman's Association and the Madison County Chamber of Commerce. He is the past chairman of St. Joseph Foundation and Madison St. Joseph Health Center as well as an audit and compliance committee member of the CHI St. Joseph Health System; he is also past chairman of the Madisonville Building Standards Commission, Bryan Building Standards Commission, Brazos County Economic Development Council, Madisonville Crime Stoppers and the Madisonville Fire Board. Ward is the past president of the Madison County Economic Development Corporation and president of the Madison County ISD Scholarship Foundation. He is a life member of the Madison County Fair Association and the Houston Livestock Show & Rodeo, and a member of the Madison County Go Texas committee. Ward was appointed as director for Madison County in 2018 and was reappointed as director for the county in 2025.

GREGORY S. WASSBERG of Grapeland, Texas (member, Utility Services Committee), is senior director of Topcon Healthcare. He is a member of the Pinewoods Fine Arts Association Board of Directors, Masonic Lothrop Lodge #21, Crockett Texas Elks Lodge #1729, and First United Methodist Church of Crockett. Additionally, he serves as the assistant chief of the Tejas Shores Homeowners Council. Wassberg received a Bachelor of Science in Management from the University of Houston. Wassberg was appointed as director for Houston County in 2023.

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MANAGEMENT OFFICERS

J. KEVIN WARD, General Manager. In his role as the chief executive officer, Ward oversees the largest river authority in Texas and the largest wholesale provider of wastewater treatment services in the state. With the support of eight staff groups and more than 500 employees, Ward drives the implementation of board policy for the operation and development of four water treatment facilities, five wastewater treatment facilities and one recreation project, plus water sales from four reservoirs – all serving more than 50 wholesale customers including cities, municipalities and districts throughout the 18,000-square-mile Trinity River basin. Ward manages an annual budget of more than $490 million and the Authority's assets in excess of $2.6 billion.

Ward previously served as executive administrator of the Texas Water Development Board from May 2002 to February 2011 and in various other capacities at that state agency from 1987 to 2002.

Ward is active in several organizations. He is a member of the Region H Water Planning Group, the Trinity and San Jacinto River Basins and Galveston Bay Basin and Bay Area Stakeholder Committee, and the Tarrant Regional Water District Customer Advisory Committee. He also serves on the board and executive committee of the North Texas Commission as well as on the executive committee of the Texas Water Association (formerly TWCA), where he chairs the River Authority Panel.

He is a past president and a board member of the National Water Resources Association and most recently served as chair of the Region C Regional Water Planning Group.

Additionally, he also served as the public member of the American Academy of Water Resources Engineers Board of Trustees and a visiting member of the Texas A&M University Lehrer Chair Advisory Council. He recently became a member of the American Society of Engineers Industry Leaders Council. Ward also served two terms on the board of directors for the National Waterways Conference, an organization representing national interests related to water supply and waterways transportation.

Ward was honored in 2011 with the Water Environment Association of Texas Outstanding Public Official Award, and in 2012 with TWA's President's Award.

GLENN C. CLINGENPEEL, Deputy General Manager. Clingenpeel earned Bachelor of Arts and Bachelor of Science degrees in biology from the University of Texas, a Master of Science in environmental sciences from the University of North Texas, and a Master of Business Administration from the University of Texas at Arlington. He also holds an associate degree in French and attended Sorbonne University in Paris, France. Clingenpeel is a member of the Golden Key National Honor Society, Tri-Beta Biology Honor Society and Beta Gamma Sigma Business Honor Society, and was recognized in 2006 as an MBA All-Star by the Dallas Business Journal. He joined the Trinity River Authority in April 1998 as the Clean Rivers Program coordinator and was promoted to manager of special studies and assessments in 2000. In December 2005, he was promoted to executive assistant to the general manager. In 2011, Clingenpeel was promoted to senior manager of planning and environmental services before becoming executive manager of technical services and basin planning. He was promoted to his current role in April 2026. Clingenpeel routinely presents on water quality and quantity issues and serves on several local, state, and federal committees, including the North Central Texas Council of Governments' Water Resources Council and the Galveston Bay Council. He is chairman of the Region 3 Flood Planning Group and the Texas Water Association Endangered Species Committee, and a member of the Region C Water Planning Group. Clingenpeel also serves as a longtime board member of Allied Federal Credit Union, where he serves in a voluntary capacity as chairman of the board.

ALEXIS. S. LONG, Secretary, Board of Directors and General Counsel. Long received a Bachelor of Science in Bioenvironmental Sciences from Texas A&M University and a Doctor of Jurisprudence from Texas A&M University School of Law. She joined the Authority in 2020 as Associate General Counsel and was promoted to General Counsel in 2025. Long's dedication to her field is evident. She participated in multiple environmental capstone projects in law school and a field study course focused on water, energy, and dispute resolution issues. She holds a leadership certificate from the Texas Water Foundation Water Leadership program.

CHRISTINE J. EPPS, CPA, Treasurer, Board of Directors and Chief Financial Officer. Epps received a Bachelor of Business Administration and Master of Science in Accounting degrees (Summa Cum Laude) from Texas Tech University in 2007. Upon graduation, Epps joined Deloitte, a Big Four accounting firm, in their audit and assurance practice, where she gained five years of progressive audit experience with a focus on governmental organizations such as school districts, cities, special districts and transportation authorities. She became a Certified Public Accountant of the state of Texas in 2009.

She joined the Trinity River Authority in 2012 as Financial Reporting Manager. Epps was promoted to Controller in 2016 and to Chief Financial Officer and Treasurer of the Board in 2022. She is a member of the Texas Society of Certified Public Accountants, the American Institute of Certified Public Accountants, and the Government Finance Officers Association.

DOUGLAS D. HAUDE, P.E., Executive Manager, Southern Region. Haude began working at the Trinity River Authority in January 2024. He holds a Bachelor of Business Administration in Accounting from Stephen F. Austin State University and a Bachelor of Science in Civil Engineering from the University of Houston. He is a Registered Professional Engineer in the State of Texas, with extensive experience in engineering, finance, project and program management, as well as construction management. His areas of expertise are primarily related to large public water systems and complex water-related infrastructure.

Throughout his career, Haude has served as a senior construction and/or project manager in various organizations, such as the North Harris County Regional Water Authority, San Jacinto River Authority, as well as several large engineering consulting firms where he has led engineering and construction-related projects. He has also been actively involved in various professional and community organizations, including Klein ISD Education Foundation, Harris County Municipal Utility District No. 249, the American Public Works Association – Southeast Texas Branch, and the University of Houston Engineering Alumni Association. In 2014, Haude was recognized by the Texas Chapter of American Public Works as a Top Public Works Leader of the Year, acknowledging his contributions to the field of engineering and construction management.

TAYLOR L. HUYNH, Executive Manager, Administrative Services. Huynh received a Bachelor of Science degree in Management of Information Systems from the University of Texas at Arlington. Prior to joining the Trinity River Authority, Huynh served as case liaison, serving the Texas Rehabilitation Commission and as investment partner of an employment agency serving Tarrant and Dallas counties. She began working for TRA in January 2000 as the Personnel Services Manager and advanced to Human Resources Manager in 2013 serving as human resources business partner and as project manager for information technology initiatives implementing and managing multiple enterprise software systems integration. She was promoted to her current position in December 2018.

She has held leadership positions as a committee member of the Texas Water Association Diversity Subcommittee, United Way of Tarrant County Impact Council for funding and grants, Parent Teacher Association and Uplift Education volunteer. She is an active supporter of United Way and local partner agencies and serves as campaign advisor for the Authority's annual charity donations committee. Huynh is an active member of the national Society of Human Resource Management, the Fort Worth Human Resources Management Association and a member of the International Association of HR Information Management. Huynh is a certified senior professional in human resources.

MATTHEW S. JALBERT, P.E., Executive Manager, Northern Region. Jalbert has been with the Trinity River Authority since January 2015. In 2006, he received his bachelor's degree from Texas A&M University in Civil Engineering. He received his Master of Engineering in Civil Engineering in 2012 at the University of Texas at Arlington. He worked with three engineering firms prior to 2015. He worked in the position as the Engineering Manager at TRA's Central Regional Wastewater System. In April 2019, he moved to the Planning, Design and Construction Administration group for TRA, where he served as the Manager, Engineering Services. In April 2022, he was appointed the Executive Manager, Northern Region. He holds his professional engineering license in the state of Texas as well as a Texas Commission on Environmental Quality Class B Wastewater Operator license. He is actively involved with the Water Environment Association of Texas and served as the president from 2022-2023.

WEBSTER M. MANGHAM, Executive Manager, Technical Services and Basin Planning. Mangham holds a Bachelor of Arts in communication from the University of Central Oklahoma and a Master of Science in applied geography, with a concentration in water resources management and a minor in biology, from the University of North Texas.

Mangham joined the Trinity River Authority in 2005 as a Clean Rivers Program technician II and has held progressively responsible positions within the organization. He previously served as senior manager of environmental services and water resources planning before being promoted to his current role in April 2026. He serves on the Trinity and San Jacinto Rivers Basin and Bay Expert Science Team and has experience in water rights, endangered species permitting, water resources planning, geographic information systems, environmental flow research and basin-wide environmental studies.

DOUGLAS D. HAUDE, P.E., Executive Manager, Southern Region. Haude began working at the Trinity River Authority in January 2024. He holds a Bachelor of Business Administration in Accounting from Stephen F. Austin State University and a Bachelor of Science in Civil Engineering from the University of Houston. He is a Registered Professional Engineer in the State of Texas, with extensive experience in engineering, finance, project and program management, as well as construction management. His areas of expertise are primarily related to large public water systems and complex water-related infrastructure.

Throughout his career, Haude has served as a senior construction and/or project manager in various organizations, such as the North Harris County Regional Water Authority, San Jacinto River Authority, as well as several large engineering consulting firms where he has led engineering and construction-related projects. He has also been actively involved in various professional and community organizations, including Klein ISD Education Foundation, Harris County Municipal Utility District No. 249, the American Public Works Association – Southeast Texas Branch, and the University of Houston Engineering Alumni Association. In 2014, Haude was recognized by the Texas Chapter of American Public Works as a Top Public Works Leader of the Year, acknowledging his contributions to the field of engineering and construction management.

GARY N. ORADAT, P.E., Executive Manager, Planning, Design and Construction Administration. Oradat earned a Bachelor of Science in Civil Engineering from Texas A&M University in 1975. His career spans 40 years in the public and private sectors. Prior to joining the Trinity River Authority, he held various positions with the city of Houston Department of Public Works and Engineering, including city engineer and deputy director for the Engineering, Construction and Real Estate Division and the Public Utilities Division. After 23 years, he retired from the city in 2004 and joined the Coastal Water Authority, as chief engineer and went on to be named executive director. Upon leaving CWA in 2011, he founded Oradat & Associates, P.C. and most recently was the water utilities practice lead with Halff Associates. He joined the Trinity River Authority in 2019 to lead the newly developed Planning, Design and Construction Administration team.

Oradat's professional involvement includes being a past chairman with The American Society for Testing and Materials plastic piping systems committee. He is an active member of several subcommittees including, sewer, trenchless technology and reinforced plastic piping systems. He is also a chairman and a past board member with the Gulf Coast Trenchless Association. He is currently a member of the American Public Works Association and the Society of American Military Engineers.

In 2022, Oradat was named Underground Construction Technology Association's Most Valuable Professional. He was recognized with the MVP award at a special luncheon and awards ceremony. The award, presented annually, recognizes individuals whose selfless contributions pave the way for advancement of the underground infrastructure industry.

DOUGLAS L. SHORT, Chief Information Officer. Short was hired as the Trinity River Authority's first Chief Information Officer in 2014 and leads all aspects of information technology and information security for TRA. Prior to working at TRA, Short served in the United States Air Force, enlisting as a law enforcement specialist in 1986 and subsequently was commissioned as a cyberspace operations officer. His career highlights include deployed command, command of two squadrons and standup of the Air Force Cyber Schoolhouse. He retired in 2014 at the rank of lieutenant colonel.

Among his educational accomplishments, he has completed a Bachelor of Science in Computer Science and a Master of Arts in Computer Resource and Information Management; he attended the Air Command and Staff College, Joint and Combined Warfighting School and the Air War College.

Additionally, he recently graduated from the Federal Bureau of Investigation's Chief Information Security Officer Academy, is a certified information security manager and certified government chief information officer. Short has spoken at several national and local conferences on cybersecurity, is a member of the Texas Cybersecurity Council, chairs the Texas American Water Works Association Resiliency and Cybersecurity Committee, and is a member of the Water Environment Association of Texas Safety and Security Committee.

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APPENDIX B

CERTAIN FINANCIAL AND OPERATING*
DATA FOR THE
CITY OF HUNTSVILLE, TEXAS

The information contained in this Appendix consists of information relating to the City for the Fiscal Year Ending September 30, 2025. The City has executed a Continuing Disclosure Agreement pursuant to which it has undertaken to provide annually the financial information and operating data specified herein. See "OTHER INFORMATION - Continuing Disclosure of Information" herein.

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* Financial and operating data presented in Appendix B is reproduced from the EMMA filings of the City as of the date of this Preliminary Official Statement.

TABLE 1 – HISTORICAL WATER CONSUMPTION (BASED ON GALLONS BILLED)

Fiscal Year Ended 9/30	Estimated City Population	Water Usage(1) Average Day Usage	Peak Day Usage	Peak Month Usage	Total Usage (000's)	Total Revenue
2021	43,100	7,550,356	11,739,000	273,646,000	2,748,644	$ 14,760,535
2022	45,500	8,068,827	15,611,000	311,165,000	2,945,122	16,149,531
2023	47,350	8,305,000	14,081,000	361,905,000	3,031,479	17,370,265
2024	48,550	8,410,000	12,836,000	330,134,000	3,069,820	19,261,040
2025	48,550	8,675,750	11,077,000	308,328,000	3,166,489	24,066,761

(1) Excludes wholesale water usage by Tenaska and related revenue.

TABLE 2 – LARGEST WATER CUSTOMERS (BASED ON GALLONS PRODUCED)

Customer	Type of Business	Water Usage (1)	% of Total	Revenue (1)	% of Total
Texas Department of Criminal Justice	State Agency	1,301,358,900	46.69%	$ 12,559,279	78.30%
Tenaska	Power Plant	1,237,838,000	44.41%	1,006,362	6.27%
Sam Houston State University	State University	139,538,800	5.01%	1,455,040	9.07%
Pep-SHSU	Apartments	20,766,500	0.75%	185,301	1.16%
Arbors of Huntsville	Apartments	18,638,800	0.67%	177,785	1.11%
University Place Apartments	Apartments	17,637,200	0.63%	156,852	0.98%
Woodcreek Apt	Apartments	15,250,700	0.55%	136,899	0.85%
C150 Smither Dr	Apartments	13,095,100	0.47%	124,040	0.77%
Yes Company	Apartments	12,975,200	0.47%	118,498	0.74%
H.I.S.D.	School	10,029,100	0.36%	119,526	0.75%
	Totals	2,787,128,300	100.00%	$ 16,039,582	100.00%

Tenaska Frontier Partners Ltd. Extended their original agreement with the City through December 31, 2030, on a contract that had an original end date of December 31, 2020. The contract provides for the City to provide non-potable water to Tenaska's electricity production plant located approximately 25 miles west of the City. For Fiscal Year 2024 – 2025 Tenaska purchased 1,237,838,000 gallons of non-potable water for $1,006,362 (this does not include any annual settle up charges; however, annual settler up charges for the 25-26 Fiscal Year are estimated to be around $300,000 that is to be received from Tenaska).

TABLE 3 – WATER RATES – (EFFECTIVE OCTOBER 1, 2025)

Single-Family Residential:	
First 3,000 gallons minimum monthly charge	See meter size table below
Between 3,000 -7,000 gallons	$7.38 per 1,000 gallons
Between 7,001 -13,000 gallons	$8.12 per 1,000 gallons
Over 13,000 gallons	$9.22 per 1,000 gallons
Jointly Metered Residential:	
First 3,000 gallons minimum monthly charge	See meter size table below
Between 3,000 -7,000 gallons	$7.38 per 1,000 gallons
Over 7,001 gallons	$8.12 per 1,000 gallons
Commercial Metered:	
First 3,000 gallons minimum monthly charge	See meter size table below
Over 3,000 gallons	$9.22 per 1,000 gallons
Multi-Family-Residential:	
First 3,000 gallons minimum monthly charge	See meter size table below
Over 3,000 gallons	$9.22 per 1,000 gallons
Institutional Users:	
First 3,000 gallons minimum monthly charge	See meter size table below
Over 3,000 gallons	$9.97 per 1,000 gallons
Irrigation:	
First 3,000 gallons minimum monthly charge	See meter size table below
Residential between 3,000 - 7,000 gallons	$7.38 per 1,000 gallons
Residential between 7,001 - 13,000 gallons	$8.12 per 1,000 gallons
Residential - over 13,000 gallons	$9.22 per 1,000 gallons
Jointly Metered Residential 3,000 - 7,000 gallons	$7.38 per 1,000 gallons
Jointly Metered Residential over 7,001 gallons	$9.22 per 1,000 gallons
Multi- Family over 3,000 gallons	$9.22 per 1,000 gallons
Commercial all over 3,000 gallons	$9.22 per 1,000 gallons
Institutional all over 3,000 gallons	$9.97 per 1,000 gallons

Meter Size (in inches)	Minimum Monthly Charge Single Family & Joint Metered Residential	Minimum Monthly Charge Commercial and Institutional	Minimum Monthly Charge Irrigation
0.75	$17.54	$20.25	$20.25
1.00	$25.65	$28.35	$28.35
1.50	$33.75	$36.45	$36.45
2.00	$56.02	$58.72	$58.72
3.00	$220.03	$222.74	$222.74
4.00	$280.78	$283.48	$283.48
6.00	$422.52	$425.22	$425.22
8.00	$584.51	$587.22	$587.22
10.00	$812.66	$812.66	$812.66

TABLE 4 – SEWER RATES – (EFFECTIVE OCTOBER 1, 2025)

Single-Family/JointlyMetered Residential:	
First 2,000 gallons minimum monthly charge	$21.10 per meter
All over 2,000 gallons	$7.88 per 1,000 gallons

Note: Each individually metered residential dwelling unit shall be charged a monthly wastewater service charge and a volume charge based upon the average amount of water consumed in the 4-month period of November, December, January, and February, each year rounded to the nearest 100 gallons.

Customers moving into an existing, or newly constructed, single family residential unit shall be billed for sewer at eighty percent (80%) of current monthly consumption up to a maximum monthly amount of 10,000 gallons until the winter month history is established.

Commercial/Institutional Users:	
First 2,000 gallons minimum monthly charge	$24.35 per meter
All over 2,000 gallons	$7.88 per 1,000 gallons
Jointly Metered Residential:	
First 2,000 gallons minimum monthly charge	$16.56 per meter
All over 2,000 gallons	$6.19 per 1,000 gallons

Note: Residential customers not connected to the waterworks system of the city shall be billed monthly by the city for wastewater services at a calculated rate based on the average residential water consumption of 6,800 gallons, or at a rate based on the average water consumed during the months of November, December, January and February of each fiscal year from the billing records of a special water district. Commercial customers shall be billed at a rate that is consistent with the regular wastewater charge of similar type businesses, premises or users receiving service from the city. The utility office supervisor shall recommend for approval such service charge and conditions as deemed appropriate to the Finance Committee of the City Council and the Finance Committee shall approve the same.

Solid Waste Rates:	
Single-Family Residential	$26.53/month + $2.13 tax = $27.89
Business Minimum Inside City Limits	$27.91/month + $2.24 tax = $29.34
	Additional cart $14.14
Heavy Trash Collection (Curbside Service)	$30.00 per call
Multi-Family Residential	
Individually Metered Units With Dumpster	$26.53/month (per unit) + $2.19 tax = $28.72
Individually Metered Units Without Dumpster	$26.53/month (per unit) + $2.19 tax = $28.72
Jointly Metered Units Without Dumpster	$26.53/month (per unit) + $2.19 tax = $28.72
Jointly Metered Units With Dumpster	By size of container and number of pickups

Note: Water and Solid Waste rates for customers outside the city limits are calculated in the same manner as rates for customers within the city limits; however, a multiplier of 1.50 shall be applied to the cost components listed above.

APPENDIX C

CERTAIN FINANCIAL AND OPERATING DATA OF
HUNTSVILLE REGIONAL WATER SUPPLY SYSTEM PROJECT ENTERPRISE FUND

TRINITY RIVER AUTHORITY OF TEXAS

NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
NOVEMBER 30, 2025

	RED OAK CREEK REGIONAL WASTEWATER	MOUNTAIN CREEK REGIONAL WASTEWATER	HUNTSVILLE REGIONAL WATER SUPPLY	LIVINGSTON REGIONAL WATER SUPPLY
Assets				
Current Assets:				
Unrestricted Assets:				
Equity in Pooled Cash and Investments	$ 1,492,121	2,283,486	2,102,424	1,169,129
Accounts Receivable, Net of Allowance	-	-	-	-
Accounts Receivable - Contracting Parties	696,620	21,676	96,617	-
Contract Receivable - Current	-	-	-	-
Interest Receivable	-	-	-	-
System Contribution Receivable - Current	-	94,550	-	-
Due from Other Authority Funds	27	-	-	-
Prepaids and Other Assets	37,938	26,778	-	-
Total Unrestricted Assets	2,226,706	2,426,490	2,199,041	1,169,129
Restricted Assets:				
Equity in Pooled Cash and Investments	27,733,663	42,828,722	9,907,681	1,916,039
Accounts Receivable - Contracting Parties	-	-	-	-
Due from Other Authority Funds	-	2	-	-
Total Restricted Assets	27,733,663	42,828,724	9,907,681	1,916,039
Total Current Assets	29,960,369	45,255,214	12,106,722	3,085,168
Noncurrent Assets:				
Capital Assets:				
Land and Easements	7,658,227	1,258,921	353,469	190,380
Water Storage Rights	-	-	-	-
Sewage System and Extensions	106,052,970	45,921,905	-	-
Buildings	-	-	-	-
Recreational Facilities	-	-	-	-
Water Transportation and Treatment Facilities	-	-	48,787,959	27,698,979
Machinery and Equipment	282,820	404,350	863,675	291,266
Right-To-Use Leased Assets	43,624	-	43,589	34,929
Construction-in-Progress	39,935,637	88,110,613	2,136,320	-
Accumulated Depreciation/Amortization	(29,912,259)	(11,622,724)	(29,145,890)	(10,358,036)
Total Capital Assets, Net	124,061,019	124,073,065	23,039,122	17,857,518
Other Noncurrent Assets:				
Contract Receivable - Long Term	-	-	-	-
System Contribution Receivable, Less Current	-	258,075	-	-
Total Other Noncurrent Assets	-	258,075	-	-
Total Noncurrent Assets	124,061,019	124,331,140	23,039,122	17,857,518
Total Assets	**$ 154,021,388**	**169,586,354**	**35,145,844**	**20,942,686**
Deferred Outflows of Resources				
Deferred Amount on Refunding	$ 170,816	-	-	4,655
Total Deferred Outflows of Resources	**$ 170,816**	**-**	**-**	**4,655**

		RED OAK CREEK REGIONAL WASTEWATER	MOUNTAIN CREEK REGIONAL WASTEWATER	HUNTSVILLE REGIONAL WATER SUPPLY	LIVINGSTON REGIONAL WATER SUPPLY
Liabilities					
Current Liabilities:					
Payable from Unrestricted Assets:					
Accounts Payable and Accrued Expenses	$	105,504	83,578	399,514	124,879
Accounts Payable - Contracting Parties		1,499,332	1,102,321	1,080,789	650,669
Compensated Absences		33,061	9,964	6,547	5,672
Accrued Interest Payable		-	-	-	-
Due to Other Authority Funds		-	-	978	407
Lease Payable - Current		7,566	-	7,434	6,044
System Contribution Payable - Current		-	94,550	-	-
Unearned Revenue		-	-	-	43,862
Contracts Payable - Current Maturities		-	-	-	-
Total Payable from Unrestricted Assets		1,645,463	1,290,413	1,495,262	831,533
Payable from Restricted Assets:					
Accounts and Retainage Payable		5,248,408	7,919,384	648,269	-
Accrued Interest Payable		1,367,393	1,627,839	97,656	213,190
Revenue Bonds - Current Maturities		7,045,000	5,140,000	680,000	810,000
Total Payable from Restricted Assets		13,660,801	14,687,223	1,425,925	1,023,190
Total Current Liabilities		15,306,264	15,977,636	2,921,187	1,854,723
Long-Term Liabilities:					
Accounts Payable and Accrued Expenses		1,557,585	2,636,887	84,903	42,297
Compensated Absences, Less Current		206,521	61,659	42,302	35,967
Lease Payable, Less Current		31,283	-	33,151	24,992
System Contribution Payable, Less Current		-	258,075	-	-
Unearned Revenue		-	-	-	-
Contracts Payable, Less Current Maturities		-	-	-	-
Revenue Bonds Payable, Less Current Maturities		94,914,476	119,495,696	10,223,628	13,989,625
Total Long-Term Liabilities, Net		96,709,865	122,452,317	10,383,984	14,092,881
Total Liabilities	**$**	**112,016,129**	**138,429,953**	**13,305,171**	**15,947,604**
Deferred Inflows of Resources					
Deferred Gain on Refunding	$	45,140	-	-	231,008
Total Deferred Inflows of Resources	**$**	**45,140**	**-**	**-**	**231,008**
Net Position					
Net Investment in Capital Assets	$	28,974,953	19,329,337	20,175,188	2,800,504
Restricted for:					
Debt Service		12,748,694	10,737,926	996,574	1,702,849
Construction		-	-	-	-
Other Purpose		25,000	14,720	-	-
Unrestricted		382,288	1,074,418	668,911	265,376
Total Net Position	**$**	**42,130,935**	**31,156,401**	**21,840,673**	**4,768,729**

TRINITY RIVER AUTHORITY OF TEXAS

NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2025

	RED OAK CREEK REGIONAL WASTEWATER	MOUNTAIN CREEK REGIONAL WASTEWATER	HUNTSVILLE REGIONAL WATER SUPPLY	LIVINGSTON REGIONAL WATER SUPPLY
Operating Revenues:				
Wastewater Contract Revenue	$ 14,372,251	13,005,410	-	-
Water Supply Contract Revenue	-	-	7,732,120	4,026,233
Water Storage Contract Revenue	-	-	-	-
Raw Water Contract Revenue	-	-	-	-
Recreational Facilities Fees	-	-	-	-
Grant Revenue	-	-	68,262	2,938
Total Operating Revenues	14,372,251	13,005,410	7,800,382	4,029,171
Operating Expenses:				
Salaries and Benefits	1,210,616	1,171,864	844,222	658,575
Supplies	196,054	128,794	1,774,170	451,503
Other Services and Charges	2,979,739	2,551,451	5,438,007	1,536,473
Depreciation/Amortization	2,796,117	1,192,493	958,996	627,912
Total Operating Expenses	7,182,526	5,044,602	9,015,395	3,274,463
Operating Income (Loss)	**7,189,725**	**7,960,808**	**(1,215,013)**	**754,708**
Non-Operating Revenues (Expenses):				
Interest Expense	(2,955,750)	(4,008,897)	(190,475)	(497,537)
Debt Issuance Costs	(568,089)	(567,952)	(218,171)	-
Investment Income (Loss)	1,588,514	2,477,182	312,907	139,122
Debt Related Fees	(11,250)	(8,250)	(5,000)	(18,563)
Gain (Loss) on Disposal of Capital Assets	-	(16,752)	-	-
Other	338	-	-	100
Total Non-Operating Revenues (Expenses) - Net	(1,946,237)	(2,124,669)	(100,739)	(376,878)
Income (Loss) Before Contributions	**5,243,488**	**5,836,139**	**(1,315,752)**	**377,830**
CONTRIBUTIONS	-	-	734,800	-
CONTRIBUTION REFUNDS	-	-	-	-
TRANSFERS IN	-	-	-	-
TRANSFERS OUT	(150)	-	-	-
Change in Net Position	**5,243,338**	**5,836,139**	**(580,952)**	**377,830**
Net Position - December 1, 2024	**36,887,597**	**25,320,262**	**22,421,625**	**4,390,899**
Net Position - November 30, 2025	**$ 42,130,935**	**31,156,401**	**21,840,673**	**4,768,729**

TRINITY RIVER AUTHORITY OF TEXAS

NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2025

	RED OAK CREEK REGIONAL WASTEWATER	MOUNTAIN CREEK REGIONAL WASTEWATER	HUNTSVILLE REGIONAL WATER SUPPLY	LIVINGSTON REGIONAL WATER SUPPLY
Cash Flows from Operating Activities:				
Cash Received from Customers	$ 15,174,963	14,086,054	9,006,222	4,723,702
Cash Payments to Customers	(1,178,896)	(1,485,240)	(535,122)	(327,227)
Cash Payments to Suppliers for Goods and Services	(2,026,538)	(1,756,820)	(4,314,927)	(980,661)
Cash Payments for Employee Services	(1,119,045)	(1,160,823)	(832,957)	(649,874)
Cash Payments to Other Funds for Services	(1,164,266)	(1,076,991)	(2,730,280)	(979,511)
Cash from Other Sources	338	-	68,262	100
Net Cash Provided by (Used For) Operating Activities	9,686,556	8,606,180	661,198	1,786,529
Cash Flows from Non-Capital Financing Activities:				
Transfer from Other Authority Funds	-	-	-	-
Transfer to Other Authority Funds	(150)	-	-	-
Net Cash Provided by (Used for) Non-Capital Financing Activities	(150)	-	-	-
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets	(13,660,620)	(22,272,448)	(905,223)	(50,924)
Principal Paid on Revenue Bond Maturities	(6,800,000)	(4,940,000)	(170,000)	(770,000)
Interest Paid on Revenue Bonds	(4,164,449)	(5,084,666)	(198,000)	(674,793)
Principal Paid on Contracts Payable	-	-	-	-
Interest Paid on Contracts Payable	-	-	-	-
Principal Paid on Lease Payable	(4,775)	-	(3,005)	(3,893)
Interest Paid on Lease Payable	(1,236)	-	(494)	(988)
Interest Paid on Retainage	(22,048)	-	-	-
Debt Related Fees	(8,950)	(11,000)	(5,000)	(6,500)
Net Proceeds from Issuance of Bonds	-	-	6,602,320	-
Debt Issuance Costs Paid	(568,089)	(567,952)	(61,970)	-
Debt Issuance Costs Refunded	-	-	-	-
Contributions Received	-	-	734,800	-
Contributions Refunded	-	-	-	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	(25,230,167)	(32,876,066)	5,993,428	(1,507,098)
Cash Flows from Investing Activities:				
Cash Received for Investment Income	1,588,514	2,477,182	312,907	139,122
Net Cash Provided by (Used For) Investing Activities	1,588,514	2,477,182	312,907	139,122
Total Change in Cash and Cash Equivalents	**(13,955,247)**	**(21,792,704)**	**6,967,533**	**418,553**
Cash and Cash Equivalents, Beginning of Year	**43,181,031**	**66,904,912**	**5,042,572**	**2,666,615**
Cash and Cash Equivalents, End of Year	**$ 29,225,784**	**45,112,208**	**12,010,105**	**3,085,168**

		RED OAK CREEK REGIONAL WASTEWATER	MOUNTAIN CREEK REGIONAL WASTEWATER	HUNTSVILLE REGIONAL WATER SUPPLY	LIVINGSTON REGIONAL WATER SUPPLY
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	$	7,189,725	7,960,808	(1,215,013)	754,708
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation/Amortization		2,796,117	1,192,493	958,996	627,912
Miscellaneous Income		338	-	-	100
Change in Assets and Liabilities:					
Accounts Receivable		-	-	-	-
Accounts Receivable - Contracting Parties		(696,620)	(21,676)	193,313	-
Contracts Receivable		-	-	-	-
Interest Receivable		-	-	-	-
Due from Other Authority Funds		(27)	-	-	-
Prepaids and Other Assets		2,094	2,179	3,025	-
Accounts Payable and Accrued Expenses		(9,956)	(149,327)	168,481	31,394
Compensated Absences		84,448	4,622	5,751	4,704
Accounts Payable - Contracting Parties		320,437	(382,919)	545,667	323,442
Due to Other Authority Funds		-	-	978	407
Unearned Revenue		-	-	-	43,862
Total Adjustments		2,496,831	645,372	1,876,211	1,031,821
Net Cash Provided by (Used For) Operating Activities	$	9,686,556	8,606,180	661,198	1,786,529
Supplemental Noncash Disclosures:					
Gain/Loss on Disposal of Capital Assets	$	-	(16,752)	-	-
Amortization of Bond Premium/Discount		(1,309,477)	(1,125,238)	(39,675)	(148,701)
Amortization of Gain/Loss on Refunding		59,546	-	-	(17,801)
Change in Estimated Arbitrage Liability		538,338	718,150	38,197	14,063
Change in Liabilities Related to Capital Assets		1,257,064	(2,013,234)	513,789	24,992
Change in Assets Related to Capital Assets		-	131,244	43,589	-
Bond Issuance Costs Retained from Bond Proceeds		-	-	(156,201)	-
Transfer of Capital Assets		-	-	-	-

APPENDIX D

FORM OF BOND COUNSEL'S OPINION

Proposed Form of Opinion of Bond Counsel

An opinion in substantially the following form will be delivered by McCall, Parkhurst & Horton L.L.P., Bond Counsel, upon the delivery of the Bonds, assuming no material changes in facts or law.

TRINITY RIVER AUTHORITY OF TEXAS
(HUNTSVILLE REGIONAL WATER SUPPLY SYSTEM PROJECT)
CONTRACT REVENUE BONDS, SERIES 2026A

IN THE AGGREGATE PRINCIPAL AMOUNT OF $4,985,000 [1]

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

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

BASED ON SAID EXAMINATION, IT IS OUR OPINION that said Bonds have been authorized, issued and duly delivered in accordance with law; and that except as may be limited by governmental immunity, bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws now or hereafter enacted relating to creditor's rights generally or by principles of equity which permit the exercise of judicial discretion, (i) the covenants and agreements in the Bond Resolution constitute valid and binding obligations of the Issuer, and the Bonds constitute valid and legally binding special obligations of the Issuer which, together with other parity bonds, are secured by and payable from a first lien on and pledge of: (a) the Issuer's Net Revenues from its water supply contract with the City of Huntsville, Texas (the "*City*") being the "Trinity River Authority of Texas – Huntsville Regional Water Supply System Contract" dated June 25, 1997" as amended on February 28, 2024 by the "Trinity River Authority of Texas - First Amendment - Huntsville Regional Water Supply System Contract" between the Issuer and the City (together, the "*Contract*"), all relating to the Issuer's Huntsville Regional Water Supply System described in the Contract, to which reference is hereby made for all purposes and (b) any additional revenues, income, receipts, donations, or other resources derived or received or to be received from any public or private source, whether pursuant to an agreement or otherwise, which in the future may, at the option of the Issuer, be pledged to the payment of the Bonds or any Additional Bonds, and (ii) the Contract is authorized by law, has been duly executed, is valid, and is legally binding upon and enforceable by the parties thereto in accordance with their respective terms and provisions.

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[1] Preliminary, subject to change

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

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

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

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

WE CALL YOUR ATTENTION TO THE FACT that the interest on tax-exempt obligations, such as the Bonds, may be includable in a corporation's adjusted financial statement income for purposes of determining the alternative minimum tax imposed on certain corporations by section 55 of the Code.

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

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

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. We have not been requested to investigate or verify, and have not independently investigated or verified any records, data, or other material relating to the financial condition or capabilities of the Issuer or the City or the disclosure thereof in connection with the sale of the Bonds, and have not assumed any responsibility with respect thereto or with respect to the adequacy of the Pledged Revenues. We express no opinion and make no comment with respect to the marketability of the Bonds and have relied solely on certificates executed by officials of the Issuer as to the current outstanding indebtedness of, and sufficiency of the Pledged Revenues. Our role in connection with the Issuer's offering document prepared for use in connection with the sale of the Bonds has been limited as described therein.

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

Respectfully,

Proposed Form of Opinion of Bond Counsel

An opinion in substantially the following form will be delivered by McCall, Parkhurst & Horton L.L.P., Bond Counsel, upon the delivery of the Bonds, assuming no material changes in facts or law.

TRINITY RIVER AUTHORITY OF TEXAS
(HUNTSVILLE REGIONAL WATER SUPPLY SYSTEM PROJECT)
CONTRACT REVENUE BONDS, TAXABLE SERIES 2026B

IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,375,000 [1]

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

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

BASED ON SAID EXAMINATION, IT IS OUR OPINION that said Bonds have been authorized, issued and duly delivered in accordance with law; and that except as may be limited by governmental immunity, bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws now or hereafter enacted relating to creditor's rights generally or by principles of equity which permit the exercise of judicial discretion, (i) the covenants and agreements in the Bond Resolution constitute valid and binding obligations of the Issuer, and the Bonds constitute valid and legally binding special obligations of the Issuer which, together with other parity bonds, are secured by and payable from a first lien on and pledge of: (a) the Issuer's Net Revenues from its water supply contract with the City of Huntsville, Texas (the "*City*") being the "Trinity River Authority of Texas – Huntsville Regional Water Supply System Contract" dated June 25, 1997" as amended on February 28, 2024 by the "Trinity River Authority of Texas - First Amendment - Huntsville Regional Water Supply System Contract" between the Issuer and the City (together, the "*Contract*"), all relating to the Issuer's Huntsville Regional Water Supply System described in the Contract, to which reference is hereby made for all purposes and (b) any additional revenues, income, receipts, donations, or other resources derived or received or to be received from any public or private source, whether pursuant to an agreement or otherwise, which in the future may, at the option of the Issuer, be pledged to the payment of the Bonds or any Additional Bonds, and (ii) the Contract is authorized by law, has been duly executed, is valid, and is legally binding upon and enforceable by the parties thereto in accordance with their respective terms and provisions.

[1] Preliminary, subject to change

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

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

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

WE EXPRESS NO OPINION as to any federal, state or local tax consequences of acquiring, carrying, owning or disposing of the Bonds.

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

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas for no other reason or purpose. We have not been requested to investigate or verify, and have not independently investigated or verified any records, data, or other material relating to the financial condition or capabilities of the Issuer or the City or the disclosure thereof in connection with the sale of the Bonds and have not assumed any responsibility with respect thereto or with respect to the adequacy of the Pledged Revenues. We express no opinion and make no comment with respect to the marketability of the Bonds and have relied solely on certificates executed by officials of the Issuer as to the current outstanding indebtedness of, and sufficiency of the Pledged Revenues. Our role in connection with the Issuer's offering document prepared for use in connection with the sale of the Bonds has been limited as described therein.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective.

Respectfully,

APPENDIX E

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

BAM

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $__________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _________

Risk Premium: $__________
Member Surplus Contribution: $ _________
Total Insurance Payment: $_________

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ____

Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
28 Liberty Street, 59th Floor
New York, New York 10005
Telecopy:
212-962-1524 (attention: Claims)

Municipal Advisory Services
Provided By

HilltopSecurities
Investment Banking Solutions