

ORDINANCE NO. _____-02-2020

THIRTY-FIFTH SUPPLEMENTAL ORDINANCE AUTHORIZING THE
ISSUANCE AND SALE OF CITY OF FORT WORTH, TEXAS
WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2020, IN THE AGGREGATE
PRINCIPAL AMOUNT OF \$62,725,000; APPROVING THE SALE OF THE BONDS TO
TEXAS WATER DEVELOPMENT BOARD; REPEALING ALL ORDINANCES IN
CONFLICT HEREWITH; AND PROVIDING THAT THIS ORDINANCE SHALL BE IN
FORCE AND EFFECT FROM AND AFTER THE DATE OF ITS PASSAGE

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-four 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" and "Thirty-Fourth 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 and the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2019 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 and Series 2008 Bonds are no longer Outstanding, and the aforesaid Series 2009 Bonds, Series 2010 Bonds, Series 2010A Bonds, Series 2010B Bonds, Series 2010C Bonds, Series 2011 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 and Series 2019 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 (a) further obligations thereunder and (b) variable rate obligations Outstanding; 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 bonds authorized by this Thirty-Fifth Supplement are to be issued for the purpose of extending and improving the City's combined water and sewer system, specifically to extend and improve the sewer system, as further described in this Thirty-Fifth Supplement; and

WHEREAS, the Texas Water Development Board ("TWDB" or the "Board"), has committed to purchase the bonds hereinafter authorized pursuant to Subchapter J of Chapter 15, Texas Water Code.

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-Fifth Supplement, the terms used in this Thirty-Fifth 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-Fifth Supplement. Any references in this Thirty-Fifth Supplement to the "FORM OF BOND" shall be to the form of the Bonds as set forth in Exhibit B to this Thirty-Fifth 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 the aggregate principal amount of \$62,725,000 for the purpose of (i) extending and improving the City's combined water and sewer system, specifically to extend and improve the sewer system, (ii) funding a reserve fund for the Bonds, and (iii) 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 Bonds, Series 2020**". By adoption of this Thirty-Fifth 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-Fifth Supplement.

Section 3. DATES AND MATURITIES; INTEREST RATES. That the Bonds shall be dated March 26, 2020, shall be in any Authorized Denomination, shall be numbered consecutively from R-1 upward (other than the Initial Bond, as defined in Section 5(f)(2) below), shall bear interest from their date of delivery in the manner described in the FORM OF BOND at the rates per annum, payable on August 15, 2020, and on each February 15 and August 15 thereafter until maturity or prior redemption, and shall mature on February 15 in each of the years and in the amounts, respectively, as set forth in the following schedule:

<u>YEARS</u>	<u>PRINCIPAL AMOUNTS (\$)</u>	<u>INTEREST RATES (%)</u>
2021	3,115,000	0.00
2022	3,115,000	0.00
2023	3,115,000	0.00
2024	3,115,000	0.00
2025	3,115,000	0.00
2026	3,115,000	0.00
2027	3,115,000	0.00
2028	3,115,000	0.00
2029	3,115,000	0.00
2030	3,115,000	0.03
2031	3,115,000	0.09
2032	3,120,000	0.18
2033	3,130,000	0.25
2034	3,135,000	0.30
2035	3,145,000	0.35
2036	3,160,000	0.39
2037	3,170,000	0.42
2038	3,185,000	0.46
2039	3,200,000	0.51
2040	3,215,000	0.54

Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. The principal of and interest on the Bonds shall be payable to the registered owner of any such Bond in the manner provided and on the dates stated in the FORM OF BOND.

Section 4. REDEMPTION. (a) Optional Redemption. That the City reserves the right to redeem the Bonds maturing on and after February 15, 2031, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on August 15, 2030, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date. 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 thereof to be redeemed and shall direct the Paying Agent/Registrar to call by 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 optional redemption of Bonds by the City may be made conditional upon the occurrence of certain events, as may be provided for in the FORM OF BOND.

(b) 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 not more than sixty (60) days nor less than 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-Fifth 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, such as DTC (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.

(c) 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 or publication date of such notice. The Paying Agent/Registrar shall also send a notice of 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-Fifth 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, 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 or, in the case of TWDB, to provide wiring instructions in the event TWDB chooses to have such payments wire transferred to its designated account, and such 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-Fifth

Supplement, approved by the Attorney General, and registered by the Comptroller. As of the date this Thirty-Fifth 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-Fifth 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-Fifth 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-Fifth 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-Fifth 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-Fifth 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-Fifth Supplement, and a certified copy of this Thirty-Fifth 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 Treasury Regulations, 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.

(f) Delivery Procedures. (1) The Paying Agent/Registrar for the Bonds shall act as the closing agent for the delivery of the Bonds to the TWDB, and in connection therewith, the Paying Agent/Registrar understands the Bonds are to be delivered to the TWDB using the book-entry only system provided by DTC.

(2) 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 to the TWDB following the approval by the Attorney General and the registration by the Comptroller. Proceeds from the Bonds will be held in escrow and disbursed to the City in accordance with procedures approved by the TWDB.

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-Fifth 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-Fifth 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-Fifth 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 the Reserve Fund shall be funded with proceeds of the Bonds, in the amount described in the letter of instructions executed in accordance with the provisions of Section 23(c) of this Thirty-Fifth Supplement.

Section 11. INVESTMENTS. That money in the Reserve Fund created under this Thirty-Fifth 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. On the date of delivery of the Bonds to the TWDB, the City shall deposit to the credit of the Reserve Fund the amount described in the letter of instructions executed in accordance with the provisions of Section 23(c) of this Thirty-Fifth Supplement. Thereafter, when and so long as the Reserve Fund Obligations in the Reserve Fund are not less than the Required Reserve Amount, no deposits need be made to the credit of the Reserve Fund. When and if the Reserve Fund at any time contains less than the Required Reserve Amount due to any other cause or condition then, subject and subordinate to making the required deposits to the credit of the Debt Service Fund, commencing with the month during which such deficiency occurs, such deficiency shall be made up from the next available Pledged Revenues or from any other sources available for such purpose, in monthly installments of not less than 1/12 of the Required Reserve Amount, in the manner provided in the Master Ordinance.

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 its stated maturity or by redemption prior to stated maturity. The Paying Agent/Registrar shall destroy all paid Bonds and furnish the City with an appropriate certificate of cancellation or destruction.

Section 14. COVENANTS REGARDING TAX-EXEMPTION. That the Issuer covenants to refrain from any action which would adversely affect, or to take such action as to ensure, the treatment of 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. In furtherance thereof, the Issuer covenants as follows:

(a) to take any action to assure that no more than ten percent (10%) of the proceeds of the Bonds or the projects financed or refinanced therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use", as defined in section 141(b)(6) of the Code or, if more than ten percent (10%) of the proceeds are so used, that amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Thirty-Fifth Supplement or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than ten percent (10%) of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

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

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

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

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

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

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

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

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

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

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

(i) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to

ninety percent (90%) of the "Excess Earnings", within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than sixty (60) days after the Bonds have been paid in full, one hundred percent (100%) of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

For purposes of the foregoing clauses (a) and (b) above, the Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of a refunding bond, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of the issuance of the Bonds. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of the foregoing, the Mayor, the City Manager, any Assistant City Manager and the Chief Financial Officer/Director of Financial Management Services of the City are authorized to execute any certificates or other reports required by the Code and any regulations or rulings promulgated thereunder, and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds. In order to facilitate compliance with the above clause (i), a "Rebate Fund" may be established by the City for the sole benefit of the United States of America, and the Rebate Fund shall not be subject to the claim of any other person, including without limitation the registered owners of the Bonds. The Rebate Fund would be established for the additional purpose of compliance with section 148 of the Code.

Section 15. **ADDITIONAL FEDERAL INCOME TAX COVENANTS; WRITTEN PROCEDURES.** (a) Allocation of, and Limitation on, Expenditures for the Project. That the City covenants to account for on its books and records the expenditure of proceeds from the sale of the Bonds and any investment earnings thereon to be used for the improvement and extension of the System (referred to herein as a "Project") by allocating proceeds to expenditures within eighteen (18) months of the later of the date that (a) the expenditure on a Project is made or (b) each such Project is completed. The foregoing notwithstanding, the City shall not expend such proceeds or investment earnings more than sixty (60) days after the later of (a) the fifth anniversary of the date of delivery of the Bonds or (b) the date the Bonds are retired, unless the City obtains an opinion of nationally-recognized bond counsel substantially to the effect that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes of this Section, the City shall not be obligated to comply with this covenant if it obtains an opinion of nationally-recognized bond counsel to the effect that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(b) Disposition of Project. The City covenants that the property financed or refinanced with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of nationally-recognized bond counsel substantially to the effect that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of this Section, the portion of the property comprising personal property and disposed of in the ordinary course of business shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes of this Section, the City shall not be obligated to comply with this covenant if it obtains an opinion of nationally-recognized bond counsel to the effect that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(c) Form 8038-G. The City will cause to be filed a Form 8038-G, consistent with the requirements of section 149(e) of the Code.

(d) Written Procedures. Until superseded by another action of the City, the written procedures to ensure compliance with the covenants contained herein regarding private business use, remedial actions, arbitrage and rebate approved by the City on September 11, 2018, apply to the issuance of the Bonds, and are incorporated by reference into this Thirty-Fifth Supplement.

Section 16. AMENDMENT OF THIRTY-FIFTH 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-Fifth 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-Fifth 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. That if at any time the City shall desire to amend the Thirty-Fifth 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 Designated Trust 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. That 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. That upon the passage of any such amendment pursuant to the provisions of this Section, this Thirty-Fifth Supplement shall be deemed to be amended in accordance with such amendment, and the respective rights, duties and obligations under this Thirty-Fifth 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. That 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-Fifth 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-Fifth 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-Fifth Supplement, or in regard to clarifying matters or questions arising under this Thirty-Fifth Supplement, as are necessary or desirable and not contrary to or inconsistent with this Thirty-Fifth 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-Fifth 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-Fifth 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-Fifth 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-Fifth 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-Fifth Supplement equally and proportionately with any and all other Bonds duly issued under this Thirty-Fifth Supplement.

(e) Statutory Authority. In accordance with Chapter 1206, this Section of this Thirty-Fifth 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-Fifth 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 2020, 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 2020. 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-Fifth 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-Fifth Supplement for purposes of any other provision of this Thirty-Fifth 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-Fifth 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-FIFTH 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-Fifth 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-Fifth Supplement by the City and the covenants and agreements set forth in this Thirty-Fifth 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-Fifth 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-Fifth 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-FIFTH 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-Fifth 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-Fifth Supplement or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Thirty-Fifth Supplement and all of the covenants, conditions, stipulations, promises, agreements, and provisions hereof and thereof 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. SALE OF BONDS; USE OF PROCEEDS. (a) Sale to TWDB. That the Bonds are hereby sold to TWDB for the price of par. The Bonds have been purchased by the TWDB pursuant to its Resolution No. 20-003, adopted on January 16, 2020, as amended (the "TWDB Resolution"). The Initial Bond shall be registered in the name of the Texas Water Development Board. The Private Placement Memorandum prepared in connection with the sale of the Bonds to the TWDB in substantially the form attached to this Thirty-Fifth Supplement is approved. The City has determined, based upon the advice provided by its financial advisors, that acceptance of the purchase price for the Bonds is on terms advantageous to, and in the best interests of, the City.

(b) Notice from TWDB of Sale of Bonds. It is the intent of the parties to the sale of the Bonds that if TWDB ever determines to sell all or a part of the Bonds, it shall notify the City at least sixty (60) days prior to the sale of the Bonds of the decision to so sell the Bonds.

(c) Proceeds. The proceeds from the sale of the Bonds shall be used in the manner described in the letter of instructions executed by the City, or on behalf of the City by its financial advisor.

(d) Payment by Wire Transfer. Payment of amounts due and owing on the Bonds to the TWDB shall be made by wire transfer, at no expense to the TWDB, as provided in the FORM OF BOND.

(e) Escrow Fund. By agreeing to the purchase the Bonds, the TWDB agrees that the bond proceeds shall be deposited into the escrow fund established in the Escrow Agreement between the City and BOKF, NA, and that the procedures set forth in Section 5(f) of this Thirty-Fifth Supplement satisfy the TWDB Resolution.

(f) Investment of Bond Proceeds. Proceeds from the sale of the Bonds shall be held at a designated state depository or other properly chartered and authorized institution in accordance with Chapter 2256, Texas Government Code, and Chapter 2257, Texas Government Code.

Section 24. PROJECT FUND. (a) Project Fund Created. That there is hereby created, established and maintained on the books of the City, a separate fund to be entitled the "City of Fort Worth, Texas Water and Sewer System Series 2020 Revenue Bonds Project Fund" (hereinafter called the "Project Fund"). Monies in the Project Fund shall be maintained at an official depository bank of the City.

(b) Use of Funds. Except as otherwise may be provided in Section 12 hereof, the proceeds of the Bonds shall be deposited into the Project Fund and used by the City for payment of the costs of extending and improving the System, and the payment of costs associated therewith, including any costs for engineering, financing, financial consultation, administrative, auditing and legal expenses. Amounts in the Project Fund shall be timely and expeditiously used to pay such costs, in compliance with applicable federal and State law.

(c) Surplus Proceeds. Any surplus proceeds, including the investment earnings derived from the investment of monies on deposit in the Project Fund, from the Bonds remaining on deposit in the Project Fund after completing the improvements and extensions to the System and any enhancements to the originally approved improvements and extensions to the sewer system component of the System as may be explicitly approved by the Executive Administrator, and upon the completion of the final accounting as described in Section 25(c) hereof, shall be transferred to the Debt Service Fund to redeem, in inverse order of maturity, the Bonds owned by TWDB, unless the Executive Administrator of TWDB approves the use of such surplus proceeds to pay eligible costs of improving or extending the System.

Section 25. **ADDITIONAL COVENANTS.** That in connection with the sale of the Bonds to the TWDB, the City covenants as follows:

(a) Compliance with the Texas Water Development Board's Rules and Regulations. The City covenants to comply with the rules and regulations of the TWDB, and to maintain insurance on the System in such amount as may be required by TWDB, as further addressed in subsection (h) of this Section.

(b) Audits. For so long as the State of Texas owns any of the Bonds, the City shall mail a copy of the audit required by the Master Ordinance to the TWDB. In addition, monthly operating statements for the System shall be maintained by the City and made available, on request, to the TWDB as long as the State of Texas owns any of the Bonds, and the monthly operating statement shall be in such detail as requested by the Development Fund Manager of the TWDB until this requirement is waived thereby.

(c) Final Accounting. The City shall render a final accounting to the TWDB in reference to the total cost incurred by the City for improvements and extensions to the System which were financed by the issuance of the Bonds, together with a copy of "as built" plans of such improvements and extensions upon completion.

(d) Defeasance. Should the City exercise its right under the Master Ordinance to effect the defeasance of the Bonds, the City agrees that it will provide the TWDB with written notice of any such defeasance.

(e) Segregation of Funds. The City covenants that proceeds of the Bonds shall remain separate and distinct from other sources of funding from the date of the TWDB commitment through costing and final disbursement.

(f) Environmental Indemnity. Proceeds from the Bonds shall not be used by the City when sampling, testing, removing, or disposing of contaminated soils and/or media at the project site. To the extent permitted by law, the City agrees to indemnify, hold harmless, and protect the TWDB from any and all claims, causes of action, or damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment, and disposition of any contaminated sewage sludge, contaminated sediments, and/or contaminated media that may be generated by the City, its contractors, consultants, agents, officials, and employees as a result of activities relating to the project funded with proceeds of the Bonds.

(g) Environmental Determination. In connection with the project financed with the Bonds, the City agrees to implement any environmental determination issued by the Executive Administrator of TWDB to satisfy the environmental review requirements set forth in 31 Texas Administrative Code chapter 371.

(h) Insurance. The City agrees that it will maintain insurance on the System in an amount sufficient to protect TWDB's interest in the project financed with the proceeds of the Bonds. The City may self-insure in respect to satisfying this covenant.

(i) Water Conservation Program. The City has implemented or will implement an approved water conservation program in compliance with 31 Texas Administrative Code 371.71(a)(2)(F).

(j) No Purchase of TWDB Bonds. The City agrees that it, nor any related party to the City, will not purchase, as an investment or otherwise, bonds issued by TWDB including, without limitation, bonds issued by TWDB, the proceeds of which were used by TWDB to purchase the Bonds.

(k) Federal Contracting Law; Historically Underutilized Businesses. The City acknowledges that it has a legal obligation to comply with any applicable requirements of federal law relating to contracting with disadvantaged business enterprises, and the City shall report to the TWDB the amount of Bond proceeds, if any, that were used to compensate historically underutilized businesses that worked on the project, in accordance with 31 TAC § 363.1312.

(l) Compliance with State Contracting Law. The City acknowledges that it has a legal obligation to comply with any applicable requirements of State law relating to contracting with historically underutilized businesses.

(m) Compliance with Davis-Bacon Act. The City acknowledges that all laborers and mechanics employed by contractors and subcontracts for Projects shall be paid at rates not less than those prevailing on projects of a similar character in the City in accordance with the Davis-Bacon Act, and the U.S. Department of Labor's implementing regulations; the City, all contractors, and all sub-contractors shall ensure that all Project contracts mandate compliance with the Davis-Bacon Act; and all contracts and subcontracts for the construction of the Project carried on in whole or in part with financial assistance provided by the Board shall insert in full in any contract in excess of \$2,000 the contract clauses as provided by the Board.

(n) Compliance with Federal Funding Accountability and Transparency Act. The City acknowledges that the City shall provide the Board with all information required to be reported in accordance with the Federal Funding Accountability and Transparency Act of 2006, Pub.L.109-282, as amended by Pub. L. 110-252; and the City shall obtain a Data Universal Numbering System (DUNS) Number and shall register with System for Award Management (SAM), and maintain current registration at all times while the Bonds are Outstanding.

(o) Adherence to Project Schedule. The City acknowledges that all proceeds of the Bonds will be timely and expeditiously used, as required by 40 CFR § 35.3135(d), and that the City will adhere to the approved Project schedule.

(p) Use of Iron and Steel Products. The City agrees that it will abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by 31 TAC § 375.3, 33 U.S.C. § 1388, and related State Revolving Fund Policy Guidelines.

(q) Maintenance of Project Accounts. The City acknowledges that it will comply with the requirements set forth in 33 U.S.C. § 1382 *et seq.* relating to maintaining project accounts

containing financial assistance for planning, design, acquisition, or construction, as applicable, in accordance with general accepted accounting principles (which shall apply also to the reporting of underlying infrastructure assets).

Section 26. 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-Fifth Supplement and the Bonds, including, but not limited to, conforming documents to receive the approval of the Texas Attorney General and to receive ratings from municipal bond rating agencies, the execution of any instrument evidencing loan forgiveness, consistent with the TWDB Resolution, and the execution of the No Litigation Certificate. The City Council authorizes the payment of the fee of the Office of the Attorney General 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 27. 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 said 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 28. 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-Fifth 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 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-Fifth Supplement, substitute Bonds will be duly delivered as provided in this Thirty-Fifth 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.

Section 29. DEFAULT AND REMEDIES. (a) Events of Default. That each of the following occurrences or events for the purpose of this Thirty-Fifth 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-Fifth 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-Fifth 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 (including specifically TWDB) 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-Fifth 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-Fifth Supplement, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Thirty-Fifth 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-Fifth Supplement, such registered owner agrees that the certifications required to effectuate any covenants or representations contained in this Thirty-Fifth 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-Fifth Supplement, or because of any Event of Default or alleged Event of Default under this Thirty-Fifth Supplement.

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

Section 31. RULES OF CONSTRUCTION. That for all purposes of this Thirty-Fifth Supplement, unless the context requires otherwise, all references to designated Sections and other subdivisions are to the Sections and other subdivisions of this Thirty-Fifth Supplement. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Thirty-Fifth Supplement as a whole and not to any particular Section or other subdivision. Except where the context otherwise requires, terms defined in this Thirty-Fifth 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-Fifth 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. The provisions of Chapter 1502 govern the issuance of the Bonds.

Section 32. IMMEDIATE EFFECT. That this Thirty-Fifth 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 February 18, 2020.

Mayor,
City of Fort Worth, Texas

City Secretary

(SEAL)

APPROVED AS TO FORM AND LEGALITY:

City Attorney

EXHIBIT A

That, as used in this Thirty-Fifth 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-Fifth Supplement.

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

"Bonds" means the Series 2020 Bonds.

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

"Chapter 1502" means Chapter 1502, 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-Fifth Supplement.

"DTC" shall have the meaning given said term in Section 28 of the Thirty-Fifth Supplement.

"DTC Participants" means the securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions.

"Eighteenth Supplement" means the ordinance authorizing the issuance of the Series 2010 Bonds.

"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.

"Nineteenth Supplement" means the ordinance authorizing the issuance of the Series 2010A Bonds.

"No Litigation Certificate" means a certificate executed by a Designated Financial Officer certifying that no litigation has been filed or, to the best knowledge of the Designated Financial Officer, threatened, pertaining to, affecting or contesting the issuance, delivery, payment, security or validity of any proposed delivery of the Bonds.

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

"Previously Issued Parity Bonds" means the Series 2009 Bonds, the Series 2010 Bonds, the Series 2010A Bonds, the Series 2010B Bonds, the Series 2010C Bonds, the Series 2011 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 and the Series 2019 Bonds.

"Registration Books" shall have the meaning given said term in Section 5(a) of the Thirty-Fifth 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 2010 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2010, authorized by the Eighteenth Supplement.

"Series 2010A Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2010A, authorized by the Nineteenth Supplement.

"Series 2010B Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2010B, authorized by the Twentieth Supplement.

"Series 2010C Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2010C, authorized by the Twenty-First Supplement.

"Series 2011 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2011, authorized by the Twenty-Second 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.

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

"Term Bonds" means those Bonds, if any, identified in the Thirty-Fifth Supplement 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 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.

"TWDB" or the "Board" means the Texas Water Development Board.

"Twentieth Supplement" means the ordinance authorizing the issuance of the Series 2010B Bonds.

"Twenty-First Supplement" means the ordinance authorizing the issuance of the Series 2010C Bonds.

"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.

EXHIBIT B

FORM OF BOND:

NO. R-__

\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTIES OF TARRANT, DENTON, PARKER, WISE AND JOHNSON
CITY OF FORT WORTH, TEXAS
WATER AND SEWER SYSTEM REVENUE BOND,
SERIES 2020

<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>DELIVERY DATE</u>	<u>CUSIP</u>
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ON THE MATURITY DATE SPECIFIED ABOVE, THE CITY OF FORT WORTH, IN TARRANT, DENTON, PARKER, WISE AND JOHNSON COUNTIES, TEXAS (the "City" or the "Issuer"), hereby promises to pay to _____, or to the registered assignee hereof (either being hereinafter called the "registered owner") the principal amount of

_____ DOLLARS

and to pay interest thereon from the delivery date specified above, on August 15, 2020 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; except that if the Paying Agent/Registrar's Authentication Certificate appearing on the face of this Bond is dated later than August 15, 2020, such interest is payable semiannually on each February 15 and August 15 following such date. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity, or at redemption prior to maturity, at the designated corporate trust office in Dallas, Texas (the "Designated Trust Office of the Paying Agent/Registrar"), of BOKF, NA, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the ordinance authorizing the issuance of this Bond (the "Bond Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the last Business Day of the month next preceding each 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 foregoing notwithstanding, so long as the Texas Water Development Board ("TWDB") is the registered owner or beneficial owner of 100% in aggregate principal amount of the Bonds then Outstanding, payment of principal of and interest on the Bonds shall be made thereto by wire transfer, at no expense to the TWDB. 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 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 Board 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 as of March 26, 2020, aggregating \$62,725,000 (herein sometimes called the "Bonds"), issued for the purpose of (i) extending and improving the System (as defined in the Bond Ordinance), specifically to extend and improve the sewer system in accordance with Subchapter J of Chapter 15, Texas Water Code, (ii) funding a reserve fund for the Bonds, and (iii) 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, 2031 may be redeemed prior to their scheduled maturities, at the option of the Issuer, in whole, or in part in principal amounts of \$5,000 or any integral multiple thereof, on August 15, 2030, 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 Board and the securities depository.

NOTICE OF any such redemption of Bonds shall be given in the following manner, to-wit, (i) 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 more than 60 days nor 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 and (ii) at least 30 days prior to the date fixed for such redemption, a notice of such redemption shall either be published one time or posted electronically on the website of a financial journal or publication of general circulation in the United States of America or the State of Texas which carries as a regular feature notices of redemption of municipal bonds; provided, however, that the failure to send, mail, or receive such notice described in clause (i) above, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond, as publication or posting of notice as described in clause (ii) above shall be the only notice actually required in connection with or as a prerequisite to the redemption of any Bonds; and provided, further, that if the TWDB is the owner, registered or beneficial, of 100% of the Outstanding Principal Amount of the Bonds, publication of notice of the redemption of the Bonds as provided in clause (ii) above is not required. 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 of the Paying Agent/Registrar, 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 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)

City Attorney, City of Fort Worth, Texas

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)

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

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 "Interest Rate" and "Maturity Date" shall be omitted; and
- (ii) Paragraph one shall read as follows:

Registered Owner: Texas Water Development Board

Principal Amount: _____ and No/100 Dollars

THE CITY OF FORT WORTH, IN TARRANT, DENTON, PARKER, JOHNSON AND WISE COUNTIES, TEXAS (the "Issuer") promises to pay to the Registered Owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on February 15 in each of the years and in principal installments in accordance with the following schedule:

(Information to be inserted from schedule in Section 3 hereof)

and to pay interest thereon from the date of delivery specified above, on August 15, 2020 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.

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

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 18 of this Thirty-Fifth 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 15 contained in the Official Statement relating to the sale of the Series 2019 Bonds; 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, Mary J. Kayser, 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 February 18, 2020, and of the ordinance authorizing the issuance of Water and Sewer System Revenue Bonds, Series 2020, 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 February, 2020.

City Secretary of the
City of Fort Worth, Texas

(SEAL)