

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Agreement"), dated as of ____, 2019 is executed and delivered by the Trinity River Authority of Texas (the "Authority") and the City of [____], Texas (the "City") in connection with the issuance, from time to time, of the Authority's bonds ("Bonds") with respect to which the City is an "obligated person" (defined below). The information to be provided consists of: (i) certain annual financial and operating information and audited financial statements, if available; (ii) timely notices of the occurrence of certain events and (iii) timely notices of the failure of the Authority or City to provide required annual financial information on or before the date specified herein. Terms not defined herein have the meaning assigned in the Rule (defined below).

SECTION 1. Definitions.

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

"*Financial Obligation*" has the meaning assigned in the Rule. For convenience, such definition means (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.

"*MSRB*" means the Municipal Securities Rulemaking Board and any successor to its duties.

"*Obligated Person*" means any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the municipal securities to be sold (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities). With respect to the Authority's Bonds, the City is an "obligated person."

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

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

SECTION 2. Annual Reporting; Obligations of City.

(a) *Information Specified in the Authority's Official Statements.* The City shall provide to the MSRB via its Electronic Municipal Market Access System ("EMMA"), on an annual basis, financial information and operating data pertaining to the City as specified and included in Appendix B of any final official statement relating to the Authority's Bonds. Such information shall be (i) filed with the MSRB within six months after the end of each of its fiscal years ending on or after 2019 and (ii) in an electronic format that is prescribed by the MSRB. The City may provide such information through an agent designated by the City, if the City has designated such agent, or through an agent designated by the Authority.

(b) *Annual Financial Statements.* The City shall provide to the MSRB its audited financial statements when and if available, and in any event, within twelve months after the end of each fiscal year ending in or after 2019. 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. Any financial statements to be provided shall be (1) prepared in accordance with the accounting principles described in the notes to the financial

statements or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which it must be provided.

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

(d) The financial information and operating data to be provided pursuant to this Section (i) shall be filed either directly by the City or through an authorized agent and (ii) may be set forth in full in one or more documents or may be incorporated by specific reference to any document or specific part thereof (including an official statement or other offering document, if it is available from the MSRB) that has been provided to the MSRB.

(e) The City shall provide, in a timely manner, notice of any failure by the City to provide annual financial statements and operating data in accordance with this Section to the MSRB and the Authority.

(f) All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB and shall be linked to all CUSIPs for all of the Authority's Bonds. The Authority agrees to provide the City with all CUSIP numbers to Bonds for which the City is an obligated person within ten business days after this Agreement has been executed by both parties and, in the case of future Bond issues, within ten days of closing on such Bonds.

SECTION 3. Notice of Certain Events.

(a) The City shall notify the MSRB 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 that relate to the City and with respect to the Authority's 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 security, or other material events affecting the tax status of the security;
- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the securities, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the City;

(13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

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

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

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

(b) For the purposes of the event identified in (a)(12) above, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(c) All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB and shall be linked to all CUSIPs for all of the Authority's Bonds. The Authority agrees to provide the City with all CUSIP numbers to Bonds for which the City is an obligated person within ten business days after this Agreement has been executed by both parties and, in the case of future Bond issues, within ten days of closing on such Bonds.

(d) For purposes of this Section, and particularly with the events described in (a)(15) and (a)(16), the City shall make filings for only those events which relate to or impact the credit of the Authority's Bonds. For example, the Authority's Bonds are secured by payments by the City under the contract between the Authority and the City; such payments constitute an operating expense of the City's water and sewer system. Therefore, notice of events which impact the City's water and sewer system may require a filing to be made if the City concludes that it is material under the Rule. Events affecting the City's general obligation or tax-supported debt obligations would not require a filing to be made because they do not relate to or impact the credit of the Authority's Bonds. The Authority will defer to the City to make its own determination of materiality with respect to the events listed above.

(e) The City will also notify the Authority at the time of the filing of any event disclosures filed with the MSRB.

SECTION 4. Limitations, Disclaimers, and Amendments.

The Authority shall ensure each of its bond resolutions contains an agreement requiring the Authority to comply with the Rule. The Authority and the City shall be obligated to observe and perform the covenants specified in this Agreement for so long as, but only for so long as, the City remains an "obligated person" with respect to Bonds within the meaning of the Rule, except that the Authority in any event will give notice to the City of any deposit made that causes Bonds no longer to be outstanding.

The provisions of this Agreement are for the sole benefit of (and may be enforced by) the bondholders and beneficial owners of Bonds and the parties to this Agreement, and nothing in this Agreement, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Authority and the City undertake to provide only the financial information, operating data, financial statements, and notices which each has expressly agreed to provide pursuant to this Agreement and do not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Authority's or the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Agreement or otherwise, except as expressly provided herein. Neither the Authority nor the City make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

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

No default by the Authority or the City in observing or performing their respective obligations under this Agreement shall comprise a breach of or default under any resolution of the Authority authorizing the issuance of Bonds, or any contract relating thereto, for purposes of any other provision of this Agreement. Nothing in this Agreement is intended or shall act to disclaim, waive, or otherwise limit the duties of the Authority or the City under federal and state securities laws.

With the consent of the other party, the provisions of this Agreement may be amended by the Authority or the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Authority or the City, but only if (1) the provisions of this Agreement, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the bondholders or beneficial owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Agreement that authorizes such an amendment) of outstanding Bonds consent to such amendment or (b) an entity that is unaffiliated with the Authority or the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the bondholders and beneficial owners of Bonds and is permitted by the terms of the Agreement. If the Authority or the City so amend the provisions of this Agreement in connection with the financial or operating data which it is required to disclose under Section 2 hereof, the City shall provide a notice of such amendment to be filed together with an explanation, in narrative form, of the reason for the amendment and the impact of any change in the type of financial information or operating data to be so provided. The Authority or the City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the

Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of Bonds.

SECTION 4. Miscellaneous.

(a) *Representations.* Each of the parties hereto represents and warrants to each other party that it has (i) duly authorized the execution and delivery of this Agreement by the officers of such party whose signatures appear on the execution pages hereto, (ii) that it has all requisite power and authority to execute, deliver and perform this Agreement under applicable law and any resolutions or other actions of such party now in effect, (iii) that the execution and delivery of this Agreement, and performance of the terms hereof, does not and will not violate any law, regulation, ruling, decision, order, indenture, decree, agreement or instrument by which such party is bound, and (iv) such party is not aware of any litigation or proceeding pending, or, to the best of such party's knowledge, threatened, contesting or questioning its existence, or its power and authority to enter into this Agreement, or its due authorization, execution and delivery of this Agreement, or otherwise contesting or questioning the issuance of Bonds.

(b) *Governing Law.* This Agreement shall be governed by and interpreted in accordance with the laws of the State of Texas and applicable federal law.

(c) *Severability.* If any provision hereof shall be held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions hereof shall survive and continue in full force and effect.

(d) *Counterparts.* This Agreement may be executed in one or more counterparts, each and all of which shall constitute one and the same instrument.

(e) *Supersedes Previous Agreements.* This Agreement supersedes and replaces all previous oral or written agreements, memoranda, correspondence or other communications between the parties hereto relating to the subject matter hereof.

IN WITNESS WHEREOF, the Authority and the City have each caused their duly authorized officers to execute this Agreement as of the day and year first above written.

TRINITY RIVER AUTHORITY OF TEXAS

President, Board of Directors

ATTEST:

Secretary, Board of Directors

CITY OF [___], TEXAS

By: _____

Title: _____

ATTEST:

By: _____

Title: _____