

THIRTY-EIGHTH SUPPLEMENTAL ORDINANCE AUTHORIZING THE
ISSUANCE AND SALE OF CITY OF FORT WORTH, TEXAS
WATER AND SEWER SYSTEM REVENUE REFUNDING BONDS, TAXABLE SERIES
2022, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$91,200,000;
ESTABLISHING PARAMETERS WITH RESPECT TO
THE SALE OF THE BONDS;
DELEGATING TO THE DESIGNATED CITY OFFICIALS
THE AUTHORITY TO EFFECT THE SALE OF THE BONDS; ENACTING OTHER
PROVISIONS RELATING TO THE SUBJECT;
AND DECLARING AN IMMEDIATE EFFECTIVE DATE

THE STATE OF TEXAS :
COUNTIES OF TARRANT, DENTON, WISE, PARKER AND JOHNSON :
CITY OF FORT WORTH :

WHEREAS, the City of Fort Worth, Texas (the "City" or the "Issuer"), a "home-rule" city operating under a home-rule charter adopted pursuant to Section 5 of Article XI of the Texas Constitution, with a population according to the latest federal decennial census of in excess of 50,000, has established and currently owns and operates a combined waterworks and sanitary sewer system (the "System"); and

WHEREAS, the City heretofore has established the City of Fort Worth, Texas Water and Sewer System Revenue Financing Program for the purpose of providing a financing structure for revenue-supported indebtedness of the System; and

WHEREAS, said program was established pursuant to the terms of a "Master Ordinance Establishing the City of Fort Worth, Texas Water and Sewer System Revenue Financing Program" (the "Master Ordinance"); and

WHEREAS, unless otherwise defined herein, terms used herein shall have the meaning given in the Master Ordinance; and

WHEREAS, the Master Ordinance authorizes revenue supported indebtedness to be issued, incurred or assumed pursuant to the terms of supplemental ordinances (any such ordinance being a "Supplement"); and

WHEREAS, pursuant to the terms of the Master Ordinance, the City has adopted thirty-seven Supplements (designated as the "First Supplement", "Second Supplement", "Third Supplement", "Fourth Supplement", "Fifth Supplement", "Sixth Supplement", "Seventh Supplement", "Eighth Supplement", "Ninth Supplement", "Tenth Supplement", "Eleventh Supplement", "Twelfth Supplement", "Thirteenth Supplement", "Fourteenth Supplement", "Fifteenth Supplement", "Sixteenth Supplement", "Seventeenth Supplement", "Eighteenth Supplement", "Nineteenth Supplement", "Twentieth Supplement", "Twenty-First Supplement", "Twenty-Second Supplement", "Twenty-Third Supplement", "Twenty-Fourth Supplement", "Twenty-Fifth Supplement", "Twenty-Sixth Supplement", "Twenty-Seventh Supplement", "Twenty-Eighth Supplement", "Twenty-Ninth Supplement", "Thirtieth Supplement", "Thirty-

First Supplement", "Thirty-Second Supplement", "Thirty-Third Supplement", "Thirty-Fourth Supplement", "Thirty-Fifth Supplement", "Thirty-Sixth Supplement", and "Thirty-Seventh Supplement", respectively, and the "Prior Supplements", collectively) pursuant to which (i) the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 1991A and Series 1991B, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 1993, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 1996, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 1997, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 1998, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2000, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2000B, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2001, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2003, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2003A, the City of Fort Worth, Texas Water and Sewer System Auction Rate Revenue Bonds, Series 2004, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2005, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2005A, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2007, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2008, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2009, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2010, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2010A, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2010B, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2010C, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2011, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2012, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2014, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2015, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2015A, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2015B, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2016, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2017, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2017A, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2017B, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2018, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2019, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2020, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2020A, and the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2021 were issued, (ii) the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, with one or more Series designations to be determined, were authorized to be issued within certain designated parameters set forth in the Thirty-Second Supplement, as needed in furtherance of the System's Commercial Paper Notes, Callable CP Series program, and (iii) the City entered into two respective ISDA Master Agreements (referred to herein as the "Swap Agreements"), one with Lehman Brothers Special Financing Inc., and the other with GBDP, L.P.; and

WHEREAS, the aforesaid Series 1991A Bonds, Series 1991B Bonds, Series 1993 Bonds, Series 1996 Bonds, Series 1997 Bonds, Series 1998 Bonds, Series 2000 Bonds, Series 2000B

Bonds, Series 2001 Bonds, Series 2003 Bonds, Series 2003A Bonds, Series 2004 Bonds, Series 2005 Bonds, Series 2005A Bonds, Series 2007 Bonds, Series 2008, Series 2010, Series 2010A, Series 2010B, Series 2010C Bonds and Series 2011 Bonds are no longer Outstanding, and the aforesaid Series 2009 Bonds, Series 2012 Bonds, Series 2014 Bonds, Series 2015 Bonds, Series 2015A Bonds, Series 2015B Bonds, Series 2016 Bonds, Series 2017 Bonds, Series 2017A Bonds, Series 2017B Bonds, Series 2018 Bonds, Series 2019 Bonds, Series 2020 Bonds, Series 2020A Bonds and Series 2021 Bonds are hereinafter referred to as the "Previously Issued Parity Bonds"; and

WHEREAS, the Swap Agreements entered into pursuant to the terms of the Fourth Supplement by their respective terms have expired, and the City has no further obligations thereunder; and

WHEREAS, no bonds have been issued under the auspices of the Thirty-Second Supplement; and

WHEREAS, the Previously Issued Parity Bonds are secured by a first lien on and pledge of the Pledged Revenues of the System; and

WHEREAS, the City Council finds that the outstanding obligations described in Schedule I attached to this Thirty-Eighth Supplement are eligible to be refunded to achieve a debt service savings; and

WHEREAS, the City Council finds that the issuance of bonds authorized by this Thirty-Eighth Supplement for the purpose of refunding all or a portion of the outstanding obligations described in Schedule I attached to this Thirty-Eighth Supplement to realize a debt service savings is a public purpose; and

WHEREAS, concurrently with the adoption of this Thirty-Eighth Supplement by the City Council, the City Council authorized the sale of Water and Sewer System Revenue Bonds, Series 2022, in an aggregate principal amount not to exceed \$135,000,000, pursuant to the terms of an ordinance (the "Thirty-Ninth Supplement"); and

WHEREAS, the bonds authorized by the terms of this Thirty-Eighth Supplement and the Thirty-Ninth Supplement will constitute Parity Obligations under the terms of the Master Ordinance; and

WHEREAS, because of fluctuating conditions in the municipal bond market, the City Council delegates to the City Manager and the Chief Financial Officer/Director of Financial Management Services of the City, individually, but not collectively (each, an "Authorized Representative") the authority to effect the sale of the bonds authorized by this Thirty-Eighth Supplement, subject to the parameters described in this Thirty-Eighth Supplement.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS:

Section 1. DEFINITIONS. That in addition to the definitions set forth in the preamble of this Thirty-Eighth Supplement, the terms used in this Thirty-Eighth Supplement (except in the FORM OF BOND) and not otherwise defined shall have the meanings given in the Master Ordinance, the Prior Supplements or in Exhibit A to this Thirty-Eighth Supplement. Any

references in this Thirty-Eighth Supplement to the "FORM OF BOND" shall be to the form of the Bonds as set forth in Exhibit B to this Thirty-Eighth Supplement.

Section 2. BONDS AUTHORIZED. That there shall be authorized to be issued, sold, and delivered hereunder the Bonds, payable to the respective initial registered owners thereof, or to the registered assignee or assignees of the Bonds or any portion or portions thereof, in an Authorized Denomination. The Bonds are hereby authorized to be issued in an aggregate principal amount not to exceed \$91,200,000 for the purpose of (i) refunding the Refunded Obligations and (ii) paying the costs of issuance of the Bonds. The Bonds shall be designated as the "**City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Taxable Series 2022**". The Bonds are authorized pursuant to Chapter 1207 and other applicable laws of the State of Texas. The City Council hereby delegates to the Authorized Representative the decision to conduct the sale of the Bonds through a competitive sale, in the manner provided in this Thirty-Eighth Supplement. By adoption of this Thirty-Eighth Supplement, the Chief Financial Officer/Director of Financial Management Services of the City, as an Authorized Representative, is designated as a special Acting Assistant City Manager for the limited purposes of executing certificates, agreements, notices, instruction letters, requisitions, and other documents on behalf of the City in accordance with this Thirty-Eighth Supplement.

Section 3. DELEGATION OF SALE OF BONDS; PARAMETERS. (a) Maximum Maturity of Bonds. That the Bonds shall be sold as fully registered bonds, without interest coupons, numbered consecutively from R-1 upward, payable to the respective initial registered owners of the Bonds, or to the registered assignee or assignees of the Bonds, in any Authorized Denomination, maturing not later than February 15, 2034, payable serially or otherwise on the dates, in the years and in the principal amounts, and dated, all as set forth in the Bidding Instructions and the Official Bid Form, in the case of Bonds sold through a competitive sale, and the Bond Purchase Agreement, in the case of Bonds sold through a negotiated sale. The foregoing notwithstanding, the City agrees to cause to be delivered to the Paying Agent/Registrar one (1) initial Bond numbered T-1 (the "Initial Bond") and registered in the name as set forth in the Official Bid Form, in the case of Bonds sold through a competitive sale, or the Bond Purchase Agreement, in the case of Bonds sold through a negotiated sale, following the approval by the Attorney General and the registration by the Comptroller, as further provided in the FORM OF BOND.

(b) Delegation of Authority. (i) *Method of Sale*. As authorized by Chapter 1207, each Authorized Representative is hereby authorized to effect the sale of all or any of the Bonds authorized to be sold by this Thirty-Eighth Supplement, whether by competitive sale, or by negotiated sale conducted either through a public underwriting of the Bonds, a private placement of the Bonds, or both. The determination of each Authorized Representative, acting for and on behalf of the City, relating to the method of and the terms and conditions relating to the sale of Bonds pursuant to this Thirty-Eighth Supplement shall have the same force and effect as if such determination were made by the City Council. In effecting the sale of the Bonds authorized to be sold by this Thirty-Eighth Supplement, each Authorized Representative, acting for and on behalf of the City, may determine any additional or different designation or title by which any series of Bonds shall be known, and the aggregate principal amount of Bonds, if any, to be issued. The sale of the Bonds, including specifically the terms of the purchase price of the Bonds, shall be subject to the limitations set forth in Section 2 and subsection (d) of this Section 3 of this Thirty-Eighth Supplement, and the provisions in subsection (e) of this Section. Prior to the delivery of any Bonds authorized to be sold by this Thirty-Eighth Supplement, whether by competitive sale or negotiated sale, an Authorized Representative shall execute a certificate (a "Pricing

Certificate") addressing the matters described in this subsection with respect to the Bonds sold under authority granted by this Thirty-Eighth Supplement.

(ii) *Competitive Sale.* Each Authorized Representative, acting for and on behalf of the City, is hereby authorized to seek competitive bids for the sale of the Bonds authorized to be sold by this Thirty-Eighth Supplement, and is hereby authorized to prepare and distribute the Bidding Instructions and the Official Bid Form with respect to seeking competitive bids for the sale of the Bonds. The Bidding Instructions shall contain the terms and conditions relating to the sale of the Bonds, including the date bids for the purchase of the Bonds are to be received, the date of the Bonds, any additional designation or title by which the Bonds shall be known, the aggregate principal amount of the Bonds to be sold, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate or rates of interest to be borne by each such maturity, the interest payment periods, the dates, price, and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Issuer, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale and delivery of the Bonds so sold including, without limitation, the use of municipal bond insurance for the Bonds. Each Authorized Representative, acting for and on behalf of the City, is hereby authorized to receive and accept bids for the sale of Bonds in accordance with the Bidding Instructions on such date as determined thereby. The Bonds so sold shall be sold at such price as such Authorized Representative shall determine to be the most advantageous to the City, which determination shall be evidenced by the execution thereby of the Official Bid Form submitted by the best and winning bidder. The Bonds shall bear interest at the rates per annum set forth in the Official Bid Form accepted as the best bid. One Bond in the principal amount maturing on each maturity date as set forth in the Official Bid Form shall be delivered to the initial purchasers thereof, and such purchasers shall have the right to exchange such bonds as provided in Section 5 hereof without cost. The Bonds shall initially be registered in the name as set forth in the Official Bid Form. In case any officer whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

(iii) *Negotiated Sale - Underwriting.* Each Authorized Representative, acting for and on behalf of the City, is hereby authorized to sell all or any portion of the Bonds authorized to be sold by this Thirty-Eighth Supplement by a negotiated sale conducted as a public underwriting, and should each Authorized Representative determine to sell Bonds by negotiated sale conducted as a public underwriting, each Authorized Representative may designate the senior managing underwriter for the Bonds so sold by a negotiated sale pursuant to this Section 3(b)(iii), and such additional investment banking firms as deemed appropriate by each Authorized Representative to assure that the Bonds are sold on the most advantageous terms to the City. Should Bonds be sold through a negotiated sale conducted as a public underwriting, each Authorized Representative, acting for and on behalf of the City, is authorized to enter into and carry out a Bond Purchase Agreement with the Underwriters for the Bonds, at such price, with and subject to such terms as determined by each Authorized Representative, subject to the provisions of this Thirty-Eighth Supplement. One Bond in the principal amount maturing on each maturity date as set forth in the Bond Purchase Agreement shall be delivered to the Underwriters, and the Underwriters shall have the right to exchange such Bonds as provided in Section 5 hereof without cost. The Bonds shall initially be registered in the name designated by the Underwriters as set forth in a Bond Purchase Agreement. In case any officer whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in

office until such delivery. The Bond Purchase Agreement shall be in the form and substance as shall be acceptable to the Authorized Representative, including, without limitation, to contain such terms and conditions as may be provided in accordance with subsection (e) of this Section.

(iv) *Negotiated Sale – Private Placement.* Each Authorized Representative, acting for and on behalf of the City, is hereby authorized to sell all or any portion of the Bonds authorized to be sold by this Thirty-Eighth Supplement by a negotiated sale conducted as a private placement, and should each Authorized Representative determine to sell Bonds by negotiated sale conducted as a private placement, each Authorized Representative may negotiate the sale of Bonds pursuant to this Section 3(b)(iv) with a bank or other financial institutions as deemed appropriate by each Authorized Representative to assure that the Bonds are sold on the most advantageous terms to the City. Should Bonds be sold through a negotiated sale conducted as a private placement, each Authorized Representative, acting for and on behalf of the City, is authorized to enter into and carry out a Bond Purchase Agreement with the Purchaser of the Bonds, at such price, with and subject to such terms as determined by each Authorized Representative, subject to the provisions of this Thirty-Eighth Supplement. One Bond in the principal amount maturing on each maturity date as set forth in the Bond Purchase Agreement shall be delivered to the Purchaser, and the Purchaser shall have the right to exchange such Bonds as provided in Section 5 hereof without cost. The Bonds shall initially be registered in the name designated by the Purchaser as set forth in a Bond Purchase Agreement. In case any officer whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. The Bond Purchase Agreement shall be in the form and substance as shall be acceptable to the Authorized Representative, including, without limitation, to contain such terms and conditions as may be provided in accordance with subsection (e) of this Section.

(c) Requirement of Savings. The Bonds shall not be sold for the purpose of refunding the Refunded Obligations unless the refunding of the Refunded Obligations exceeds the minimum net present value savings set forth in subsection (d) of this Section. The amount of the savings to be realized from the refunding of the Refunded Obligations shall be set forth in the Pricing Certificate to be executed by the Chief Financial Officer/Director of Financial Management Services of the City.

(d) Savings Threshold. As a condition to the issuance of the Bonds for the purpose of refunding the Refunded Obligations, the refunding of the aggregate principal amount of the Refunded Obligations must produce a net present value savings of at least 5.00%. The principal amount of Bonds issued to refund Refunded Obligations, and the Refunded Obligations to be refunded, shall be specifically identified in the Pricing Certificate. An Authorized Representative may elect not to refund any or all of the obligations listed in Schedule I, but in no event shall the Bonds be issued for the purpose of refunding the Refunded Obligations if the refunding of the aggregate principal amount of the obligations selected for refunding does not meet or exceed the minimum net present value savings established above. The Chief Financial Officer/Director of Financial Management Services of the City shall execute prior to the delivery of the Bonds the Pricing Certificate identifying the Refunded Obligations to be refunded from proceeds of the Bonds and stating that the net present value savings resulting from the refunding of the Refunded Obligations is no less than the minimum savings threshold established above. The Pricing Certificate shall specifically state the net present value savings realized by the City as a result of refunding the Refunded Obligations. The determination of an Authorized

Representative relating to the issuance and sale of Bonds to refund all or any of the Refunded Obligations shall have the same force and effect as a determination made by the City Council.

(e) Bond Purchase Agreement. Should Bonds be sold by a negotiated sale, each Authorized Representative is hereby authorized, appointed, and designated to act on behalf of the City in the selling and delivering the Bonds and carrying out the other procedures specified in this Thirty-Eighth Supplement, including determining and fixing the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, the aggregate principal amount of the Bonds to be sold, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate or rates of interest to be borne by each such maturity, the interest payment periods, the dates, price, and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Issuer, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale, and delivery of the Bonds, including, without limitation, the use of municipal bond insurance for the Bonds, all of which shall be specified in the Bond Purchase Agreement. Each Authorized Representative, acting for and on behalf of the City, is authorized to enter into with the Underwriters, in the case of Bonds sold through a negotiated sale conducted as a public underwriting, and the Purchaser, in the case of Bonds sold through a negotiated sale conducted as a private placement, and to carry out the conditions specified in a Bond Purchase Agreement for the Bonds, at such price and subject to such terms as are set forth therein.

(f) General; Other Parameters. (i) The City Council authorizes the City Manager and the Chief Financial Officer/Director of Financial Management Services of the City to provide for and oversee the preparation of a preliminary official statement and the final official statement (the "Official Statement") in connection with the issuance of the Bonds, and to approve the preliminary official statement and the Official Statement and deem the preliminary official statement final, and to provide the Official Statement to the Purchasers, in connection with Bonds sold through a competitive sale, or the Underwriters, in connection with Bonds sold through a negotiated sale in compliance with the Rule. The Official Statement in the form and content approved by an Authorized Representative shall be deemed approved by the City Council and constitute the Official Statement authorized for distribution to and use by the Purchasers of the Bonds sold through a competitive sale, or the Underwriters, in connection with Bonds sold through a negotiated sale. The Bonds shall not have a true interest cost in excess of 3.28% and shall not have a net effective interest rate, calculated in accordance with Chapter 1204, Texas Government Code, in excess of 15%.

(ii) An Authorized Representative shall not execute the Official Bid Form or a Bond Purchase Agreement unless the best bidder, in the case of Bonds sold pursuant to a competitive sale, each Underwriter, in the case of Bonds sold pursuant to a negotiated sale conducted as a public offering, or the Purchaser, in the case of Bonds sold pursuant to a negotiated sale conducted as a private placement, has confirmed to an Authorized Representative that either it has made disclosure filings to the Texas Ethics Commission in accordance with Section 2252.908, Texas Government Code or is exempt from making such filings under Section 2252.908(c)(4), Texas Government Code. Within thirty (30) days of receipt of any disclosure filings from the best bidder for the Bonds, the City will acknowledge such disclosure filings in accordance with the rules of the Texas Ethics Commission. Any finding or determination made by an Authorized Representative relating to the issuance and sale of the Bonds shall have the same force and effect as a finding or determination made by the City Council.

(iii) The foregoing notwithstanding, the purchase price to be paid for the Bonds sold pursuant to this Thirty-Eighth Supplement shall not be less than 95% of the aggregate principal amount thereof. The authority delegated to the Authorized Representative to effect the sale of the Bonds expires at the close of business on Friday, September 30, 2022.

Section 4. REDEMPTION. (a) Optional Redemption. That the Bonds may be subject to redemption prior to their scheduled maturities at the option of the City, on the dates and in the manner provided in the Bidding Instructions, in the case of Bonds sold through a competitive sale, or the Bond Purchase Agreement, in the case of Bonds sold through a negotiated sale. Should the Bonds be subject to redemption prior to their scheduled maturities, if less than all of the Bonds are to be redeemed by the City, the City shall determine the maturity or maturities and the amounts to be redeemed and shall direct the Paying Agent/Registrar to call by lot Bonds, or portions of Bonds, within a maturity and in the principal amounts for redemption; provided, that during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds shall be selected in accordance with the arrangements between the City and the securities depository. The FORM OF BOND shall be revised to reflect any optional redemption of the Bonds, to the extent provided in the Bidding Instructions and incorporated by reference into the Official Bid Form accepted by an Authorized Representative as the best bid on the Bonds. The optional redemption of Bonds at the option of the City may be made conditional upon the occurrence of certain events, as may be provided for in the FORM OF BOND.

(b) Mandatory Redemption. Should the Official Bid Form or a Bond Purchase Agreement, as the case may be, provide for the mandatory sinking fund redemption of the Bonds, the terms and conditions governing any mandatory sinking fund redemption and the payment of mandatory sinking fund payments shall be set forth therein, and the FORM OF BOND shall be revised to reflect any mandatory sinking fund redemption of the Bonds, to the extent provided in the Official Bid Form accepted by an Authorized Representative as the best bid for the Bonds, in connection with a competitive sale, or to the extent provided in the Bond Purchase Agreement, executed in connection with a negotiated sale.

(c) General Notice. Notice of any redemption of Bonds shall be given in the following manner, to-wit, a written notice of such redemption shall be given to the registered owner of each Bond or a portion thereof being called for redemption at least thirty (30) days prior to the date fixed for such redemption by depositing such notice in the United States mail, first-class postage prepaid, addressed to each such registered owner at the address shown on the Registration Books of the Paying Agent/Registrar. By the date fixed for any such redemption due provision shall be made by the City with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or the portions thereof which are to be so redeemed. If such notice of redemption is given, and if due provision for such payment is made, all as provided above, the Bonds, or the portions thereof which are to be so redeemed, thereby automatically shall be redeemed prior to their scheduled maturities, and shall not be regarded as being Outstanding except for the right of the owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the Registration Books all such redemptions of principal of the Bonds or any portion thereof. 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 Authorized Denomination at the written request of the owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the owner upon the surrender thereof for cancellation, at the expense of the City, all as

provided in this Thirty-Eighth Supplement. The maturities of Bonds to be called for redemption shall be determined by the City. The Bonds or portions to be redeemed within each such maturity shall be selected by lot or other customary random method selected by the Paying Agent/Registrar in accordance with any requirements of a securities depository, if applicable, or as provided in the FORM OF BOND (provided that a portion of a Bond may be redeemed only in an Authorized Denomination). The City shall give written notice to the Paying Agent/Registrar of any such redemption of Bonds at least sixty (60) calendar days (or such shorter period as is acceptable to the Paying Agent/Registrar) prior to such redemption.

(d) Additional Notice. (i) In addition to the manner of providing notice of redemption of Bonds as set forth above, the Paying Agent/Registrar shall give notice of redemption of Bonds by United States mail, first-class postage prepaid, at least thirty (30) days prior to a redemption date to the MSRB and to any national information service that disseminates redemption notices. Any notice sent to the MSRB or such national information services shall be sent so that they are received at least two (2) days prior to the general mailing date of such notice. The Paying Agent/Registrar shall also send a notice of prepayment or redemption to the owner of any Bond who has not sent the Bonds in for redemption sixty (60) days after the redemption date.

(ii) Each redemption notice, whether required in the FORM OF BOND or otherwise by this Thirty-Eighth Supplement, shall contain a description of the Bonds to be redeemed including the complete name of the Bonds, the series, the date of issue, the interest rate, the maturity date, the CUSIP number, if any, the amounts called for redemption, the mailing date for the notice, the date of redemption, the redemption price, the name of the Paying Agent/Registrar and the address at which the Bond may be redeemed including a contact person and telephone number.

(iii) All redemption payments made by the Paying Agent/Registrar to the registered owners of the Bonds shall include a CUSIP number relating to each amount paid to such registered owner.

Section 5. CHARACTERISTICS OF THE BONDS. (a) Registration, Transfer, Conversion and Exchange; Authentication. That the City shall keep or cause to be kept at the designated corporate trust office of BOKF, NA (the "Paying Agent/Registrar"), books or records for the registration of the transfer, conversion and exchange of the Bonds (the "Registration Books"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the City and the Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The City shall have the right to inspect, at the Designated Trust Office of the Paying Agent/Registrar, the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. Except as otherwise provided in the FORM OF BOND, the owner of each Bond requesting a conversion, transfer, exchange and delivery of such Bond shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Bond or Bonds. Registration of assignments, transfers, conversions and exchanges of Bonds

shall be made in the manner provided and with the effect stated in the FORM OF BOND. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the "Paying Agent/Registrar's Authentication Certificate" in the form set forth in the FORM OF BOND (the "Authentication Certificate"), and, except as provided below, no such Bond shall be deemed to be issued or Outstanding unless the Authentication Certificate is so executed; however, the foregoing notwithstanding, the Authentication Certificate need not be executed if any such Bond is accompanied by an executed "Comptroller's Registration Certificate" in the form set forth in the FORM OF BOND. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for conversion and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the City or any other body or person so as to accomplish the foregoing conversion and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein. Pursuant to Chapter 1206, the duty of conversion and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the Authentication Certificate, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which initially were issued and delivered pursuant to this Thirty-Eighth Supplement, approved by the Attorney General, and registered by the Comptroller. As of the date this Thirty-Eighth Supplement is approved by the City, the City has been advised that the Designated Trust Office of the Paying Agent/Registrar is its Dallas, Texas corporate trust office.

(b) Payment of Bonds and Interest. The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of, premium, if any, and interest on the Bonds, all as provided in this Thirty-Eighth Supplement. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Bonds.

(c) In General. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) shall be payable as to principal and interest, and (viii) shall be administered and the Paying Agent/Registrar and the City shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND. The Bonds initially issued and delivered pursuant to this Thirty-Eighth Supplement are not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for any Bond or Bonds issued under this Thirty-Eighth Supplement the Paying Agent/Registrar shall execute the Authentication Certificate.

(d) Substitute Paying Agent/Registrar. The City covenants with the owners of the Bonds that at all times while the Bonds are Outstanding a competent and legally qualified entity shall act as and perform the services of Paying Agent/Registrar for the Bonds under this Thirty-Eighth Supplement, and that the Paying Agent/Registrar will be one entity. Such entity may be the City, to the extent permitted by law, or a bank, trust company, financial institution, or other agency, as selected by the City. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than one hundred and twenty (120) days written notice to the Paying Agent/Registrar, to be effective not later than sixty (60) days prior to the next principal or

interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the City covenants that promptly it will appoint a competent and legally qualified entity to act as Paying Agent/Registrar under this Thirty-Eighth Supplement. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Thirty-Eighth Supplement, and a certified copy of this Thirty-Eighth Supplement shall be delivered to each Paying Agent/Registrar.

(e) Reportable Payments. With respect to the Bonds, to the extent required by the Code and the regulations promulgated thereunder, the Paying Agent/Registrar shall report to each owner of the Bonds and the Internal Revenue Service (i) the amount of "reportable payments", if any, subject to backup withholding during each year and the amount of tax withheld, if any, with respect to payments of the Bonds, and (ii) the amount of interest or amount treated as interest on the Bonds and required to be included in the gross income of an owner of Bonds.

Section 6. FORM OF BONDS. (a) Form of Bonds. That the form of all Bonds, including the form of the Authentication Certificate, the form of Assignment, and the form of the Comptroller's Registration Certificate to be attached only to the Bonds initially issued and delivered pursuant to this Thirty-Eighth Supplement, shall be, respectively, substantially as set forth in Exhibit B, with such appropriate variations, omissions, or insertions as are permitted or required by this Thirty-Eighth Supplement.

(b) Printing Bond Counsel Opinion and Statement of Insurance. The printer of the Bonds is hereby authorized to print on the Bonds the form of bond counsel's opinion relating to the Bonds and is hereby authorized to print on the Bonds an appropriate statement of insurance furnished by a municipal bond insurance company providing municipal bond insurance, if any, covering all or any part of the Bonds.

Section 7. ESTABLISHMENT OF FINANCING PROGRAM AND ISSUANCE OF PARITY OBLIGATIONS. That by adoption of the Master Ordinance the City has established the City of Fort Worth, Texas Water and Sewer System Revenue Financing Program for the purpose of providing a financing structure for revenue supported indebtedness of the System. The Master Ordinance is intended to establish a master plan under which revenue supported debt of the System can be incurred. This Thirty-Eighth Supplement provides for the authorization, issuance, sale, delivery, form, characteristics, provisions of payment and redemption, and security of the Bonds, which are a series of Parity Obligations. The Master Ordinance is incorporated herein by reference and as such made a part hereof for all purposes, except to the extent modified and supplemented hereby, and the Bonds are hereby declared to be Parity Obligations under the Master Ordinance. The City hereby determines that it will have sufficient funds to meet the financial obligations of the System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the System and to meet all financial obligations of the City relating to the System.

Section 8. PLEDGE. (a) Pledge of Pledged Revenues. That the Bonds are and shall be secured 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 Debt Service Fund, and to the Reserve Fund to the extent hereinafter provided. The Bonds are and will be secured by and payable only from the Pledged Revenues and are not secured by or payable from a mortgage or deed of trust on any properties, whether real, personal, or mixed, constituting the System.

(b) Perfection of Lien. Chapter 1208 applies to the issuance of the Bonds and the pledge of the Pledged Revenues granted by the City under subsection (a) of this Section, and such pledge 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 City is to be subject to the filing requirements of Chapter 9, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9 and enable a filing to perfect the security interest in said pledge to occur.

Section 9. DEBT SERVICE FUND ACCOUNTS. That with respect to the Bonds no special account need be established to facilitate the payment of debt service on the Bonds.

Section 10. RESERVE FUND. That no deposits shall be made to the credit of the Reserve Fund, as provided in Section 12(b) of this Thirty-Eighth Supplement.

Section 11. INVESTMENTS. That to the extent a reserve fund for the Bonds is created after their delivery, money in the Reserve Fund created under this Thirty-Eighth Supplement shall not be invested in securities with an average aggregate weighted maturity of greater than seven years. The value of the Reserve Fund, in addition to the annual determination described in the Master Ordinance, shall be established at the time or times withdrawals are made therefrom. Investments shall be sold promptly when necessary to prevent any default in connection with the Bonds. Earnings derived from the investment of moneys on deposit in the various Funds and Accounts shall be credited to the Fund or Account from which moneys used to acquire such investment shall have come.

Section 12. FLOW OF FUNDS. That all monies in the System Fund not required for paying Operating Expenses during each month shall be applied by the City, on or before the 10th day of the following month, commencing during the months and in the order of priority with respect to the Funds and Accounts that such applications are hereinafter set forth in this Section.

(a) Debt Service Fund - To the credit of the Debt Service Fund, in the following order of priority, to-wit:

(1) such amounts, deposited in approximately equal monthly installments, commencing during the month in which the Bonds are delivered, or the month thereafter if delivery is made after the 10th day thereof, as will be sufficient, together with other amounts, if any, in the Debt Service Fund available for such purpose, to pay the interest scheduled to come due on the Bonds on the next succeeding interest payment date; and

(2) such amounts, deposited in approximately equal monthly installments, commencing during the month which shall be the later to occur of, (i) the twelfth month

before the first maturity date of the Bonds, or (ii) the month in which the Bonds are delivered, or the month thereafter if delivery is made after the 10th day thereof, as will be sufficient, together with other amounts, if any, in the Debt Service Fund available for such purpose, to pay the principal (including mandatory sinking fund redemption payments, if any) scheduled to mature or come due on the Bonds on the next succeeding principal payment date or mandatory sinking fund redemption date, as the case may be.

(b) Reserve Fund. Acting in accordance with the provisions of the Master Ordinance, specifically, without limitation, Section 7 thereof, it is not necessary for the Bonds to be secured by the Reserve Fund established for the benefit of the owners of Parity Obligations, and therefore the City may, but shall not be required to, make deposits to the credit of the Reserve Fund with respect to the Bonds.

Section 13. PAYMENT OF BONDS. That on or before the first scheduled interest payment date, and on or before each interest payment date and principal payment date thereafter while any Bond is Outstanding and unpaid, the City shall make available to the Paying Agent/Registrar, out of the Debt Service Fund (and the Reserve Fund, if necessary) monies sufficient to pay such interest on and such principal amount of the Bonds, as shall become due on such dates, respectively, at maturity or by redemption prior to maturity. The Paying Agent/Registrar shall destroy all paid Bonds and furnish the City with an appropriate certificate of cancellation or destruction.

Section 14. FEDERAL INCOME TAX MATTERS. That the City does not intend to issue the Bonds in a manner that would qualify the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation.

Section 15. [INTENTIONALLY OMITTED].

Section 16. AMENDMENT OF THIRTY-EIGHTH SUPPLEMENT. (a) Approval of Bondholders Required. That the owners of a majority in Outstanding Principal Amount of the Bonds shall have the right from time to time to approve any amendment to this Thirty-Eighth Supplement which may be deemed necessary or desirable by the City, provided, however, that nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions in this Thirty-Eighth Supplement or in the Bonds so as to:

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

unless such amendment or amendments shall be approved by the owners of all of the Bonds then Outstanding.

(b) Notice of Amendment. If at any time the City shall desire to amend the Thirty-Eighth Supplement under this Section, the City shall cause notice of the proposed amendment to be published in a financial newspaper or journal published in the City of New York, New York, and a newspaper of general circulation in the City, once during each calendar week for at least two (2) successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Paying Agent/Registrar for inspection by all owners of the Bonds. Such publication is not required, however, if notice in writing is given to each owner of the Bonds.

(c) Effectiveness of Consent and Approval. Whenever at any time not less than thirty (30) days, and within one (1) year, from the date of the first publication of said notice or other service of written notice the City shall receive an instrument or instruments executed by the owners of at least a majority in Outstanding Principal Amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file with the Paying Agent/Registrar, the City Council of the City may pass such amendment in substantially the same form.

(d) Amendment Effective. Upon the passage of any such amendment pursuant to the provisions of this Section, this Thirty-Eighth Supplement shall be deemed to be amended in accordance with such amendment, and the respective rights, duties and obligations under this Thirty-Eighth Supplement of the City and all the owners of then Outstanding Bonds shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such amendment.

(e) Revocation of Consent. Any consent given by the owners of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six (6) months from the date of the first publication of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the same Bond during such period. Such consent may be revoked at any time after six (6) months from the date of the first publication of such notice by the owner who gave such consent, or by a successor in title, by filing written notice thereof with the Paying Agent/Registrar and the City, but such revocation shall not be effective if the owners of at least a majority in Outstanding Principal Amount of the Bonds have, prior to the attempted revocation, consented to and approved the amendment.

(f) Amendments Not Requiring Bondholder Consent. The foregoing provisions of this Section notwithstanding, the City by action of the City Council may amend this Thirty-Eighth Supplement without the consent of any owner of the Bonds or any other Parity Obligations, solely for any one or more of the following purposes:

(1) To add to the covenants and agreements of the City in this Thirty-Eighth Supplement contained, other covenants and agreements thereafter to be observed, grant additional rights or remedies to the owners of the Bonds or to surrender, restrict or limit any right or power herein reserved to or conferred upon the City;

(2) To make such provisions for the purpose of curing any ambiguity, or curing, correcting or supplementing any defective provision contained in this Thirty-Eighth Supplement, or in regard to clarifying matters or questions arising under this Thirty-Eighth Supplement, as are necessary or desirable and not contrary to or inconsistent with

this Thirty-Eighth Supplement and which shall not adversely affect the interests of the owners of the Bonds then Outstanding;

(3) To modify any of the provisions of this Thirty-Eighth Supplement in any other respect whatsoever, provided that such modification shall be, and be expressed to be, effective only after the Bonds Outstanding at the date of the adoption of such modification shall cease to be Outstanding;

(4) To make such amendments to this Thirty-Eighth Supplement as may be required, in the opinion of Bond Counsel, to ensure compliance with sections 103 and 141 through 150 of the Code and the regulations promulgated thereunder and applicable thereto;

(5) To make such changes, modifications or amendments as may be necessary or desirable in order to allow the owners of the Bonds to thereafter avail themselves of a book-entry system for payments, transfers and other matters relating to the Bonds, which changes, modifications or amendments are not contrary to or inconsistent with other provisions of this Thirty-Eighth Supplement and which shall not adversely affect the interests of the owners of the Bonds;

(6) To make such changes, modifications or amendments as are permitted by Section 18(c)(vi) of this Thirty-Eighth Supplement;

(7) To make such changes, modifications or amendments as may be necessary or desirable in order to obtain or maintain the granting of a rating on the Bonds by a Rating Agency or to obtain or maintain a Credit Agreement or a Credit Facility issued in support of the Bonds; and

(8) To make such changes, modifications or amendments as may be necessary or desirable, which shall not adversely affect the interests of the owners of the Bonds, in order, to the extent permitted by law, to facilitate the economic and practical utilization of interest rate swap agreements, foreign currency exchange agreements, or similar type of agreements with respect to the Bonds.

Notice of any such amendment may be published by the City in the manner described in clause (b) of this Section; provided, however, that the publication of such notice shall not constitute a condition precedent to the adoption of such amendatory ordinance and the failure to publish such notice shall not adversely affect the implementation of such amendment as adopted pursuant to such amendatory ordinance.

(g) Eligibility to Approve Amendment. Ownership of the Bonds shall be established by the Registration Books maintained by the Paying Agent/Registrar, in its capacity as registrar and transfer agent for the Bonds.

Section 17. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.

(a) Delivery of Substitute Bonds. That in the event any Outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new Bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the applicant for a replacement bond shall furnish to the City and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the applicant shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the applicant shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

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

(d) Costs of Replacement Bond. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the City whether the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Thirty-Eighth Supplement equally and proportionately with any and all other Bonds duly issued under this Thirty-Eighth Supplement.

(e) Statutory Authority. In accordance with Chapter 1206, this Section of this Thirty-Eighth Supplement shall constitute authority for the issuance of any such replacement bond without necessity of further action by the City Council of the City or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such bonds in the form and manner and with the effect, as provided in Section 5(a) of this Thirty-Eighth Supplement for Bonds issued in exchange for other Bonds.

Section 18. CONTINUING DISCLOSURE UNDERTAKING. (a) Annual Reports. (i) That the City shall provide annually to the MSRB (1) within six months after the end of each fiscal year ending in or after the first fiscal year in which Bonds are issued, financial information and operating data with respect to the City of the general type described in Exhibit C hereto, and (2) if not provided as part of the financial information and operating data, annual financial statements of the City, when and if available. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit C hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the City commissions an audit of such statements and the audit is completed within twelve (12) months after the end of each fiscal year ending in or after 2022. If audited financial statements are not available by the end of the twelve (12) month period, then the City shall provide notice that the audited financial statements are not available, shall provide unaudited financial information containing the information described in the tables referenced in Exhibit C hereto under the heading "*Annual Financial Statements and Operating Data*" by the required time, and shall provide audited financial statements for the

applicable fiscal year to the MSRB, when and if the audited financial statements become available.

(ii) If the City changes its Fiscal Year, it will notify the MSRB of the change (and of the date of the new Fiscal Year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC. Filings shall be made electronically, in such format as is prescribed by the MSRB.

(b) Disclosure Event Notices. The City shall notify the MSRB of any of the following events with respect to the Bonds, in a timely manner not in excess of ten Business Days after the occurrence of the event:

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

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

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 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 jurisdiction has been assumed by leaving the City Council and official or officers of the City in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

As used in clauses 15 and 16 above, the term "Financial Obligation" means: (i) a debt obligation; (ii) 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 (iii) a guarantee of (i) or (ii), however, the term Financial Obligation shall not include Municipal Securities as to which a final official statement has been provided to the MSRB consistent with the Rule; the term "Municipal Securities" means securities which are direct obligations of, or obligations guaranteed as to principal or interest by, a state or any political subdivision thereof, or any agency or instrumentality of a state or any political subdivision thereof, or any municipal corporate instrumentality of one or more states and any other Municipal Securities described by Section 3(a)(29) of the Securities Exchange Act of 1934, as the same may be amended from time to time; and the term "Obligated Person" means the City.

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

(ii) The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT

OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iv) No default by the City in observing or performing its obligations under this Section shall comprise a breach of or default under this Thirty-Eighth Supplement for purposes of any other provision of this Thirty-Eighth Supplement. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

(v) Should the Rule be amended to obligate the City to make filings with or provide notices to entities other than the MSRB, the City agrees to undertake such obligation in accordance with the Rule as amended.

(vi) The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Thirty-Eighth Supplement that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the Bonds. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (a) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Section 19. THIRTY-EIGHTH SUPPLEMENT TO CONSTITUTE A CONTRACT; EQUAL SECURITY. That in consideration of the acceptance of the Bonds, the issuance of which is authorized hereunder, by those who shall hold the same from time to time, this Thirty-Eighth Supplement shall be deemed to be and shall constitute a contract between the City and the Holders from time to time of the Bonds, and the pledge made in this Thirty-Eighth Supplement by the City and the covenants and agreements set forth in this Thirty-Eighth Supplement to be performed by the City shall be for the equal and proportionate benefit, security, and protection of all Holders, without preference, priority, or distinction as to security or otherwise of any of the Bonds authorized hereunder over any of the others by reason of time of issuance, sale, or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Thirty-Eighth Supplement.

Section 20. SEVERABILITY OF INVALID PROVISIONS. That if any one or more of the covenants, agreements, or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements, or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Bonds issued hereunder.

Section 21. PAYMENT AND PERFORMANCE ON BUSINESS DAYS. That, except as provided to the contrary in the FORM OF BOND, whenever under the terms of this Thirty-Eighth Supplement or the Bonds, the performance date of any provision hereof or thereof, including the payment of principal of or interest on the Bonds, shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the Bonds, need not be made on such day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the date of performance or payment.

Section 22. LIMITATION OF BENEFITS WITH RESPECT TO THE THIRTY-EIGHTH SUPPLEMENT. That with the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Thirty-Eighth Supplement or the Bonds is intended or should be construed to confer upon or give to any person other than the City, the Holders, and the Paying Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason of or in respect to this Thirty-Eighth Supplement or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Thirty-Eighth Supplement and all of the covenants, conditions, stipulations, promises, agreements, and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the City, the Holders, and the Paying Agent/Registrar as herein and therein provided.

Section 23. ESCROW AGREEMENT. That concurrently with the delivery of the Bonds the City shall cause to be deposited with the Escrow Agent, from the proceeds from the sale of the Bonds and other available moneys of the City, all as described in the letter of instructions referred to in Section 29 of this Thirty-Eighth Supplement, an amount sufficient to provide for the refunding of the Refunded Obligations in accordance with Chapter 1207. For this purpose, the City Council authorizes the City Manager or any Assistant City Manager and the City Secretary to execute the Escrow Agreement, in substantially the form and substance attached to this Thirty-Eighth Supplement as Exhibit D. If required by law, the City shall not execute the Escrow Agreement unless the Escrow Agent has confirmed to the Chief Financial Officer of the City that either it has made disclosure filings to the Texas Ethics Commission in accordance with Section 2252.908, Texas Government Code, or is exempt from making such filings under Section 2252.908(c)(4), Texas Government Code. Within thirty (30) days of receipt of the disclosure filings from the Escrow Agent, the City will acknowledge such disclosure filings in accordance with the rules of the Texas Ethics Commission.

Section 24. REDEMPTION OF REFUNDED OBLIGATIONS. That the City Council determines that, subject to the delivery of Bonds for the purpose of refunding Refunded Obligations, the Refunded Obligations to be refunded shall be called for redemption at the redemption price of par plus accrued interest to the date fixed for redemption, on the redemption date set forth in the Official Statement, all in accordance with the applicable provisions of the proceedings authorizing the issuance of the Refunded Obligations. The City Manager or his designee shall take such actions necessary to cause the required notice of redemption to be given in accordance with the terms of the proceedings for the Refunded Obligations so called for redemption.

Section 25. FURTHER PROCEDURES. That the Mayor, the City Manager, any Assistant City Manager, the Chief Financial Officer/Director of Financial Management Services of the City, the City Secretary or any Assistant City Secretary, and all other officers, employees, and agents of the City, and each of them, shall be and they are hereby expressly authorized,

empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Thirty-Eighth Supplement and the Bonds, including, but not limited to, conforming documents to receive the approval of the Attorney General and to receive ratings from municipal bond rating agencies. The City Council authorizes the payment of the fee of the Office of the Attorney General of the State of Texas for the examination of the proceedings relating to the issuance of the Bonds, in the amount determined in accordance with the provisions of Section 1202.004, Texas Government Code.

Section 26. APPROVAL AND REGISTRATION OF BONDS. That the City Manager of the City is hereby authorized to have control of the Bonds and all necessary records and proceedings pertaining to the Bonds pending their delivery and their investigation, examination and approval by the Attorney General, and their registration by the Comptroller. Upon registration of the Bonds, the Comptroller (or a deputy designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificate accompanying the Bonds, and the seal of the Comptroller shall be impressed, or placed in facsimile, on each such certificate.

Section 27. DTC REGISTRATION. That the Bonds initially shall be issued and delivered in such manner that no physical distribution of the Bonds will be made to the public, and The Depository Trust Company ("DTC"), New York, New York, initially will act as depository for the Bonds. DTC has represented that it is a limited purpose trust company incorporated under the laws of the State of New York, 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 under Section 17A of the Securities Exchange Act of 1934, as amended, and the City accepts, but in no way verifies, such representations. The Bonds initially authorized by this Thirty-Eighth Supplement shall be delivered to and registered in the name of CEDE & CO., the nominee of DTC. So long as each Bond is registered in the name of CEDE & CO., the Paying Agent/Registrar shall treat and deal with DTC the same in all respects as if it were the actual and beneficial owner thereof. It is expected that DTC will maintain a book-entry system which will identify ownership of the Bonds in integral amounts of \$5,000, with transfers of ownership being effected on the records of DTC and its participants pursuant to rules and regulations established by them, and that the Bonds initially deposited with DTC shall be immobilized and not be further exchanged for substitute Bonds except as hereinafter provided. The City is not responsible or liable for any functions of DTC, will not be responsible for paying any fees or charges with respect to its services, will not be responsible or liable for maintaining, supervising, or reviewing the records of DTC or its participants, or protecting any interests or rights of the beneficial owners of the Bonds. It shall be the duty of the DTC Participants, as defined in the Official Statement herein approved, to make all arrangements with DTC to establish this book-entry system, the beneficial ownership of the Bonds, and the method of paying the fees and charges of DTC. The City does not represent nor covenant that the initial book-entry system established with DTC will be maintained in the future. Notwithstanding the initial establishment of the foregoing book-entry system with DTC, if for any reason any of the originally delivered Bonds is duly filed with the Paying Agent/Registrar with proper request for transfer and substitution, as provided for in this Thirty-Eighth Supplement, substitute Bonds will be duly delivered as provided in this Thirty-Eighth Supplement, and there will be no assurance or representation that any book-entry system will be maintained for such Bonds. To effect the establishment of the foregoing book-entry system, the City has executed and filed with DTC the "Blanket DTC Letter of Representations" in the form provided by DTC to evidence the City's

intent to establish said book-entry system. The foregoing notwithstanding, if Bonds are sold through a negotiated sale conducted as a private placement, the Bond Purchase Agreement governing such sale of Bonds shall provide whether the Bonds so sold shall be subject to the book-entry system described in this Section.

Section 28. DEFAULT AND REMEDIES. (a) Events of Default. That each of the following occurrences or events for the purpose of this Thirty-Eighth Supplement is hereby declared to be an Event of Default:

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

(ii) except as provided in Section 18(c)(iv) of this Thirty-Eighth Supplement, default in the performance or observance of any other covenant, agreement or obligation of the City, the failure to perform which materially, adversely affects the rights of the registered owners of the Bonds, including, but not limited to, their prospect or ability to be repaid in accordance with this Thirty-Eighth Supplement, and the continuation thereof for a period of sixty (60) days after notice of such default is given by any registered owner to the City.

(b) Remedies for Default.

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

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

(c) Remedies Not Exclusive.

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

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

(iii) By accepting the delivery of a Bond authorized under this Thirty-Eighth Supplement, such registered owner agrees that the certifications required to effectuate any covenants or representations contained in this Thirty-Eighth Supplement do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or members of the City or the City Council.

(iv) None of the members of the City Council, nor any other official or officer, agent, or employee of the City, shall be charged personally by the registered owners with any liability, or be held personally liable to the registered owners under any term or provision of this Thirty-Eighth Supplement, or because of any Event of Default or alleged Event of Default under this Thirty-Eighth Supplement.

Section 29. USE OF BOND PROCEEDS. That the proceeds from the sale of the Bonds shall be used in the manner described in a letter of instructions executed by or on behalf of the City, provided, that proceeds representing accrued interest on the Bonds shall be deposited to the credit of the Debt Service Fund and proceeds representing premium on the Bonds shall be used in a manner consistent with the provisions of Section 1201.042(d), Texas Government Code.

Section 30. PREAMBLE. That the preamble to this Thirty-Eighth Supplement is hereby incorporated by reference and is to be considered a part of the operative text of this Thirty-Eighth Supplement.

Section 31. RULES OF CONSTRUCTION. That for all purposes of this Thirty-Eighth Supplement, unless the context requires otherwise, all references to designated Sections and other subdivisions are to the Sections and other subdivisions of this Thirty-Eighth Supplement. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Thirty-Eighth Supplement as a whole and not to any particular Section or other subdivision. Except where the context otherwise requires, terms defined in this Thirty-Eighth Supplement to impart the singular number shall be considered to include the plural number and vice versa. References to any named person means that party and its successors and assigns. References to an officer or designated position (e.g., City Manager) include any person acting in the capacity of such officer or designated position, whether on an acting, interim or permanent basis. References to any constitutional, statutory or regulatory provision means such provision as it exists on the date this Thirty-Eighth Supplement is adopted by the City and any future amendments thereto or successor provisions thereof. All ordinances and resolutions or parts thereof in conflict herewith are hereby repealed.

[Execution Page Follows]

Section 32. IMMEDIATE EFFECT. That this Thirty-Eighth Supplement shall be effective immediately from and after its passage in accordance with the provisions of Section 1201.028, Texas Government Code, and it is accordingly so ordained.

ADOPTED AND EFFECTIVE April 12, 2022.

Mayor,
City of Fort Worth, Texas

City Secretary

(SEAL)

APPROVED AS TO FORM AND LEGALITY:

Interim City Attorney

SCHEDULE I

*City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds,
Series 2014*

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Par Amount (\$)</u>	<u>Call Date</u>
February 15, 2025	5.00%	6,570,000	February 15, 2024
February 15, 2026	4.00%	6,870,000	February 15, 2024
February 15, 2027	5.00%	7,185,000	February 15, 2024
February 15, 2028	5.00%	7,555,000	February 15, 2024
February 15, 2029	5.00%	7,940,000	February 15, 2024
February 15, 2030	5.00%	8,350,000	February 15, 2024
February 15, 2031	5.00%	8,780,000	February 15, 2024
February 15, 2032	5.00%	9,255,000	February 15, 2024
February 15, 2033	5.00%	9,700,000	February 15, 2024
February 15, 2034	5.00%	10,200,000	February 15, 2024

EXHIBIT A

That, as used in this Thirty-Eighth Supplement, the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

"Attorney General" means the Attorney General of the State of Texas.

"Authentication Certificate" shall have the meaning given said term in Section 5(a) of the Thirty-Eighth Supplement.

"Authorized Denomination" means Bonds in a denomination of \$5,000 or any integral multiple thereof.

"Authorized Representative" means the City Manager and the Chief Financial Officer/Director of Financial Management Services of the City, acting individually but not collectively.

"Bidding Instructions" means the Notice of Sale and Bidding Instructions distributed to potential purchasers of Bonds sold pursuant to a competitive sale.

"Bond Purchase Agreement" means a bond purchase agreement (i) between the City and the Underwriters, pertaining to the purchase of the Bonds by the Underwriters sold through a negotiated sale conducted as a public underwriting, and (ii) between the City and the Purchaser, pertaining to the purchase of the Bonds by the Purchaser sold through a negotiated sale conducted as a private placement.

"Bonds" means the Series 2022 Bonds authorized to be sold in accordance with the terms of the Thirty-Eighth Supplement.

"Business Day" means a day other than a Sunday, Saturday, a legal holiday, or a day on which banking institutions in the City of Fort Worth or the city where the Designated Trust Office of the Paying Agent/Registrar is located are authorized by law or executive order to close.

"Chapter 9" means Chapter 9, Texas Business & Commerce Code.

"Chapter 1206" means Chapter 1206, Texas Government Code.

"Chapter 1207" means Chapter 1207, Texas Government Code.

"Chapter 1208" means Chapter 1208, Texas Government Code.

"Commercial Paper Notes" means the City of Fort Worth, Texas Water and Sewer System Commercial Paper Notes, Callable CP Series, to be outstanding at any one time and from time to time in an aggregate principal amount not to exceed \$150,000,000, as authorized by Ordinance 23028-12-2017.

"Comptroller" means the Comptroller of Public Accounts of the State of Texas.

"Designated Trust Office of the Paying Agent/Registrar" means the city so designated in Section 5(a) of the Thirty-Eighth Supplement.

"DTC" shall have the meaning given said term in Section 27 of the Thirty-Eighth Supplement.

"Escrow Agent" means the financial institution acting as the depository of funds under the terms of the Escrow Agreement.

"Escrow Agreement" means the escrow agreement between the City and the Escrow Agent, in respect to the refunding of the Refunded Obligations.

"Master Ordinance" means the "Master Ordinance establishing the City of Fort Worth Texas Water and Sewer System Revenue Financing Program", passed by the City on December 10, 1991.

"MSRB" means the Municipal Securities Rulemaking Board.

"Official Bid Form" means the bid form prepared in accordance with the Bidding Instructions and submitted by potential purchasers of any Bonds sold pursuant to a competitive sale.

"Official Statement" shall have the meaning given said term in Section 3(f) of the Thirty-Eighth Supplement.

"Paying Agent/Registrar" means the financial institution specified in Section 5(a) of the Thirty-Eighth Supplement.

"Previously Issued Parity Bonds" means the Series 2009 Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2015 Bonds, the Series 2015A Bonds, the Series 2015B Bonds, the Series 2016 Bonds, the Series 2017 Bonds, the Series 2017A Bonds, the Series 2017B Bonds, the Series 2018 Bonds, the Series 2019 Bonds, the Series 2020 Bonds, the Series 2020A Bonds and the Series 2021 Bonds.

"Pricing Certificate" shall have the meaning given said term in Section 3(b) of the Thirty-Eighth Supplement.

"Purchasers" means (a) the entity or entities listed in the Official Bid Form accepted by the City as the best bid for the Bonds, in the case of the sale of Bonds sold through a competitive sale or (b) the bank or other financial institution listed in a Bond Purchase Agreement executed in connection with a negotiated sale conducted as a private placement of Bonds.

"Refunded Obligations" means those obligations listed in Schedule I to the Thirty-Eighth Supplement to be refunded with the proceeds of the Bonds in accordance with the provisions of the Bidding Instructions.

"Registration Books" shall have the meaning given said term in Section 5(a) of the Thirty-Eighth Supplement.

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

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

"Series 2009 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2009, authorized by the Seventeenth Supplement.

"Series 2012 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2012, authorized by the Twenty-Third Supplement.

"Series 2014 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2014, authorized by the Twenty-Fourth Supplement.

"Series 2015 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2015, authorized by the Twenty-Fifth Supplement.

"Series 2015A Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2015A, authorized by the Twenty-Sixth Supplement.

"Series 2015B Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2015B, authorized by the Twenty-Seventh Supplement.

"Series 2016 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2016, authorized by the Twenty-Eighth Supplement.

"Series 2017 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2017, authorized by the Twenty-Ninth Supplement.

"Series 2017A Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2017A, authorized by the Thirtieth Supplement.

"Series 2017B Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2017B, authorized by the Thirty-First Supplement.

"Series 2018 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2018, authorized by the Thirty-Third Supplement.

"Series 2019 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2019, authorized by the Thirty-Fourth Supplement.

"Series 2020 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2020, authorized by the Thirty-Fifth Supplement.

"Series 2020A Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2020A, authorized by the Thirty-Sixth Supplement.

"Series 2021 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2021, authorized by the Thirty-Seventh Supplement.

"Seventeenth Supplement" means the ordinance authorizing the issuance of the Series 2009 Bonds.

"Term Bonds" means those Bonds, if any, identified in the Official Bid Form as "term bonds".

"Thirtieth Supplement" means the ordinance authorizing the issuance of the Series 2017A Bonds.

"Thirty-First Supplement" means the ordinance authorizing the issuance of the Series 2017B Bonds.

"Thirty-Second Supplement" means the ordinance authorizing the issuance of City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, within certain designated parameters and in one or more Series designations to be determined, as needed to effect the refunding of Commercial Paper Notes.

"Thirty-Third Supplement" means the ordinance authorizing the issuance of the Series 2018 Bonds.

"Thirty-Fourth Supplement" means the ordinance authorizing the issuance of the Series 2019 Bonds.

"Thirty-Fifth Supplement" means the ordinance authorizing the issuance of the Series 2020 Bonds.

"Thirty-Sixth Supplement" means the ordinance authorizing the issuance of the Series 2020A Bonds.

"Thirty-Seventh Supplement" means the ordinance authorizing the issuance of the Series 2021 Bonds.

"Thirty-Eighth Supplement" means the ordinance authorizing the issuance of the Bonds.

"Treasury Regulations" means all applicable temporary, proposed and final regulations and procedures promulgated under the Code or promulgated under the Internal Revenue Code of 1954, to the extent applicable to the Code.

"Twenty-Second Supplement" means the ordinance authorizing the issuance of the Series 2011 Bonds.

"Twenty-Third Supplement" means the ordinance authorizing the issuance of the Series 2012 Bonds.

"Twenty-Fourth Supplement" means the ordinance authorizing the issuance of the Series 2014 Bonds.

"Twenty-Fifth Supplement" means the ordinance authorizing the issuance of the Series 2015 Bonds.

"Twenty-Sixth Supplement" means the ordinance authorizing the issuance of the Series 2015A Bonds.

"Twenty-Seventh Supplement" means the ordinance authorizing the issuance of the Series 2015B Bonds.

"Twenty-Eighth Supplement" means the ordinance authorizing the issuance of the Series 2016 Bonds.

"Twenty-Ninth Supplement" means the ordinance authorizing the issuance of the Series 2017 Bonds.

"Underwriters" means the investment banking firms listed in a Bond Purchase Agreement executed in connection with a negotiated sale conducted as a public underwriting of Bonds.

such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. Any accrued interest due at maturity or upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for redemption and payment at the Designated Trust Office of the Paying Agent/Registrar. The Issuer has covenanted in the Bond Ordinance that on or before each principal payment date, interest payment date, and accrued interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Debt Service Fund" created by the ordinance establishing the City of Fort Worth, Texas Water and Sewer System Revenue Financing Program (the "Master Ordinance"), the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

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 Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date", which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner 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.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the City of Fort Worth or the city where the Designated Trust Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, any payment to the securities depository, or its nominee or registered assigns, shall be made in accordance with existing arrangements between the Issuer and the securities depository.

THIS BOND is one of a series of bonds of like tenor and effect except as to number, principal amount, interest rate, maturity, and right of prior redemption, dated _____, 2022, aggregating \$_____ (herein sometimes called the "Bonds"), issued for the purpose of (i) refunding the Refunded Obligations (as defined in the Bond Ordinance) and (ii) paying the costs of issuance associated with the Bonds. The Bonds shall be issued in any denomination or denominations in any integral multiple of \$5,000 (an "Authorized Denomination"). All capitalized terms not defined herein shall have the same meaning as given said terms in the Master Ordinance or the Bond Ordinance.

THE OUTSTANDING BONDS maturing on and after February 15, 203_, may be redeemed prior to their scheduled maturities, at the option of the Issuer, in whole, or in part, on February 15, 203_ or on any date thereafter, at the redemption price of the principal amount of the Bonds called for redemption, and without premium; provided, that during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Issuer and the securities depository.

NOTICE OF any such redemption of Bonds shall be given in the following manner, to-wit, a written notice of such redemption shall be given to the registered owner of each Bond or a portion thereof being called for redemption not less than 30 days prior to the date fixed for such redemption by depositing such notice in the United States mail, first-class postage prepaid, addressed to each such registered owner at his address shown on the Registration Books of the Paying Agent/Registrar. Any notice so mailed shall be conclusively presumed to have been duly given notwithstanding whether one or more registered owners may have failed to have received such notice. By the date fixed for any such redemption due provision shall be made by the Issuer with the Paying Agent/Registrar for the payment of the required redemption price for this Bond or the portion hereof which is to be so redeemed. If such notice of redemption is given, and if due provision for such payment is made, all as provided above, this Bond or the portion hereof which is to be so redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and 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. The Paying Agent/Registrar shall record in the Registration Books all such redemptions of principal amount of this Bond or any portion hereof. 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 Authorized Denomination at the written request of the registered owner, and in an 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 Bond Ordinance. The years of maturity of the Bonds called for such redemption shall be selected by the Issuer. The Bonds or portions thereof redeemed within a maturity shall be selected by lot or other customary random method selected by the Paying Agent/Registrar in accordance with any requirements of a securities depository, if applicable (provided that a portion of a Bond may be redeemed only in an Authorized Denomination).

THE FOREGOING PARAGRAPH NOTWITHSTANDING, with respect to any optional redemption of the Bonds, unless certain prerequisites to such optional redemption required by the Bond Ordinance have been met and money sufficient to pay the principal of, premium, if any, and interest on the Bonds to be redeemed will have been received by the Paying Agent/Registrar prior to giving such notice, such notice may state that the optional redemption will, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied, such notice will be of no force and effect, the City will not redeem such Bonds and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that such Bonds will not be redeemed.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons, in the denomination of any Authorized Denomination. As provided in the Bond Ordinance, this Bond may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having any authorized denomination or denominations as requested in writing by the appropriate registered owner, assignee or assignees, as the case

may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Ordinance. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar at the Designated Trust Office, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. The one requesting such conversion and exchange shall pay the Paying Agent/Registrar's reasonable standard or customary fees and charges for converting and exchanging any Bond or portion thereof. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The foregoing notwithstanding, in the case of the conversion and exchange of an assigned and transferred Bond or Bonds or any portion or portions thereof, such fees and charges of the Paying Agent/Registrar will be paid by the Issuer. The Paying Agent/Registrar shall not be required (i) to make any such transfer, conversion or exchange during the period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption and ending at the close of business on the day of such mailing, or (ii) to transfer, convert or exchange any Bonds so selected for redemption when such redemption is scheduled to occur within 30 calendar days; provided, however, such limitation of transfer shall not be applicable to an exchange by the registered owner of an unredeemed balance of a Bond called for redemption in part.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Bond Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, whose qualifications are substantially similar to the previous Paying Agent/Registrar it is replacing, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

WHENEVER the beneficial ownership of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of providing notice, holding, delivering or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Master Ordinance and the Bond Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Master Ordinance and the Bond Ordinance are duly recorded and available for inspection in the official minutes and records of the Issuer, and agrees that the terms and provisions of this Bond, the Master Ordinance and the Bond Ordinance constitute a contract between each registered owner hereof and the Issuer.

THE BONDS are special obligations of the Issuer payable solely from and equally secured by a first lien on and pledge of the Pledged Revenues of the System. The Issuer has reserved the right, subject to the restrictions stated, and adopted by reference, in the Master

Ordinance, to issue additional parity revenue obligations which also may be made payable from and secured by a first lien on and pledge of, the Pledged Revenues. For a more complete description and identification of the revenues and funds pledged to the payment of the Bonds, and other obligations of the Issuer secured by and payable from the same source or sources as the Bonds, reference is hereby made to the Master Ordinance and the Bond Ordinance.

THE ISSUER has reserved the right, subject to the restrictions stated, and adopted by reference, in the Bond Ordinance, to amend the Bond Ordinance; and under some (but not all) circumstances amendments must be approved by the owners of a majority in Outstanding Principal Amount of the Bonds.

THE REGISTERED OWNER HEREOF shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

IT IS HEREBY certified and covenanted that this Bond has been duly and validly authorized, issued and delivered; and that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Bond have been performed, existed and been done in accordance with law.

IN WITNESS WHEREOF, this Bond has been signed with the imprinted or lithographed manual or facsimile signature of the Mayor, attested by the imprinted or lithographed facsimile signature of the City Secretary, and approved as to form and legality by the imprinted or lithographed facsimile signature of the Interim City Attorney, and the official seal of the Issuer has been duly affixed to, printed, lithographed or impressed on this Bond.

CITY OF FORT WORTH, TEXAS

By _____
Mayor, City of Fort Worth, Texas

ATTEST:

City Secretary,
City of Fort Worth, Texas

APPROVED AS TO FORM AND LEGALITY:

(SEAL)

Interim City Attorney, City of Fort Worth, Texas

[FORM OF COMPTROLLER'S CERTIFICATE]

OFFICE OF COMPTROLLER : REGISTER NO. _____
STATE OF TEXAS :

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this _____.

Comptroller of Public Accounts of the State of Texas

(SEAL)

[FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE]

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Bond is not accompanied by an executed Registration Certificate of the Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the proceedings adopted by the Issuer as described in the text of this Bond; and that this Bond has been issued in exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated _____

BOKF, NA,
Paying Agent/Registrar

By _____
Authorized Signatory

[FORM OF ASSIGNMENT]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Please insert Social Security or Taxpayer Identification Number of Transferee

/ _____ /

(Please print or typewrite name and address, including zip code of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature(s) above must correspond with the name of the Registered Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

The Initial Bond shall be in the form set forth above, except that the form of the single fully registered Initial Bond shall be modified as follows:

(i) immediately under the name of the bond the headings "Maturity Date", "Interest Rate", "Delivery Date" and "CUSIP" shall be omitted; and

(ii) Paragraph one shall read as follows:

Registered Owner:

Principal Amount: _____ Million Dollars

Delivery Date: _____ 2022

ON THE MATURITY DATE SPECIFIED ABOVE, THE CITY OF FORT WORTH, TEXAS (the "Issuer") promises to pay to the Registered Owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on August 15, 2022 and on February 15 in each of the years and in principal installments in accordance with the following schedule:

<u>Maturity</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
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and to pay interest thereon from the delivery date specified above, on August 15, 2022, and semiannually on each February 15 and August 15 thereafter to the maturity date specified above, or to the date of redemption prior to maturity, at the interest rate per annum specified above. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

**Exhibit C
to Thirty-Eighth
Supplemental Ordinance**

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 18 of this Thirty-Eighth Supplement.

Annual Financial Statements and Operating Data

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

Tables 1 through 14 contained in the Official Statement; and

"Excerpts from the Annual Financial Report", as set forth in Appendix B to the Official Statement

Accounting Principles

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

THE STATE OF TEXAS :
COUNTIES OF TARRANT, DENTON, WISE, PARKER AND JOHNSON :
CITY OF FORT WORTH :

I, Jannette S. Goodall, City Secretary of the City of Fort Worth, in the State of Texas, do hereby certify that I have compared the attached and foregoing excerpt from the minutes of the regular, open, public meeting of the City Council of the City of Fort Worth, Texas held on April 12, 2022, and of the ordinance authorizing the issuance of Water and Sewer System Revenue Refunding Bonds, Taxable Series 2022, which was duly passed at said meeting, and that said copy is a true and correct copy of said excerpt and the whole of said ordinance. Said meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

In testimony whereof, I have set my hand and have hereunto affixed the seal of said City of Fort Worth, this ___ day of April 2022.

City Secretary of the
City of Fort Worth, Texas

(SEAL)