

Memorandum



CITY OF DALLAS

DATE October 20, 2017

TO Honorable Mayor and Members of the City Council

SUBJECT **October 25, 2017 Agenda Item #5 – Correction Memo**

Please note the correction to the October 25, 2017 Agenda Item #5. We have revised the previously attached Ordinance Authorizing the City of Dallas General Obligation Commercial Paper Notes to include Exhibits A-F.

Please contact my office at (214) 670-7804 if you have any questions.

A handwritten signature in blue ink that reads "M. Elizabeth Reich".

M. Elizabeth Reich
Chief Financial Officer

Attachment

c: T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Billerae Johnson, City Secretary (Interim)
Daniel F. Solis, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Jo M. (Jody) Puckett, Assistant City Manager (Interim)
Nadia Chandler Hardy, Chief of Community Services
Raquel Favela, Chief of Economic Development & Neighborhood Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors

**ORDINANCE AUTHORIZING
THE CITY OF DALLAS
GENERAL OBLIGATION COMMERCIAL PAPER NOTES**

Adopted: October 25, 2017

Effective: November 28, 2017

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- Exhibit A – Forms of Initial Credit Agreements
- Exhibit B – Form of Issuing and Paying Agency Agreement
- Exhibit C – Form of Dealer Agreement
- Exhibit D – Form of Offering Memorandum
- Exhibit E – Form of Series A Master Note
- Exhibit F – Form of Fee Letter

AN ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF DALLAS, TEXAS, GENERAL OBLIGATION COMMERCIAL PAPER NOTES, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$350,000,000 FOR THE PURPOSE OF FUNDING CERTAIN AUTHORIZED PURPOSES; APPROVING AND AUTHORIZING CERTAIN OFFICERS AND EMPLOYEES TO ACT ON BEHALF OF THE CITY IN THE SELLING AND DELIVERY OF SUCH NOTES; MAKING CERTAIN COVENANTS, AGREEMENTS AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, DELIVERY AND SECURITY OF THE NOTES, INCLUDING THE APPROVAL OF AN ISSUING AND PAYING AGENCY AGREEMENT, CREDIT AGREEMENTS, OFFERING MEMORANDUM AND DEALER AGREEMENT; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, pursuant to the Authorizing Law (defined herein), the City, being a qualifying "issuer" under Chapter 1371, Texas Government Code (the "Act"), is authorized to issue its general obligation commercial paper notes, to execute and deliver one or more credit agreements with respect to such commercial paper notes and to execute and deliver loan notes to evidence the City's reimbursement obligations under such credit agreements, all as provided in the Act; and

WHEREAS, the City Council of the City hereby determines that it is in the best interests of the City to create and establish, pursuant to the provisions of this Ordinance and the Act a commercial paper program known as the "City of Dallas General Obligation Commercial Paper Program" (the "Program"), pursuant to which the City will from time to time issue commercial paper notes in one or more series but initially in two series (notes of any such series, as further defined and described herein, the "Notes"), for the purpose of providing the City with an interim financing program, as well as with ready access to capital as necessary to provide interim financing to pay costs of authorized projects; and

WHEREAS, under the Program, the City shall be permitted to issue from time to time, as obligations supported by the City's levy of ad valorem taxes, the Notes, the proceeds of which may be used for the purposes, shall have the characteristics, and shall be secured in the manner hereinafter described; provided however, the aggregate principal amount outstanding at any one time cannot exceed the lesser of the maximum principal amount of Notes hereunder authorized and the amount of credit and liquidity support for the Notes at any one time available; and

WHEREAS, to provide certain credit and liquidity support for the Notes, the City Council hereby authorizes the execution of one or more credit agreements, in substantially the forms attached hereto as Exhibit A, with such changes as may be authorized by an Authorized Officer (as defined herein) in connection with the issuance of the Notes authorized herein with one or more banks in the aggregate principal amount of \$350,000,000 and, in connection therewith, to execute one or more loan notes evidencing the City's repayment obligations thereunder; and

WHEREAS, the City now desires to initially enter into separate agreements (i.e., a revolving credit agreement and a note purchase agreement), each of which shall provide for an extension of credit to or on behalf of the City, relating to the hereinafter-defined Series A Notes

and Series B Notes, respectively, with JPMorgan Chase Bank, National Association, to provide credit and liquidity support for such initial series of Notes in the aggregate principal amount of \$350,000,000; and

WHEREAS, such short-term obligations proposed to be issued constitute obligations that the City intends to refund through the issuance of its limited tax bonds issued pursuant to Chapter 1207, as amended, Texas Government Code, as contemplated and permitted under Section 1371.057(c) of the Act; and

WHEREAS, the City Council hereby finds and determines that the issuance of short-term obligations in the form of one or more series of Commercial Paper Notes, and loan notes with respect to revolving credit agreements, subject to the terms, conditions and limitations hereinafter prescribed, should be approved and authorized at this time; and

WHEREAS, the City Council hereby finds and determines that the authorization and establishment of the Program to permit the issuance of Commercial Paper Notes thereunder, and the adoption of this Ordinance, are in the best interests of the residents of the City, now, therefore,

BE IT ORDERED BY THE CITY COUNCIL OF THE CITY OF DALLAS, TEXAS:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Unless the context shall indicate a contrary meaning or intent, the terms below defined, for all purposes of this Ordinance or any order amendatory or supplemental hereto, shall be construed, are used and are intended to have the following meanings, to-wit:

“Act” shall mean Chapter 1371, Texas Government Code, as amended.

“Authorized Officer” means each of the following officers or employees of the City, acting in concert or individually: the Mayor, the City Manager, any Assistant City Manager, the Chief Financial Officer, or such other officer or employee designated in writing by the City Manager or the Chief Financial Officer to act as an Authorized Officer.

“Authorized Purposes” means the purposes described in Section 2.1(b), as the same may be modified or amended from time to time pursuant to Section 6.1(a)(vi), including the reimbursement of expenditures paid before the issuance of any Notes that are attributable to the planning, designing, developing, constructing, acquiring, reconstructing, improving, extending, and expanding the projects described in Section 2.1(b) and the acquisition of land and equipment therefor.

“Authorizing Law” means Chapter 1201, 1202, 1204, 1207, 1331 and 1371, Texas Government Code, as amended.

“Available Commitment” shall mean the aggregate commitment available in support of Notes of a particular series at any time under the terms of a Credit Agreement at such time valid and then in effect (and which includes, initially, the Initial Credit Agreements).

“Bank” shall mean JPMorgan Chase Bank, National Association, and any obligated financial institution under a substitute or additional Credit Agreement entered into under Sections 2.16 and 2.17 hereof.

“Bank Rate” shall mean the net effective interest rate payable to the Series A and B Bank pursuant to the terms of any Credit Agreement; provided, however, that the Bank Rate shall never exceed the Maximum Interest Rate.

“Bond Counsel” shall mean any firm or firms of nationally recognized bond counsel selected by the City Council on behalf of the City.

“Bonds” shall mean limited tax bonds of the City issued to refund/refinance any of the then-currently outstanding Notes pursuant to authority granted by the Act, and/or Chapter 1207.

“Business Day” shall mean any day (i) when banks are not required or authorized by law or executive order to be closed in Dallas, Texas or New York, New York, or (ii) when the New York Stock Exchange is not required or authorized by law or executive order to be closed. Unless otherwise provided in the applicable Credit Agreement, any payments required hereunder to be made on any day which is not a Business Day may be made instead on the next succeeding Business Day, and no interest shall accrue on such payments in the interim.

“Calculation Agent” shall mean, with respect to the Series B Agreement, JPMorgan Chase Bank, National Association, as the “Calculation Agent” or any successor thereto, or, with respect to any Credit Agreement, such other entity serving the role of calculation agent for the purpose of calculating, from time to time, the applicable interest rate on Notes directly purchased by a purchaser (which may include a Bank) under any Credit Agreement, including any successor thereto or person holding any such position on an interim basis.

“Chapter 1207” shall mean Chapter 1207, Texas Government Code, as amended.

“City” shall mean the City of Dallas, Texas.

“City Council” shall mean the City Council of the City.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

“Commercial Paper Notes,” “Note,” or “Notes” shall mean a note or notes of a particular series issued pursuant to the provisions of this Ordinance, having the terms and characteristics specified in Section 2.1(b) hereof and in the form described in Section 2.6 hereof and including, initially, the Series A Notes and the Series B Notes.

“Credit Agreement” shall mean a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase any debt, purchase or sale agreements, interest rate swap agreements, or commitments or other contracts or agreements authorized, recognized and approved by the City as a Credit Agreement in connection with the authorization, issuance, security, or payment of the Notes, and which includes the Initial Credit Agreements.

“Dealer” or “Dealers” shall initially mean Jefferies Inc., as the counterparty to the Dealer Agreement dated as of November 28, 2017 attached hereto as Exhibit C and relating to any series of Notes (and initially relating only to the Series A Notes), and any other nationally recognized commercial paper dealer or co-dealer hereafter selected by the City to serve in such capacity with respect to any series of Notes.

“Dealer Agreement” shall mean the agreement, by and between the City and the Dealer(s) as approved, authorized, confirmed and ratified pursuant to Section 3.4 hereof, substantially in the form and substance attached hereto as Exhibit C, as amended, supplemented or otherwise modified from time to time in accordance with its terms, or any similar agreement with a substitute or successor Dealer or Dealers.

“Depository” shall mean one or more official depository banks of the City.

“DTC” shall mean The Depository Trust Company, New York, New York, and its successors and assigns.

“Elections” means those elections held within the City on May 2, 1998, November 7, 2006, and November 6, 2012 and any future elections, that authorize the issuance by the City, in one or more installments, of obligations for certain authorized purposes, and provide for the payment of principal of and interest on such obligations through the levy of an annual ad valorem tax, within the limits provided by law, on all taxable property within the City.

“Eligible Investments” shall mean any or all of the authorized investments described in the Public Funds Investment Act, as amended, Chapter 2256, Texas Government Code, in which the City may purchase, sell and invest its funds and funds under its control or any other authorized investments as provided by the laws of the State of Texas.

“Event of Default” shall mean any event of default as defined in Section 5.1 hereof.

“Excess Earnings” shall mean the excess and any income attributable to such excess described in section 148(f)(2) of the Code.

“Fee Letter” shall have the meaning ascribed to such term in any Credit Agreement and, initially, the respective Fee Letter, if any, described in each Initial Credit Agreement.

“Fiscal Year” shall mean the fiscal year used by the City, now being the period of time beginning on October 1 and ending on September 30 of the next calendar year.

“Government Securities” shall mean (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by, the United States of America;

(ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; or (iv) any additional securities and obligations hereafter authorized by the laws of the State of Texas as eligible for use to accomplish the discharge of obligations such as the Notes.

“Holder” or “Noteholder” shall mean the registered owner of any Note as shown on the registration books maintained by the Registrar, but if a Note is not in registered form, such terms shall mean any person, firm, association, or corporation who is in possession of any Note drawn, issued or endorsed to such person, firm, association or corporation or to the order of such person, firm, association or corporation or to bearer or in blank.

“Initial Credit Agreement” or “Initial Credit Agreements”, whether generally referred to individually or together, as applicable, shall mean the Series A Agreement and the Series B Agreement, as from time to time amended, restated or supplemented, or a substitute Credit Agreement provided in lieu of either of the foregoing in accordance with the provisions of Sections 2.16 and 2.17 hereof.

“Issuing and Paying Agent,” “Paying Agent/Registrar” or “Registrar” shall mean any agent appointed pursuant to Section 2.1(b) hereof, or any successor to such agent.

“Issuing and Paying Agency Agreement” shall mean the Issuing and Paying Agency Agreement, dated as of November 28, 2017, between the City and the Issuing and Paying Agent, initially relating to the Series A Notes, approved and authorized to be entered into by Section 3.3 hereof, as from time to time amended or supplemented, or any subsequent agreement entered into with any Issuing and Paying Agent regarding any series of Notes.

“Loan” shall mean a loan made under and subject to the conditions set forth in any Credit Agreement. For the avoidance of doubt, both advances and term loans made under the Initial Credit Agreements shall constitute Loans.

“Loan Note” shall mean the promissory note or notes executed and delivered by the City pursuant to any Credit Agreement as evidence of loans made pursuant to any such Credit Agreement, to the extent required thereunder and having the characteristics contained therein and issued in accordance therewith, as the same shall be delivered pursuant to a Credit Agreement.

“Master Note” shall mean that form of Note relating to a particular series of Notes issued in book-entry form only and registered in the name of Cede & Co., as nominee of DTC or another securities depository pursuant to Section 6.10 hereof which is intended to evidence the City’s aggregate obligations under all Notes of such particular series that are issued in book-entry form (and which relates, initially, only to the Series A Notes).

“Maximum Interest Rate” shall mean the lesser of 10% and the maximum net effective interest rate permitted by law to be paid on obligations issued or incurred by the City in the exercise of its borrowing powers (currently prescribed by Chapter 1204, as amended, Texas Government Code, or any successor provision); provided however, that the 10% limitation described above shall not relate to obligations arising under Credit Agreements (including Loan Notes) or Notes directly purchased by a Series A and B Bank pursuant to a Credit Agreement (including, initially, the Series B Agreement).

“Maximum Maturity Date” shall mean the fortieth (40th) anniversary of the date of passage of this Ordinance.

“Note Construction Fund” shall mean the fund so designated in Section 2.12 hereof.

“Note Date” shall have the meaning given to such term in Section 2.1(b) hereof.

“Note Payment Fund” shall mean the fund so designated in Section 2.10 hereof.

“Outstanding” shall mean, as of the date of determination, all Notes theretofore delivered under this Ordinance, except:

(1) Notes theretofore canceled and delivered to the City or delivered to the Issuing and Paying Agent for cancellation;

(2) Notes upon transfer of or in exchange for and in lieu of which other Notes have been delivered pursuant to this Ordinance; and

(3) Notes under which the obligations of the City have been released, discharged or extinguished in accordance with the terms thereof.

“Principal Amount” means, with respect to any Note, the stated principal amount of such Note, and with respect to any Loan or Loan Note, the outstanding principal balance thereof.

“Prior Notes” shall mean those previously issued and outstanding commercial paper notes authorized pursuant to Ordinance No. 28060, adopted by the City Council on November 10, 2010.

“Program” shall mean the commercial paper program to be known as the City of Dallas Amended and Restated General Obligation Commercial Paper Program established by this Ordinance.

“Project Costs” shall mean all costs and expenses incurred in relation to Authorized Purposes, including without limitation design, planning, engineering and legal costs, acquisition costs of land, interests in land, right-of-way and easements, construction costs, costs of machinery, equipment, and other capital assets incident and related to an Authorized Purposes, financing costs, including interest during construction and thereafter, underwriter’s discount and/or fees, legal, financial, and other professional services, and reimbursement for such Project Costs attributable to Authorized Purposes incurred prior to the issuance of any Notes.

“Registration Books” shall have the meaning given to such term in Section 2.9 hereof.

“Regulations” means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Series A Agreement” shall mean the Credit Agreement dated as of November 28, 2017, between the City and the Series A Bank relating to the Series A Notes, as approved and authorized pursuant to Section 2.15 hereof as from time to time amended, restated or supplemented or a substitute Credit Agreement provided in lieu of the foregoing in accordance with the provisions of Section 2.16 and 2.17 hereof.

“Series A Bank” shall mean initially JPMorgan Chase Bank, National Association, as the party that has executed and delivered the Series A Agreement.

“Series A Notes” shall mean that series of Commercial Paper Notes designated “The City of Dallas General Obligation Commercial Paper Notes, Series A,” and, whenever such Series A Notes are authorized to be issued in book-entry only form pursuant to Section 2.7, such term shall refer to the City’s obligations under the Series A Notes, which obligations shall be evidenced by one or more Master Notes for such Series A Notes as herein provided.

“Series B Agreement” shall mean that certain Note Purchase Agreement, dated as of November 28, 2017 between the City and the Series B Bank relating to those Series B Notes, as approved and authorized pursuant to Section 2.15 hereof as from time to time amended, restated or supplemented or a substitute Credit Agreement provided in lieu of the foregoing in accordance with the provisions of Section 2.16 and 2.17 hereof.

“Series B Bank” shall mean initially JPMorgan Chase Bank, National Association, as the party that has executed and delivered the Series B Agreement.

“Series B Notes” shall mean that series of Commercial Paper Notes designated “The City of Dallas General Obligation Commercial Paper Notes, Series B,” and, whenever such Series B Notes are authorized to be issued in book-entry only form pursuant to Section 2.7, such term shall refer to the City’s obligations under the Series B Notes, which obligations shall be evidenced by one or more Master Notes for such Series B Notes as herein provided.

Section 1.2. Construction of Terms Utilized in this Ordinance. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

ARTICLE II

ESTABLISHMENT OF PROGRAM; AUTHORIZATION OF NOTES

Section 2.1. General Authorization.

(a) Pursuant to authority conferred by and in accordance with the provisions of the Constitution and laws of the State of Texas, particularly the Act and Chapter 1207, the Program is hereby established under which Commercial Paper Notes in one or more series (and, initially, in

two series) shall be and are hereby authorized to be issued from time to time in an aggregate principal amount at any one time Outstanding not to exceed THREE HUNDRED FIFTY MILLION DOLLARS (\$350,000,000), to be designated and bear the title of "THE CITY OF DALLAS GENERAL OBLIGATION COMMERCIAL PAPER NOTES," and additionally distinguished alphabetically and by series (initially, as SERIES A and SERIES B, respectively) and in the form provided in Section 2.6 hereof, for the purpose of: refinancing or refunding Prior Notes, if any; financing Project Costs of Authorized Purposes as described in Section 2.1(b); financing and refunding Notes issued pursuant to the provisions hereof and any Loan Notes issued pursuant to a Credit Agreement; and the Loan Notes shall be and are hereby authorized to be issued from time to time in the aggregate principal amount at any one time Outstanding not to exceed THREE HUNDRED FIFTY MILLION DOLLARS (\$350,000,000), plus requisite interest coverage, if applicable, for the purpose of evidencing Loans to pay the principal of and (as applicable) interest on the Notes of any particular series; all in accordance with and subject to the terms, conditions and limitations contained herein and in any Credit Agreement from time to time in effect and, initially, the Initial Credit Agreements. For purposes of this Section 2.1, any portion of Outstanding Notes to be paid from money on deposit in the Note Payment Fund and from the available proceeds of Notes or Bonds on the day of calculation shall not be considered Outstanding. The authority to issue Notes from time to time under the provisions of this Ordinance shall exist until the Maximum Maturity Date, regardless of whether prior to the Maximum Maturity Date there are at any time no Notes outstanding. The designation of the Notes shall be made in accordance with the requirements of Section 2.4 hereof and the instructions to the Issuing and Paying Agent as described in Section 3.1 hereof.

(b) The Notes may be issued for the Authorized Purposes and in the authorized amounts (not to exceed the available commitment) as the same shall be more fully described, authorized and provided in the legal proceedings of the related Elections (exclusive of Notes issued to refund or refinance Notes or Prior Notes issued for Authorized Purposes). On each date that Notes are initially issued (i.e. other than to refinance or refund the Principal Amount of Notes, Prior Notes or Loans) the Authorized Officer shall designate the Authorized Purposes for which such Notes were issued.

Section 2.2. Terms Applicable to Notes - General. Subject to the limitations contained herein, Notes herein authorized shall be dated as of their date of issuance or prior thereto, but within 30 days of the date of issuance (the "Note Date"), as determined by an Authorized Officer; shall bear no interest or bear interest at such rate or rates per annum computed on the basis of either actual days elapsed, and on a 365-day year, or a 360-day year, whichever is applicable (but in no event in any case to exceed the Maximum Interest Rate in effect on the date of issuance thereof) as may be determined by an Authorized Officer (pursuant to and by operation of the applicable terms of this Ordinance), and all Notes authorized herein shall mature on or prior to the Maximum Maturity Date.

Subject to the limitations contained herein, the City reserves the right and has delegated to the designated Authorized Officers the ability to enter into the Initial Credit Agreements and/or one or more future Credit Agreements, each with a single bank provider or a syndicate of banks acting through a single administrative agent. Such Initial Credit Agreements or additional Credit Agreements may provide credit and/or liquidity support for Notes, whether directly purchased by a bank, privately placed or publicly offered on the municipal capital markets, and shall be

evidenced by one or more Credit Agreements substantially in the applicable form attached hereto as Exhibit A-1 and Exhibit A-2, respectively.

Subject to the Maximum Interest Rate limitation, Notes authorized to be issued hereunder without a fixed numerical rate of interest (that are interest bearing Notes) for the term thereof shall bear interest in accordance with a clearly stated formula or method of calculation as determined by an Authorized Officer, or by a Calculation Agent, if any, pursuant to the terms of a Credit Agreement, and such formula or method of calculation shall be set forth in, or referenced in, each Note; provided that the Series B Notes shall initially bear interest at the LIBOR Index Rate (as defined in the Series B Agreement) in accordance with the terms of, and subject to adjustments from time to time as set forth in, the Series B Agreement.

Notes issued hereunder may contain terms and provisions for the redemption or prepayment thereof prior to maturity, subject to any applicable limitations contained herein, as shall be determined by an Authorized Officer.

As determined from time to time by an Authorized Officer in accordance with Section 2.3 and Section 3.1 hereof for each issuance of Commercial Paper Notes, Commercial Paper Notes shall be issued by series; provided, however, that, unless specifically determined otherwise by an Authorized Officer, Commercial Paper Notes issued to refund outstanding Commercial Paper Notes or Loan Notes shall be of the same series and designated status for purposes of federal income tax treatment as the Commercial Paper Notes to be refunded, with no further action required by an Authorized Officer. Nothing contained herein shall prohibit the City from refunding or refinancing Commercial Paper Notes of one series or refunding or refinancing Prior Notes with Commercial Paper Notes of another series if authorized by the applicable Credit Agreement and approved by the Authorized Officer.

Subject to applicable terms, limitations and procedures contained herein, Notes may be sold through a direct purchase by a bank or at public or private sale and at a price and under terms (within the interest rate and yield restrictions provided herein) as an Authorized Officer shall approve at the time of the sale thereof; provided, however, that no price shall result in the realization of Note proceeds exceeding the Authorization or the amount of Notes authorized hereunder and under and pursuant to applicable law.

The Notes shall be issued in registered form, without coupons. The principal of, premium, if any, and interest on the Notes shall be payable in lawful money of the United States of America, without exchange or collection charges to the Holder of the Note; the principal thereof to be payable upon presentation and surrender of the Note at the corporate trust office of the Paying Agent/Registrar and interest thereon to be payable to the registered owner thereof either (i) by check sent by United States mail, first class, postage prepaid, to the address of the registered owner appearing on the Registration Books of the City maintained by the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar requested by the registered owner, but interest on a Note registered to bearer shall be payable only upon presentation of the Note at the principal corporate trust office of the Paying Agent/Registrar.

The selection and appointment of US Bank, N.A., Houston, Texas to serve as Issuing and Paying Agent, Paying Agent/Registrar and Registrar for the Series A Notes, is hereby confirmed

and the selection and appointment of JPMorgan Chase Bank, National Association, as the Bank under the Series B Agreement, to serve as Issuing and Paying Agent, Paying Agent/Registrar and Registrar for the Series B Notes, is also hereby confirmed.

The City covenants to maintain and provide an Issuing and Paying Agent and Paying Agent/Registrar at all times while the Notes are outstanding, which shall be a national or state banking association or corporation or trust company organized and doing business under the laws of the United States of America or of any state and authorized under such laws to exercise trust powers. The City may appoint separate Issuing and Paying Agents and Paying Agent/Registrars for each series of Notes. The Issuing and Paying Agent and/or Paying Agent/Registrar for any series of Notes may be removed from its duties hereunder at any time with or without cause by the City upon not less than 30 days' notice to each Holder specifying the substitution of another Issuing and Paying Agent and Paying Agent/Registrar for such affected series of Notes, the effective date thereof, and the address of such successor Issuing and Paying Agent and Paying Agent/Registrar, but no such removal shall become effective until such successor shall have accepted the duties of the Issuing and Paying Agent and/or Paying Agent/Registrar for such affected series of Notes hereunder by written instrument. Should a change in the Issuing and Paying Agent and/or Paying Agent/Registrar for a series of Notes occur, the City, acting through the Authorized Officer, agrees to promptly cause a written notice thereof to be sent to each registered owner of the Notes of such series then Outstanding by United States mail, first class, postage prepaid. Such notice shall give the address of the successor Issuing and Paying Agent and/or Paying Agent/Registrar. A successor Issuing and Paying Agent and/or Paying Agent/Registrar may be appointed without the consent of the Holders. In addition to the foregoing, the maintenance of and the appointment of an Issuing and Paying Agent and/or Paying Agent/Registrar shall be subject to the terms of the applicable Credit Agreement.

The City and the Paying Agent/Registrar shall treat the registered owner thereof as the absolute owner of any Note for the purpose of receiving payment thereof and for all purposes, and the City and the Paying Agent/Registrar shall not be affected by any notice or knowledge to the contrary.

Section 2.3. Authorized Officer. So long as any Notes remain Outstanding, each Authorized Officer is hereby appointed, to act for and on behalf of the City, and authorized to carry out and discharge the purposes, duties and obligations set forth in this Ordinance, any Issuing and Paying Agency Agreement, Credit Agreement and Dealer Agreement and for the purpose of renewing, extending, modifying or substituting any such agreement or entering into any other Credit Agreement upon the terms and conditions set out therein and herein. Each Authorized Officer shall have the authority to appoint (subject to the requirements of this Ordinance and any Issuing and Paying Agency Agreement, Credit Agreement, and Dealer Agreement) any one or more persons to act on behalf of the Authorized Officer. Any such appointment(s) shall be in writing and shall be delivered to any Dealer, Issuing and Paying Agent and Bank within a reasonable time after such appointment(s).

Section 2.4. Commercial Paper Notes. Under and pursuant to the authority granted hereby and subject to the limitations contained herein, (i) Notes in the form of Commercial Paper Notes to be designated "The City of Dallas General Obligation Commercial Paper Notes," initially issued as "Series A" and "Series B" and for which credit and/or liquidity support is initially

provided under the applicable Initial Credit Agreement, are hereby authorized to be directly placed with a bank or issued and sold and delivered from time to time in such principal amounts, as determined by an Authorized Officer in denominations of \$100,000 and integral multiples of \$1,000 in excess thereof, alphabetically marked to indicate series, and numbered in ascending consecutive numerical order in the order of their issuance and to mature and become due and payable on such dates as an Authorized Officer shall determine at the time of sale; provided, however, that no Commercial Paper Note shall (i) mature after the Maximum Maturity Date, (ii) mature after the Business Day that is three Business Days prior to the stated date of termination of any Credit Agreement then-relating to such series of Commercial Paper Notes, (iii) have a term in excess of two hundred seventy (270) days, or (iv) be issued at any time that a "non-issuance notice" or similar instrument has been issued by the Bank pursuant to the Credit Agreement relating to such Note which provides that no such Notes are to be authenticated and delivered; provided, however that the limitation contained in subsections (ii) and (iii) shall not apply to any term-out provisions contained in a Credit Agreement. Interest, if any, on Commercial Paper Notes shall be payable, with principal, at maturity, or at such other times as set forth in a Credit Agreement.

Section 2.5. Loan Notes. Under and pursuant to authority granted hereby and subject to the limitations contained herein and in any Credit Agreement, one or more Loan Notes relating to a series of Commercial Paper Notes, any such Loan Note to be designated "City of Dallas Credit Agreement Loan Note," and further designated by series to conform to the series of related Notes and to reference the Bank under the applicable Credit Agreement, are hereby authorized and approved in accordance with the terms of this Ordinance and the applicable Credit Agreement. The form of such initial Loan Note shall be as set forth in each applicable Credit Agreement.

Section 2.6. Form of Notes. The Notes and the Certificate of Authentication to appear on each of the Notes shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions and other variations as are permitted or required by this Ordinance, including any changes required to conform with the provisions of the applicable Credit Agreement, and may have such letters, numbers or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Banker Association) and such legends (including insurance companies) and endorsements thereon as may, consistent herewith, be approved by an Authorized Officer. Any portion of the text of any Notes may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Notes.

The Notes shall be printed, lithographed, or engraved or produced in any other similar manner, or typewritten, all as determined and approved by an Authorized Officer.

(a) Form of Notes.

THE TRANSFERABILITY OF THIS NOTE IS RESTRICTED
AS DESCRIBED IN THE ORDINANCE¹

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF DALLAS
CITY OF DALLAS GENERAL OBLIGATION
COMMERCIAL PAPER NOTE, SERIES ___

No.: _____
Principal Amount: _____
Interest to Maturity: _____
Due at Maturity: _____

Note Date: _____
Maturity Date: _____
Number of Days: _____
Interest Rate² (%): _____

Owner: _____

The City of Dallas (the "City"), FOR VALUE RECEIVED, hereby promises to pay, solely from the sources hereinafter identified and as hereinafter stated, to the order of the Owner specified above on the Maturity Date specified above, the Principal Amount specified above and to pay interest, if any, on said Principal Amount [as and when due pursuant to the terms of the Credit Agreement as defined below] [at said Maturity Date or interest payment date (as applicable)], from the above specified Note Date to said Maturity Date at the per annum Interest Rate shown above (computed on the basis of actual days elapsed and a 365-day year); both principal and interest on this Note (defined herein) being payable in lawful money of the United States of America at the principal corporate trust office of the Issuing and Paying Agent executing the "Certificate of Authentication" endorsed hereon and appearing below, or its successor. No interest will accrue on the Principal Amount hereof after said Maturity Date.

This Note is one of an issue of commercial paper notes (the "Notes") of the indicated series, which, together with other forms of short-term obligations[, including the below referenced Loan Note³], has been duly authorized and issued in accordance with the provisions of an ordinance passed by the City Council of the City on _____, 2017 (the "Ordinance"), for the purpose of financing Project Costs of Authorized Purposes and to refinance, renew or refund certain obligations described in the Ordinance, all in accordance and in strict conformity with the provisions of the Act, Chapter 1207, and the Elections.

¹ Applies only with respect to the Series B Notes.

² If rate of interest calculated pursuant to a formula, the word "Variable" is placed in the blank rather than a numeric interest rate and this footnote is completed with the applicable formula.

³ Delete, if not applicable.

This Note, together with the other Notes, is payable from and ratably secured by (i) the proceeds from (a) the sale of other Notes issued for such purpose and (b) the sale of a series or issue of Bonds to be issued by the City for such purpose, [(ii) Loans under and pursuant to a _____ (the "Credit Agreement"), dated as of _____, 20__, but effective as of _____, 20__, between the City and _____ (the "Bank"), as amended, revised, supplemented, or substituted, pursuant to which the Bank has agreed to provide credit to the City under the terms and conditions set forth therein, which Loans are to be evidenced by a Loan Note; provided, however, that the proceeds of Loans may only be used to pay the principal of and (as applicable) interest on the Notes⁴], (iii) from the proceeds of an ad valorem tax levied, within the limits prescribed by law, by the City upon all taxable property within its boundaries sufficient to pay principal and interest on such Note, as such interest comes due and such principal matures, and (iv) amounts in certain funds established pursuant to the Ordinance.

This Note, together with the other Notes authorized to be issued and from time to time outstanding under the Ordinance, is payable solely from the sources hereinabove identified securing the payment thereof. The Holder hereof shall never have the right to demand payment of this obligation from any other sources or properties of the City except as identified above.

Reference is hereby made to the Ordinance, a copy of which may be obtained upon request to the City, and to all of the terms and provisions the Holder hereof by acceptance of this Note hereby assents, including, but not limited to, provisions relating to definitions of capitalized terms used herein without definition, the description of and the nature of the security for the Notes, and the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holders of the Notes.

It is hereby certified and recited that all acts, conditions and things required by law and the Ordinance to exist, to have happened and to have been performed precedent to and in the issuance of this Note, do exist, have happened and have been performed in regular and in due time, form and manner as required by law and that the issuance of this Note, together with all other Notes and Loan Notes, is not in excess of the principal amount of Notes permitted to be issued under the Ordinance.

This Note is, and has all the qualities and incidents of, a negotiable instrument under the laws of the State of Texas.

This Note shall not be entitled to any benefit under the Ordinance or be valid or become obligatory for any purpose until this Note shall have been authenticated by the execution by the Issuing and Paying Agent of the Certificate of Authentication hereon.

⁴ Information to be completed based on Credit Agreement in effect at the time Notes are issued and if Credit Agreement provides for open market liquidity (rather than direct placement to or purchase of Notes by a bank thereunder). Renumber based on applicability of this provision.

IN TESTIMONY WHEREOF, the City has authorized and caused this Note to be executed on its behalf by the manual or facsimile signature of the Mayor and countersigned by the manual or facsimile signature of the City Manager and the City Secretary and its official seal to be impressed or a facsimile thereof to be printed hereon.

CITY OF DALLAS

Mayor

COUNTERSIGNED:

City Manager

City Secretary

(SEAL)

ISSUING AND PAYING AGENT'S
CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes delivered pursuant to the within mentioned Ordinance.

as Issuing and Paying Agent

By: _____
Authorized Signatory

[The remainder of this page intentionally left blank.]

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address, and zip code of transferee): _____

(Social Security or other identifying number: _____)

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

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

DATED: _____

Signature Guaranteed

NOTICE: The signature of the registered owner must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears upon the face of the within Note in every particular.

[The remainder of this page intentionally left blank.]

Section 2.7. Execution - Authentication.

(a) The Notes shall be executed on behalf of the City by the Mayor and countersigned by the City Manager and the City Secretary and the official seal of the City shall be reproduced or impressed thereon, all as provided in Section 2.6 hereof. The signature of said officers on the Notes may be manual or facsimile. Notes bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City on the date of passage of this Ordinance shall be deemed to be duly executed on behalf of the City, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of the initial sale and delivery of Notes authorized to be issued hereunder and with respect to Notes delivered in subsequent sales, exchanges and transfers, all as authorized and provided in Chapter 1201, as amended, Texas Government Code.

(b) No Note shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Note a Certificate of Authentication substantially in the form provided in Section 2.6 hereof, executed by the Issuing and Paying Agent or the Paying Agent/Registrar by manual signature, and such certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly certified or registered and delivered.

Section 2.8. Notes Mutilated, Lost, Destroyed or Stolen. If any Note shall become mutilated, the City, at the expense of the Holder of said Note, shall execute and deliver a new Note of like tenor and number in exchange and substitution for the Note so mutilated, but only upon surrender to the City of the Note so mutilated. If any Note shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the City and, if such evidence be satisfactory to it and indemnity satisfactory to it shall be given, the City, at the expense of the Holder, shall execute and deliver a new Note of like interest rate and tenor in lieu of and in substitution for the Note so lost, destroyed or stolen. Neither the City nor the Issuing and Paying Agent shall be required to treat both the original Note and any duplicate Note as being Outstanding for the purpose of determining the principal amount of Notes which may be issued hereunder, but both the original and the duplicate Note shall be treated as one and the same instrument.

Section 2.9. Negotiability, Registration and Exchangeability. The Notes issued hereunder shall be, and shall have all of the qualities and incidents of, a negotiable instrument under the laws of the State of Texas, and each successive Holder, in accepting any of the Notes, shall be conclusively deemed to have agreed that such Notes shall be and have all of the qualities and incidents of a negotiable instrument under the laws of the State of Texas. The registration books relating to the registration, payment and transfer or exchange of each series of Notes (collectively, the "Registration Books") shall at all times be kept and maintained by the City at the principal corporate trust office of the Registrar therefor, and such Registrar shall obtain, record and maintain in the Registration Books the name and address of each registered owner of the Notes, except for Notes registered to bearer, issued under and pursuant to the provisions of this Ordinance. Each Registrar shall provide the City with a copy of the Registration Books and shall thereafter provide the City (at the notice address for the City set forth in the Issuing and Paying Agent Agreement between the City and the Registrar or a Credit Agreement, as applicable) with copies of any changes in the Registration Books within one (1) Business Day after such change. Any Note may, in accordance with its terms and the terms hereof, be transferred or exchanged for Notes

of like interest rate, tenor, series, and character and of other authorized denominations upon the Registration Books by the Holder in person or by his duly authorized agent, upon surrender of such Note to the applicable Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to such Registrar. Upon surrender for transfer of any Note at the principal corporate trust office of a Registrar, such Registrar shall register and deliver, in the name of the designated transferee or transferees (or to bearer, as appropriate), one or more new Notes executed on behalf of, and furnished by, the City of like tenor, series, and character and of authorized denominations and having the same maturity, bearing interest at the same rate and of a like aggregate principal amount as the Note or Notes surrendered for transfer. Furthermore, Notes may be exchanged for other Notes of like tenor, series, and character and of authorized denominations and having the same maturity, bearing the same rate of interest and of like aggregate principal amount as the Notes surrendered for exchange, upon surrender of the Notes to be exchanged at the principal corporate trust office of the applicable Registrar. Whenever any Notes are so surrendered for exchange, the applicable Registrar shall register and deliver new Notes of like tenor, series, and character as the Notes exchanged, executed on behalf of, and furnished by, the City to the Holder requesting the exchange. The City and the applicable Registrar may charge the Holder a sum sufficient to reimburse them for any expenses incurred in making any transfer or exchange after the first such transfer or exchange for such Holder. The applicable Registrar or the City may also require payment from the Holder of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto. Such charges and expenses shall be paid before any such new Note shall be delivered. The City and the applicable Registrar shall not be required (i) to issue, transfer or exchange any Note during a period beginning at the opening of business on the 15th day next preceding either any maturity date of such Note or any date of possible selection of such Note or parts thereof to be redeemed and ending at the close of business on the interest payment date or day on which the applicable notice of redemption is given, or (ii) to transfer or exchange any Note selected, called or being called for redemption in whole or in part. New Notes delivered upon any transfer or exchange shall be valid special obligations of the City, evidencing the same debt as the Notes surrendered by this Ordinance and shall be entitled to all of the security and benefits hereof to the same extent as the Notes surrendered. The City reserves the right to change the above registration and transferability provisions of the Notes at any time on or prior to the delivery thereof in order to comply with applicable laws and regulations of the United States in effect at the time of issuance thereof. No purchase, sale, or transfer of any Notes, as herein provided, nor the setting of interest rates in respect thereof, shall constitute or be construed to be the extinguishment of any security or the indebtedness represented thereby or the reissuance of any security or the refunding of any indebtedness represented thereby. The sale or other transfer of any Series B Note shall be subject to any and all restrictions or requirements set forth in the Series B Agreement.

Section 2.10. Note Payment Fund.

(a) There is hereby created and established by the City a separate and special fund to be designated the "City of Dallas Note Payment Fund" (the "Note Payment Fund"). Money on deposit in the Note Payment Fund shall be used to pay principal of, premium, if any, and interest on Notes at the respective interest payment, maturity or redemption dates of each issue of such Notes as provided herein and, as applicable, the repayment of any Loans made pursuant to any Credit Agreement (evidenced by a Loan Note).

(b) Within the Note Payment Fund, there is hereby created with respect to each series of Notes, and to be established with the applicable Issuing and Paying Agent or a Depository, a separate account relating to each series of Notes, each to be designated "City of Dallas Note Payment Account" and as further designated by series (collectively, the "Note Payment Accounts"). Money on deposit in each Note Payment Account shall be used to pay principal of, premium, if any, and interest on Notes of the applicable series at the respective interest payment, maturity or redemption dates of each issue of such Notes as provided herein and the repayment of any Loans made pursuant to any Credit Agreement (evidenced by a Loan Note), including (initially and with respect to the separate Note Payment Accounts established with respect to the Series A Notes and the Series B Notes) the Initial Credit Agreements, and all other amounts payable under any Credit Agreement. With respect to the Series A Notes and the Series B Notes the following subaccounts are hereby created within each Note Payment Account:

(i) Interest Payment Account (which may contain within it one or more subaccounts); and

(ii) Principal Payment Account (which may contain within it one or more subaccounts).

The City hereby authorizes the Authorized Officer to create and establish such different or additional accounts and subaccounts within the Note Payment Fund as may be necessary or desirable for the operation of the Program and compliance with the applicable Credit Agreements.

(c) The City shall, from the sources set forth in Section 2.11 hereof, deposit into the applicable accounts or subaccounts within the applicable Note Payment Account at such times and in such amounts as are necessary to provide for the full payment of the principal of and the interest on the Notes, the Loan Notes and all other amounts payable under any Credit Agreement, when due, after taking into account funds currently on deposit in the applicable accounts or subaccounts within the applicable Note Payment Account.

(d) Pursuant to Section 3.2(a) hereof, and pursuant to the applicable provision of any Credit Agreement at such time effective, all proceeds of Loans and/or Series B Notes (except proceeds of Loans and/or Series B Notes retained by the Bank to repay all or any part of an outstanding Loan or Series B Note, as applicable, in accordance with the terms of the applicable Credit Agreement), shall be deposited into the applicable account or subaccount of the applicable Note Payment Account and used to pay the principal of and interest on such series of Notes (provided, however, that the proceeds of Loans and/or Series B Notes pursuant to a Credit Agreement may only be used to pay principal of and (as and if applicable) interest on Notes of the series to which such Credit Agreement relates or Series B Notes which are deemed paid from refunding Series B Notes delivered to the Series B Bank as provided in the Series B Agreement) and to pay the principal of and interest on any Loan as and when due pursuant to and subject to the terms of the applicable Credit Agreement.

(e) Pending the expenditure of money in the Note Payment Fund for authorized purposes, money deposited in said Fund may be invested at the direction of an Authorized Officer in Eligible Investments. Any income received from such investments shall be deposited, as

received, and held in the Note Payment Fund until used for permitted purposes of amounts held in the Note Payment Fund.

Section 2.11. Payments; Pledge.

(a) The Notes and the Loan Notes (and other obligations payable under any Credit Agreement) are payable from and secured solely by the funds pledged as security therefor pursuant to this Section 2.11. The City shall make payments into the Note Payment Fund (for further deposit to the appropriate account therein) from proceeds of Notes, Loans or Bonds (or from proceeds of the City's ad valorem tax, levied within the limits prescribed by law, on all taxable property within the City), and which are transferred to the Note Payment Fund pursuant to Section 2.11(d) of this Ordinance in order to pay principal of and interest on the Notes) at such times and in such amounts as are necessary to provide for the full payment of the principal of and the interest on the Notes, when due.

(b) To provide security for the payment of the principal of and interest on the Notes, the Loan Notes, and any other amounts payable under any Credit Agreement relating to Notes, as the same shall become due and payable, there is hereby granted a lien on and pledge of, subject only to the provisions of this Ordinance permitting the application thereof for purposes and on the terms and conditions set forth herein:

(i) the proceeds from (A) the sale of Bonds issued for such purpose and (B) the sale of Notes issued pursuant to this Ordinance;

(ii) the proceeds from Loans; provided, however, that such Loan proceeds pursuant to the applicable Credit Agreement may be used to pay the principal of and interest on Notes (so long as any such Credit Agreement so permits the use of Loan proceeds to pay interest on the Notes); provided, further, however, that proceeds attributable to and derived from borrowings under and pursuant to a Credit Agreement are pledged to, and shall be used to pay, the principal of and interest on the Notes of the particular series to which such Credit Agreement relates (to the extent permitted by the terms of such Credit Agreement); and

(iii) the amounts held in the Note Payment Fund until the amounts deposited therein are used for authorized purposes; provided, however, that amounts in the respective Note Payment Accounts of the Note Payment Fund attributable to and derived from Loans shall be used only to pay, prior to any application to the payment of the respective Loan Notes, the principal of (but no redemption premium) and interest on the respective series of Notes;

and it is hereby resolved and declared that the principal of and interest on the Notes, the Loan Notes, and any other amounts due under a Credit Agreement related to Notes of such series shall be and are hereby equally and ratably secured by and payable from a lien on and pledge of the sources hereinabove identified in clauses (i), (ii), and (iii) subject and subordinate only to the exceptions noted therein.

(c) Pursuant to authority granted by the Constitution and laws of the State of Texas, there shall be levied for the current year and for each succeeding year hereafter while any of the

Notes, Loan Notes, or other amounts payable under any Credit Agreement (including costs related to any Credit Agreement, Fee Letter, Dealer Agreement and Issuing and Paying Agency Agreement) remain outstanding and unpaid, an annual ad valorem tax on each one hundred dollars valuation of taxable property in the City at a rate sufficient, within the limits prescribed by law, to pay the principal of and interest on the Notes, Loan Notes or other amounts payable under any Credit Agreement and any Fee Letter and to maintain a sinking fund adequate to pay the principal thereof as such principal matures (but never less than 2% of the Outstanding Principal Amount of the Notes and Outstanding Principal Amount of the Loan Notes based upon any Loans then Outstanding at the time of such levy), full allowance being made for delinquencies and costs of collection. In determining the amount of taxes to be assessed and collected to pay the principal of and interest on the Notes, the Loan Notes or other amounts payable under any Credit Agreement, the City may take into account any other sources of funding that are lawfully available or are to be lawfully available for payment of such principal and interest on the Notes, the Loan Notes or other amounts due under any Credit Agreements and may take into account any Credit Agreement and any legal limitation regarding the maximum rate or amount of interest that an Authorized Officer may be authorized to approve in the issuance and sale of Notes from time to time.

(d) The ad valorem tax thus assessed and collected each year against all property appearing on the tax rolls of the City most recently approved in accordance with law and the money thus collected shall be deposited as collected into the Note Payment Fund (for further deposit to the Note Payment Accounts therein) and the proceeds of such tax shall be appropriated and applied for the payment of the principal of and interest on the Notes, Loan Notes or other amounts due under any Credit Agreement.

(e) Money in the Note Payment Fund and the Note Construction Fund, to the extent not invested as permitted hereunder, shall be secured in the manner prescribed by law for securing funds of the City. Chapter 1208, as amended, Texas Government Code, applies to the City's incurring indebtedness under this Ordinance and the pledge of security granted by the City under this Section, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the indebtedness remains Outstanding under this Ordinance such that the pledge of revenues granted by the City under this Section is to be subject to the filing requirements of Chapter 9, as amended, Business and Commerce Code, then in order to preserve to the Registered Owners and Holders of such indebtedness 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, as amended, Texas Business and Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

(f) There is hereby allocated, from lawfully available funds of the City, amounts sufficient to pay interest on the Notes reasonably anticipated to be issued and payable prior to the collection of the first tax assessment and collection for the Notes based upon Interest Rates actually authorized and/or the highest Interest Rates which the Authorized Representative is authorized to approve for payment during such period of time.

Section 2.12. Note Construction Fund.

(a) There is hereby created and established a separate fund hereby designated as the "City Of Dallas Note Construction Fund" (the "Note Construction Fund"), to which shall be

deposited the proceeds of Notes issued to pay Project Costs of Authorized Purposes. The Note Construction Fund shall be held by the City at a Depository. Money deposited in the Note Construction Fund shall remain therein until from time to time expended to pay for Project Costs of Authorized Purposes, and shall not be used for any other purposes whatsoever, except as otherwise provided below, and pending such expenditure, money in the Note Construction Fund may be invested at the direction of an Authorized Officer in Eligible Investments. Any income received from such investments (except as otherwise required to be rebated to the United States of America in accordance with the provisions of Section 4.5 hereof) shall be deposited into the Note Construction Fund.

(b) Any amounts on deposit in the Note Construction Fund may be designated by an Authorized Officer as eligible to pay interest during construction and thereafter may be transferred from time to time at the direction of an Authorized Officer to the credit of the Note Payment Fund for use in accordance with the terms of Section 2.10 hereof. Any amounts remaining in the Note Construction Fund after the payment of all Project Costs shall be paid into the Note Payment Fund (for further deposit to the particular Note Payment Account related to the series of Notes from which such proceeds were derived) and used for the payment of such maturities of the Notes coming due at such times as may be selected by an Authorized Officer or for the payment of the Loan Notes, as the case may be; provided, however, that, in the event there are then in effect multiple Credit Agreements and have been issued multiple series of Notes, such amounts will be used to pay all Loan Notes arising under the Credit Agreement or Credit Agreements, respectively, relating to the series of Notes from which such remaining proceeds were originally derived. In the event no Notes are outstanding and there are no outstanding Loans, any amounts in the Note Construction Fund not anticipated to be needed to pay Project Costs shall be transferred, upon discretion of an Authorized Officer, to the City. For the avoidance of doubt, funds held in the Note Construction Fund are not pledged as security for repayment of any Notes or Loan Notes or amounts from time to time owed under any Credit Agreement.

(c) The City hereby authorizes, within the Note Construction Fund and at the direction of an Authorized Officer, the creation and establishment of one or more accounts or subaccounts within the Note Construction Fund. Initially, there shall be no individual accounts created within the Note Construction Fund.

Section 2.13. Cancellation. All Notes which at maturity are surrendered to the applicable Paying Agent/Registrar for the collection of the principal and interest thereon or are surrendered for transfer or exchange pursuant to the provisions hereof shall, upon payment or issuance of new Notes, be canceled by such Paying Agent/Registrar, and such Paying Agent/Registrar forthwith shall transmit to the City a certificate identifying such Notes and that such Notes have been duly canceled and destroyed.

Section 2.14. Fiscal and Other Agents. In furtherance of the purposes of this Ordinance, the City may from time to time appoint and provide for the payment of such additional fiscal, paying or other agents or trustees as it may deem necessary or appropriate in connection with the Notes.

Section 2.15. Initial Credit Agreements. The Initial Credit Agreements, each of which constitutes a Credit Agreement, initially entered into to provide credit and/or liquidity support for

the Series A Notes and to provide the extension of credit to the City through the direct purchase of the Series B Notes from time to time and substantially in the forms attached hereto as Exhibits A-1 and A-2, respectively, are hereby approved, and shall be entered into with the respective Bank identified therein. The form of the Loan Note contained in the Series A Agreement is also approved, including the interest rate thereon to be determined as set forth in the Series A Agreement. The form of the Loan Note contained in the Series B Agreement is also approved, including the interest rate thereon to be determined as set forth in the Series B Agreement. Each Authorized Officer is hereby authorized to execute and deliver each Initial Credit Agreement and any other documents called for thereunder. In addition, the Mayor, City Manager and City Secretary are hereby authorized to execute and deliver any Loan Note. The signatures of said officers may be manual or facsimile. Loan Notes bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City on the date of execution of the Loan Notes shall be deemed to be duly executed on behalf of the City, notwithstanding that such individuals or either of them shall cease to hold such offices. The City Secretary is authorized to place the City seal on any and all of the foregoing instruments.

The City hereby finds that each Initial Credit Agreement is a Credit Agreement hereunder relating, respectively, to the series of Notes identified therein. The payment of the fees identified in the respective Fee Letters and the other costs, expenses, and taxes described in each Initial Credit Agreement, as well as the timing of such payments, is hereby authorized from funds on deposit in the Note Payment Fund (or within the appropriate Note Payment Account therein, as applicable). When required, any "request for extension" (or other document having similar effect, in accordance with the terms of an Initial Credit Agreement) shall be delivered by the City to the Dealer and to each rating agency then providing a rating on the applicable series of Commercial Paper Notes simultaneously with the delivery to the Bank under an Initial Credit Agreement, and the City will promptly provide to each such rating agency a copy of any "notice of extension" (or other document having similar effect, in accordance with the terms of the applicable Initial Credit Agreement) it receives or notice that no extension with respect thereto was given.

The City is hereby authorized to enter into any agreement supplemental to an Initial Credit Agreement with the Bank thereunder, as an Authorized Officer may deem appropriate. An Authorized Officer, on behalf of the City, may agree with the bank to add additional banking institutions as a Bank under an Initial Credit Agreement; provided, however, that such action shall not cause the then existing rating by each rating agency then providing a rating on the Notes of an affected series, if any, to be reduced, as evidenced by a letter from the respective rating agency confirming the rating of such Notes prior to such action.

Section 2.16. Reservation of Right to Enter into Certain Credit Agreements. Each Authorized Officer is authorized to enter into Credit Agreements, whether as an extension of any existing Credit Agreement, in substitution for any Credit Agreement or in addition to an existing Credit Agreement, in conjunction with the issuance, payment, sale, resale or exchange of Notes (and payment of amounts existing thereunder and as may be evidenced by one or more Loan Notes), the payment obligations of the City under which may be on a parity with the Notes, subject to the following conditions:

(a) each Credit Agreement must be in substantially the same form as the form of an Initial Credit Agreement approved pursuant to the terms of this Ordinance and attached hereto as Exhibit A;

(b) the maximum amount of liquidity or other commitment provided pursuant to the terms of any Credit Agreement shall not exceed the Program's capacity (measured as the maximum aggregate principal amount of Notes at any one time Outstanding plus interest thereon at the Maximum Interest Rate for a period not more than 270 days);

(c) the maximum interest rate borne by any obligations owed pursuant to the terms of any Credit Agreement shall not exceed the Maximum Interest Rate;

(d) the maximum term of any Credit Agreement shall not exceed the Maximum Maturity Date; and

(e) a determination by an Authorized Officer that entering into any such Credit Agreement shall not result in default or breach of covenants relating to the Program (including the terms of Outstanding Notes or Loan Notes or any then-existing Credit Agreement that remains in effect after the effectiveness of the new or extended Credit Agreement) and that entering into the subject Credit Agreement complies with applicable law.

The foregoing relates to the entry into Credit Agreements subsequent to the City's initial entry into the Initial Credit Agreements, such initial entry being hereby explicitly approved.

Section 2.17. Substitution of Credit Agreements. The City reserves the right to substitute one or more Credit Agreements for the Initial Credit Agreements or any other Credit Agreement delivered in accordance with the terms of this Ordinance, with one or more banks, so long as:

(a) either (i) such substitution (or any assignment of all or any part of any Credit Agreement) does not cause any rating agency then rating the related series of Notes to withdraw, lower or suspend its short-term rating assigned to any such Notes then Outstanding, as evidenced by written notice to the City or (ii) takes effect on a Business Day on which all of the outstanding Notes of the related series are scheduled to mature;

(b) the substitute Credit Agreement shall have a term of at least 270 days or until at least three Business Days after the last maturing Note of the related series;

(c) the substitute Credit Agreement shall not cause the City to violate its covenants in Section 4.2; and

(d) the substitute Credit Agreement shall be approved by the Attorney General of Texas to the extent required by law.

ARTICLE III

ISSUANCE AND SALE OF NOTES

Section 3.1. Issuance and Sale of Notes.

(a) The Commercial Paper Notes shall be completed and delivered by the applicable Issuing and Paying Agent in accordance with telephonic, computer (electronic mail) or written instructions of an Authorized Officer and in the manner specified below and in the Issuing and Paying Agency Agreement or Credit Agreement, as applicable. To the extent such instructions are delivered telephonically, they shall be confirmed in writing (which may be electronically) by an Authorized Officer within 24 hours. Any such instructions from an Authorized Officer relating to the issuance of Commercial Paper Notes for the purpose of refinancing, renewing or refunding Notes may be in the form of standing instructions to the effect that the Issuing and Paying Agent may rely upon instructions it receives from a Dealer for the issuance and sale of such Commercial Paper Notes unless otherwise notified in writing by an Authorized Officer. Said instructions shall specify such principal amounts, Note Dates, dates of issue, maturities, rates of discount or interest, or the formula or method for calculating interest and the basis upon which it is to be computed, and other terms and conditions which are hereby authorized and permitted to be fixed by an Authorized Officer at the time of sale of the Commercial Paper Notes. Such instructions shall include the purchase price of the Commercial Paper Notes and a request that the applicable Issuing and Paying Agent authenticate such Commercial Paper Notes by counter signature of its authorized officer or employee and deliver them to the named purchaser or purchasers thereof upon receipt of payment in accordance with the custom then prevailing in the New York financial market in regard to such Commercial Paper Notes. Such instructions shall also contain provisions representing that all action on the part of the City necessary for the valid issuance of the Commercial Paper Notes then to be issued has been taken, that all provisions of Texas and federal law necessary for the valid issuance of such Commercial Paper Notes with provision for interest exclusion from federal income taxation have been complied with, and that such Commercial Paper Notes will be valid and enforceable obligations of the City according to their terms, subject to the exercise of judicial discretion in accordance with general principles of equity and bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors, rights heretofore or hereafter enacted to the extent constitutionally applicable, and that based upon the advice of Bond Counsel, the stated interest or earned original issue discount, as the case may be, on the Commercial Paper Notes is excludable from federal income taxation, subject to the conditions set forth in the opinion of Bond Counsel delivered concurrently with the commencement of the issuance of Commercial Paper Notes. Such instructions shall also certify that:

(i) no Event of Default under Section 5.1 hereof has occurred and is continuing as of the date of such instructions and that the subject Issuing and Paying Agent has not received a "no-issuance" or similar notice under a Credit Agreement then in effect and so applicable relating to a series of Notes then to be issued;

(ii) the City is in compliance with the covenants set forth in Article IV hereof and with any covenants of the City set forth in any applicable Dealer Agreement as of the date of such instructions;

(iii) if the Commercial Paper Notes are being issued to pay Project Costs, the City has been advised by Bond Counsel that the projects to be financed with the proceeds of the Commercial Paper Notes will constitute Eligible Projects, and, further, that the proposed expenditure of the proceeds of such Commercial Paper Notes for such Eligible Projects will not cause the City to be in violation of its covenants set forth in Section 4.5 hereof; and

(iv) the sum of the interest payable on such Commercial Paper Notes will not exceed a yield (calculated on the principal amount of the Commercial Paper Notes on the basis of a 365-day year, and actual number of days elapsed) to the maturity date of such Commercial Paper Notes in excess of the Maximum Interest Rate in effect on the date of issuance of such Commercial Paper Notes.

Notwithstanding any other provision of this Section 3.1(a) to the contrary, the instructions required to be given by an Authorized Officer to the Issuing and Paying Agent in connection with the issuance of Commercial Paper Notes for the Payment of Project Costs may include a provision to the effect that each sale of Commercial Paper Notes thereafter made by the City for the purpose of refinancing, renewing or refunding the Commercial Paper Notes that are the subject of such instructions shall be deemed a representation and certification by the City as of the date of each such sale that any one or more of the representations and certifications contained in such instructions are true and correct as if made on and as of each such date.

(b) Notwithstanding the provisions of subsection (a) above, to the extent the Commercial Paper Notes are being directly purchased by or privately placed with the Series B Bank under a Credit Agreement, the contents of the instructions and the terms, pricing and conditions of the issuance of such Commercial Paper Notes may be specified in such Credit Agreement.

(c) Any Loan Note, as applicable, shall be or have been delivered to the applicable Bank, as applicable, and indebtedness may be incurred thereunder in accordance with the terms of the applicable Credit Agreement.

Section 3.2. Proceeds of Sale of Notes. The proceeds of the sale of any Notes (net of all expenses and costs of sale and issuance) shall be applied for any or all of the following purposes as directed by an Authorized Officer:

(a) Proceeds to be used for the payment or redemption of outstanding Notes and Prior Notes at or before maturity and the repayment of any Loans (evidenced by the applicable Loan Note) or other amounts due under the applicable Credit Agreement shall be deposited in the Note Payment Fund (for further deposit to the applicable Note Payment Account therein), and expended therefor; and

(b) Proceeds to be used to pay Project Costs of Authorized Purposes shall be deposited to the Note Construction Fund (and, if necessary or required, further deposited to an account within such Fund) and used and applied in accordance with the provisions of Section 2.12 hereof.

Section 3.3. Issuing And Paying Agency Agreement. The Issuing and Paying Agency Agreement, attached hereto as Exhibit B, is hereby approved as to form and content, and each

Authorized Officer is hereby authorized and directed to execute the same for and on behalf of the City and, in connection with the execution thereof, approve such changes, additions, or amendments thereto as may be necessary and proper to carry out the purpose and intent of such Issuing and Paying Agency Agreement. The City is hereby authorized to enter into, and any Authorized Officer is authorized to execute and deliver, any supplemental agreements with any Issuing and Paying Agent (including a successor to any initial Issuing and Paying Agent) in order to implement the functions of Paying Agent/Registrar or Registrar with respect to any series of Notes, and any other documents called for thereunder, for and on behalf of the City and the Board. Initially, the City is entering into an Issuing and Paying Agency Agreement relating to the Series A Notes; the Series B Bank, under the Series B Agreement, will serve as the Issuing and Paying Agent for the Series B Notes.

Section 3.4. Dealer Agreement. The Dealer Agreement in the form attached hereto as Exhibit C with the Dealer pertaining to the sale, from time to time, of the Commercial Paper Notes or the purchase of Commercial Paper Notes from the City, all for a fee as set forth in the Dealer Agreement, is hereby ratified and approved as to form and content, and each Authorized Officer is hereby authorized and directed to have the Dealer Agreement executed by the City Manager of the City and attested by the City Secretary on behalf of the City. Any Authorized Officer, on behalf of the City, is expressly authorized, subject to any conditions or prerequisites specified in a then-effective Credit Agreement that relates to the Notes of a particular series then at issue, to negotiate, secure, and finalize a replacement, substitute, amended, or revised Dealer Agreement and to have any Authorized Officer execute and deliver the same, and any other documents called for thereunder, for and on behalf of the City. The City will initially enter into a Dealer Agreement with the Dealer with respect to the Series A Notes. There initially is no Dealer or Dealer Agreement for the Series B Notes.

Section 3.5. Fee Letter. The Fee Letter, dated November 28, 2017, and attached hereto as Exhibit F by and between the City and JPMorgan Chase Bank, National Association, with respect to Initial Credit Agreements is hereby approved and each Authorized Officer is hereby authorized and directed to execute the same for and on behalf of the City.

ARTICLE IV

COVENANTS OF THE CITY

Section 4.1. Limitation on Issuance. Unless this Ordinance is amended and modified by the City in accordance with the provisions of Section 6.1 hereof, the City covenants that there will not be issued and Outstanding at any one time under this Ordinance more than \$350,000,000 in aggregate principal amount of Notes; subject, however, to the provision below regarding the Available Commitment. For purposes of this Section 4.1 any portion of Outstanding Notes to be paid on a particular day from money on deposit in the Note Payment Fund or available proceeds of Notes or Bonds shall not be considered Outstanding on such day. Additionally, the City covenants and agrees that the total principal amount of all Notes of a particular series outstanding at any one time shall not exceed the sum total of the Available Commitment relating thereto or available therefor.

Section 4.2. Maintenance of available Credit Facilities Requirement.

(a) The City agrees and covenants that at all times up to and including the Maximum Maturity Date, unless the Series A Notes are no longer Outstanding, it will maintain one or more Credit Agreements with a Bank in an aggregate amount such that, assuming that all then Outstanding Series A Notes were to become due and payable immediately, the aggregate amount available for borrowing under the Credit Agreement(s) applicable to such Series A Notes would be sufficient at that time to pay the principal of all such Outstanding Series A Notes. No Series A Note shall be issued which if, after giving effect to the issuance thereof and, if applicable, the immediate application of the proceeds therefrom to retire other Notes secured by the Credit Agreement, the aggregate principal amount of all Notes secured by the Credit Agreements would exceed the amount of the aggregate credit commitment under all such Credit Agreements. The availability for borrowing of such amounts under the Credit Agreements may be subject to reasonable conditions precedent, including but not limited to, bankruptcy of the City. In furtherance of the foregoing covenant, the City agrees that it will not issue any Notes or make any borrowings which will result in a violation of such covenant, will not amend any Credit Agreements then in effect in a manner which will cause a violation of such covenant and, if and to the extent necessary to maintain compliance with such covenant, will arrange for delivery of an alternate or substitute Credit Agreement prior to, or contemporaneously with, the expiration of an existing Credit Agreement.

(b) The Initial Credit Agreements initially satisfy the covenant contained in the first sentence of subsection (a) above with respect to Available Commitment that supports the issuance of up to \$350,000,000 in aggregate principal amount of the Notes at any one time Outstanding, plus interest coverage (as and if applicable).

Section 4.3. Bonds. The City hereby acknowledges that the Notes are being issued as short term obligations, and therefore the City in good faith shall endeavor to sell a sufficient principal amount of Notes or Bonds in order to have funds available, together with other money available therefor, to pay the maturing Notes and the interest thereon, or any renewals thereof, as the same shall become due and payable, including Loan Notes and interest thereon due under the Credit Agreement or Credit Agreements from time to time valid and in effect.

Section 4.4. Punctual Payment. The City will punctually pay or cause to be paid the principal of and interest, if any, on the Notes and Loan Notes (but only from the sources pledged herein), in conformity with the Notes, Loan Notes, this Ordinance and any Credit Agreement.

Section 4.5. Covenants Regarding Tax Exemption.

(a) General. The City intends that the interest on the Notes shall be excludable from gross income for federal income tax purposes pursuant to sections 103 and 141 through 150, inclusive, of the Code. The City covenants and agrees not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, would (i) cause the interest on the Notes to be includable in gross income, as defined in section 61 of the Code, for federal income tax purposes or (ii) result in the violation of or failure to satisfy any applicable provision of Section 103 and 141 through 150, inclusive, of the Code. In particular, the City covenants and agrees to comply with each requirement of this Section 4.5; provided, however, that the City will not be

required to comply with any particular requirement of this Section 4.5 if the City has received an opinion of nationally recognized bond counsel (“Counsel’s Opinion”) that (i) such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Notes or (ii) compliance with some other requirement will satisfy the applicable requirements of the Code, in which case compliance with such other requirement specified in such Counsel’s Opinion will constitute compliance with the corresponding requirement specified in this Section 4.5.

(b) No Private Use or Payment and No Private Loan Financing. The City covenants and agrees that it will make such use of the proceeds of the Notes, including interest or other investment income derived from Note proceeds, regulate the use of property financed, directly or indirectly, with such proceeds, and take such other and further action as may be required so that the Notes will not be “private activity bonds” within the meaning of section 141 of the Code. Moreover, the City will certify, through an authorized officer, employee or agent, based upon all facts and estimates known or reasonably expected to be in existence on the date the Notes are delivered, that the proceeds of the Notes will not be used in a manner that would cause the Notes to be “private activity bonds” within the meaning of section 141 of the Code.

(c) No Federal Guarantee. The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause the Notes to be “federally guaranteed” within the meaning of section 149(b) of the Code, except as permitted by section 149(b)(3) of the Code.

(d) No Hedge Bonds. The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause the Notes to be “hedge bonds” within the meaning of section 149(g) of the Code.

(e) No Arbitrage. The City covenants and agrees that it will make such use of the proceeds of the Notes, including interest or other investment income derived from Note proceeds, regulate investments of proceeds of the Notes, and take such other and further action as may be required so that the Notes will not be “arbitrage bonds” within the meaning of section 148(a) of the Code. Moreover, the City will certify, through an authorized officer, employee or agent, based upon all facts and estimates known or reasonably expected to be in existence on the date the Notes are delivered, that the proceeds of the Notes will not be used in a manner that would cause the Notes to be “arbitrage bonds” within the meaning of section 148(a) of the Code.

(f) Arbitrage Rebate. If the City does not qualify for an exception to the requirements of Section 148(f) of the Code relating to the required rebate to the United States, the City will take all necessary steps to comply with the requirement that certain amounts earned by the City on the investment of the “gross proceeds” of the Notes (within the meaning of section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, the City will (i) maintain records regarding the investment of the gross proceeds of the Notes as may be required to calculate the amount earned on the investment of the gross proceeds of the Notes separately from records of amounts on deposit in the funds and accounts of the City allocable to other bond issues of the City or moneys that do not represent gross proceeds of any bonds of the City, (ii) determine at such times as are required by applicable Regulations, the amount earned from the investment of the gross proceeds of the Notes which is required to be rebated to the federal government, and (iii) pay,

not less often than every fifth anniversary date of the delivery of the Notes, or on such other dates as may be permitted under applicable Regulations, all amounts required to be rebated to the federal government. Further, the City will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Notes that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm's length and had the yield on the issue not been relevant to either party.

(g) Information Reporting. The City covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Notes are issued, an information statement concerning the Notes, all under and in accordance with section 149(e) of the Code.

(h) Record Retention. The City will retain all pertinent and material records relating to the use and expenditure of the proceeds of the Notes until three years after the last Note is redeemed, or such shorter period as authorized by subsequent guidance issued by the Department of Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period. For this purpose, it is acceptable that such records are kept either as hardcopy books and records or in an electronic storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of the City to retrieve and reproduce such books and records in the event of an examination of the Notes by the Internal Revenue Service.

(i) Registration. The Notes will be issued in registered form.

(j) Deliberate Actions. The City will not take a deliberate action (as defined in section 1.141-2(d)(3) of the Regulations) that causes the Notes to fail to meet any requirement of section 141 of the Code after the issue date of the Notes unless an appropriate remedial action is permitted by section 1.141-12 of the Regulations, the City takes such action, and an opinion of Bond Counsel is obtained that such remedial action cures any failure to meet the requirements of section 141 of the Code.

(k) Continuing Obligation. Notwithstanding any other provision of this Ordinance, the City's obligations under the covenants and provisions of this Section 4.5 will survive the defeasance and discharge of the Notes for as long as such matters are relevant to the exclusion from gross income of interest on the Notes for federal income tax purposes.

Section 4.6. Opinion of Bond Counsel. The City shall cause the legal opinion of Bond Counsel as to the validity of the Notes and as to the excludability of interest on the Notes from gross income for federal income tax purposes to be furnished to any Holder without cost to the Holder. In addition, a copy of said opinion may be printed on each of the Notes.

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES OF NOTEHOLDERS

Section 5.1. Events of Default. If one or more of the following events shall occur, that is to say:

(a) if default shall be made in the due and punctual payment of any installment of principal of any Note or Loan Note when and as the same shall become due and payable, whether at maturity as therein expressed or otherwise;

(b) if the City shall fail to make due and punctual payment of any installment of interest on any Note when and as such interest installment shall become due and payable and such failure shall continue for five (5) Business Days;

(c) if applicable under a Credit Agreement at such time valid and in effect, if the Bank has delivered to the Issuing and Paying Agent and the City notice of an "Event of Default" under a Credit Agreement that would permit the principal of the Loan Notes evidencing Loans made thereunder (and interest accrued thereon) or Notes (and interest accrued thereon), if applicable, to be made to become due and payable under such Loan Notes and the Credit Agreement;

(d) if default shall be made by the City in the performance or observance of any other of the covenants, agreements or conditions on its part in this Ordinance or in the Notes contained, and such default shall continue for a period of sixty (60) days after written notice thereof; provided, however, that if such default cannot be cured within the sixty (60) day period but corrective action to cure such default is commenced and diligently pursued until the default is corrected no such Event of Default shall be deemed to have occurred;

(e) if there shall occur the dissolution (without a successor being named to assume the rights and obligations) or liquidation of the City or the filing by the City of a voluntary petition in bankruptcy, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of its creditors, or the entry by the City into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceeding for its reorganization instituted under the provisions of the U.S. Bankruptcy Code, as amended, or under any similar act in any jurisdiction which may now be in effect or hereafter enacted; or

(f) if an order or decree shall be entered, with the consent or acquiescence of the City, appointing a receiver or receivers of the City, or any part thereof, or of the rents, fees, charges or other revenues therefrom, or if such order or decree, having been entered without the consent or acquiescence of the City shall not be vacated or discharged or stayed within ninety (90) days after the entry thereof;

then such event as described above shall constitute an "Event of Default" under this Ordinance.

Section 5.2. Suits at Law or in Equity and Mandamus. In case one or more Events of Default shall occur, then and in every such case the Holder of any Note or Loan Note at the time Outstanding shall be entitled to proceed to protect and enforce such Holder's rights by such

appropriate judicial proceeding as such Holder shall deem most effectual to protect and enforce any such right, either by suit in equity or by action at law, whether for the specific performance of any covenant or agreement contained in this Ordinance, or in aid of the exercise of any power granted in this Ordinance, or to enforce any other legal or equitable right vested in the Holders of Notes or Loan Notes, as applicable, by this Ordinance, the Notes or the Loan Notes or by law. The provisions of this Ordinance shall be a contract with each and every Holder of Notes or Loan Notes, as applicable, and the duties of the City shall be enforceable by any Holder of Notes or Loan Notes, as applicable, by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction.

Section 5.3. Remedies not Exclusive.

(a) No remedy herein conferred upon or reserved to the Holders of Notes or Loan Notes, as applicable, is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised at any time or from time to time, and as often as may be necessary, by the Holder of any one or more of the Notes or Loan Notes, as applicable.

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

ARTICLE VI

MISCELLANEOUS

Section 6.1. Amendments or Modifications.

(a) Amendments Without Consent of Holders. This Ordinance and the rights and obligations of the City and of the Holders of Notes may be modified or amended at any time by a supplemental order, without notice to or the consent of any Holders, but only to the extent permitted by law and any Credit Agreement for any one or more of the following purposes:

(i) to add to the covenants and agreements of the City in this Ordinance contained, other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the City;

(ii) to cure any ambiguity or inconsistency, or to cure or correct any defective provision contained in this Ordinance, upon receipt by the City of an opinion of Bond Counsel that the same is needed for such purpose, and will more clearly express the intent of this Ordinance;

(iii) to add to or supplement the security for the Notes, replace or provide additional Credit Agreements, change the form of the Notes, or to make such other changes in the provisions hereof as the City may deem necessary or desirable and which shall not in the judgment of the City, materially adversely affect the interests of the Holders of the Notes;

(iv) To make any changes or amendments requested by any bond rating agency then rating or requested to rate Notes issued hereunder, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the City, materially adversely affect the interests of the Owners of the Outstanding Notes issued hereunder;

(v) To provide for the replacement of the Dealer or the Dealer Agreement, the Issuing and Paying Agent or the Issuing and Paying Agency Agreement or a Bank or Credit Agreement as permitted herein; or

(vi) To change the Authorized Purposes with respect to any unissued Notes;

(vii) To change the allocation of amounts of Authorized Purposes with respect to any Notes; or

(viii) To make any other modifications and amendments that will not become effective until the earlier of (x) 270 days or (y) the Business Day next following the final maturity of the Notes Outstanding on the day such modification or amendment is adopted.

(b) Amendments Requiring Consent of All Holders. Nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions of this Ordinance or of the Notes so as to:

(i) make any change in the maturity of any of the Outstanding Notes;

(ii) reduce the rate of interest borne by any of the Outstanding Notes;

(iii) reduce the amount of the principal payable on any of the Outstanding Notes;

(iv) modify the terms of payment of principal or interest on the Outstanding Notes, or impose any conditions with respect to such payment;

(v) affect the rights of the Holders of less than all of the Outstanding Notes;

(vi) give priority of payment to any Note over other Notes; or

(vii) reduce or restrict the pledge made pursuant to Section 2.11 hereof for payment of the Notes,

unless such amendment shall be approved by the Holders of all of the Notes (as well as the Bank as the Holder of a Loan Note) then Outstanding.

(c) Amendments Requiring Consent of Bank and a Majority of Holders of the Series A and Series B Notes. The City may, with the written consent of the Bank and the Holders of a majority in aggregate principal amount of the Notes then Outstanding affected thereby, amend, change, modify, or rescind any provisions of this Ordinance which are otherwise not described under Section 6.1(a) or Section 6.1(b) hereof.

(d) Amendments Effective Upon Receipt of Written Consent. Except as expressly provided in any Credit Agreement, whenever the City shall desire to make any amendment to this Ordinance requiring consent of the Bank and the Holders of the Notes then outstanding, the City shall cause notice of the amendment to be sent by first class mail, postage prepaid, to the Bank and the Holders of the Notes then Outstanding at the respective addresses shown on any Registration Books maintained by a Registrar. Whenever at any time after the date of the giving of such notice, the City shall receive an instrument or instruments in writing executed by (i) the Bank and (ii) the Holders of a majority in aggregate principal amount of the Notes then Outstanding, which instrument or instruments shall refer to the proposed amendment described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the City may adopt such amendment in substantially such form, except as herein provided. Neither the Bank nor any Holder of Notes may thereafter object to the adoption of such amendment or to any of the provisions thereof, and such amendment shall be fully effective for all purposes.

(e) Amendments Effective Upon Maturity of all then Outstanding Notes. Whenever the City shall desire to make any amendment to or additions to or rescission of this Ordinance requiring consent of the Bank and/or the Holders of the Notes then Outstanding, the City may adopt such amendment, addition or recession (upon prior consent of the Bank but without having to receive the consent of any Holder of then Outstanding Notes) which will become effective only upon the payment in full of all such Outstanding Notes. The Offering Memorandum prepared by the City and used by the Dealer to sell any series of publically marketed Notes which will be Outstanding on and after the effective date of any such amendment, addition or rescission must clearly state or describe such amendment, addition or rescission, and all persons who become Holders of Notes of such series on and after the effective date of such amendment, addition or rescission shall be deemed to have consented to such amendment, addition or rescission.

(f) Approval of Attorney General Required. Notwithstanding the foregoing provisions of this Section 6.1, no change, modification or amendment shall be made in this Ordinance or become valid and effective without the approval of such change, modification or amendment by the Attorney General of the State of Texas, to the extent (but only to the extent) required by the Act.

Section 6.2. Additional Actions. The Mayor and City Secretary, any other Authorized Officer, and the other officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Notes and otherwise to effectuate the purposes of this Ordinance and any Credit Agreement, Dealer Agreement, offering memorandum relating to the Notes, and Issuing and Paying Agency Agreement. Specifically, by the adoption of this Ordinance, the Board hereby authorizes the payment of the fees and expenses incurred and to be paid by the City in connection with the issuance, sale and delivery of the Notes and the execution and delivery of the Initial Credit Agreements, the Dealer Agreement, the Issuing and Paying Agency Agreement, and as otherwise provided in this Ordinance.

Section 6.3. Ordinance to constitute a Contract; Equal Security. In consideration of the acceptance of the Notes, the issuance of which is authorized hereunder, by those who shall hold

the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the City and the Holders from time to time of the Notes and the pledge made in this Ordinance by the City and the covenants and agreements set forth in this Ordinance to be performed by the City shall be for the equal and proportionate benefit, security and protection of all Holders of the Notes, without preference, priority or distinction as to security or otherwise of any of the Notes 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 Ordinance or, with respect to any Loan Note, the related Credit Agreement.

Section 6.4. Severability of Invalid Provisions. 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 Notes issued hereunder.

Section 6.5. Payment and Performance on Business Days. Unless otherwise provided in the applicable Credit Agreement, whenever under the terms of this Ordinance or the Notes, the performance date of any provision hereof or thereof, including the payment of principal of or interest on the Notes, shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the Notes, 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 6.6. Limitation of Benefits with respect to the Ordinance. With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Ordinance or the Notes is intended or should be construed to confer upon or give to any person other than the City, Bond Counsel, the Holders of the Notes, any Issuing and Paying Agent, and the respective parties to any Dealer Agreement and any Credit Agreement, any legal or equitable right, remedy or claim under or by reason of or in respect to this Ordinance or any covenant, condition, stipulation, promise, agreement or provision herein contained. This Ordinance and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the City, Bond Counsel, the Holders of the Notes, any Issuing and Paying Agent and the respective parties to any Dealer Agreement and any Credit Agreement as herein and therein provided.

Section 6.7. Use of Offering Memorandum. The use by the Dealer of the Offering Memorandum, substantially in the form attached hereto as Exhibit D, prepared by the City in connection with the sale of any series of Commercial Paper Notes (and, initially, the Series A Notes), and the distribution of such Offering Memorandum by the Dealer, is hereby approved and authorized. An Authorized Officer is hereby authorized to approve any amendments and modifications and supplements thereto and the form of any subsequent or updated offering memorandum, to be used by the Dealer in the offering of the Notes, and the use thereof by the Dealer in connection therewith.

Section 6.8. Ongoing Continuing Disclosure Covenant. To the extent required by the provisions of U.S. Securities and Exchange Commission Rule 15c2-12 (Rule 15c2-12), the City agrees to enter into an agreement to file financial information and operating data with respect to the Notes with such entities as are designated pursuant to the terms of said Rule 15c2-12. Under the provisions of said Rule 15c2-12, as they exist on the date this Ordinance is adopted, the City is exempted from complying with the undertaking described in the first sentence of this Section 6.8, as the Notes are to be issued in the form of Commercial Paper Notes.

Section 6.9. Approval of Attorney General. No Notes herein authorized to be issued shall be sold or delivered by or on behalf of the City until the Attorney General of the State of Texas shall have approved this Ordinance, one or both, as applicable, of the Initial Credit Agreements and other agreements and proceedings as may be required in connection therewith, all as required by the Act.

Section 6.10. The Depository Trust Company.

(a) The City has determined to issue the Series A Notes initially in book-entry form and has determined to appoint The Depository Trust Company, New York, New York (DTC) to serve as the initial securities depository for the Series A Notes and to maintain a book-entry only system of recording the ownership and transfer of ownership of beneficial interests in the Series A Notes in accordance with this Section 6.10. These provisions shall apply to any additional series of Notes issued in book-entry form.

(b) Notwithstanding any provision of this Ordinance to the contrary, unless the City shall otherwise direct, one or more Master Notes shall be issued in lieu of individual Notes of a particular series, which Master Notes shall be registered in the name of Cede & Co., as nominee of DTC, as the Registered Owner of the Master Notes, and held in the custody of the applicable Issuing and Paying Agent. Beneficial owners of Notes of such series will not receive physical delivery of such Notes except as provided hereinafter as long as DTC shall continue to serve as securities depository for Notes of such series as provided herein, all transfers and beneficial ownership interests in Notes of such series will be made by book-entry only, and no investor or other party purchasing, selling, or otherwise transferring beneficial ownership interests in the Notes is to receive, hold, or deliver any Notes; provided, that, if DTC fails or refuses to act as securities depository for those Notes, the City shall take the actions necessary to provide for the issuance of certificates to the Registered Owners of such Notes.

With respect to Master Notes registered in the name of Cede & Co., as nominee of DTC, the City and the applicable Issuing and Paying Agent shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom a DTC Participant holds an interest in the Notes of such series. Without limiting the immediately preceding sentence, the City and the applicable Issuing and Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any DTC Participant with respect to any ownership interest in the Notes of such series, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner, as shown in the applicable Registration Books, of any notice with respect to those Notes, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Registered Owner, as shown in the applicable

Registration Books, of any amount with respect to the principal of, premium, if any, or interest on those Notes.

(c) In the event that (i) DTC determines not to continue to act as securities depository for the Notes of the applicable series (which determination shall become effective not less than ninety (90) days after written notice to such effect is given to the City and the applicable Issuing and Paying Agent); (ii) the City or the applicable Issuing and Paying Agent determines (which determination is conclusive as to DTC, any DTC Participant and the beneficial owners of the Notes of such series) that DTC is incapable of discharging its responsibilities described herein and in the DTC Letter of Representations; or (iii) the City or the applicable Issuing and Paying Agent determines (which determination is conclusive as to DTC, any DTC Participant and the beneficial owners of the Notes of such series) that it is in the best interests of the beneficial owners of those Notes not to continue DTC's book-entry only system of transfer for the Notes of such series, then the City shall use its best efforts to appoint a successor securities depository, qualified to act as such under Section 17A of the Securities Exchange Act of 1934, as amended. In the event of such an appointment, the City shall notify (a) DTC of the appointment of such successor securities depository and transfer one or more separate Notes of such series to such successor securities depository or (b) DTC Participants of the availability through DTC of Notes of such series and transfer one or more separate Notes to DTC Participants having Notes of such series credited to their DTC accounts.

In such event, the Master Notes and Notes of such series shall no longer be restricted to being registered in the applicable Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Registered Owners transferring or exchanging Notes of such series shall designate, in accordance with the provisions of this Ordinance.

In the event that the City fails to appoint a successor securities depository for the Notes of series registered in book-entry form, the City shall execute and cause to be authenticated and delivered replacement Notes of such series, in certificated form, to the beneficial owners of those Notes.

(d) Notwithstanding any other provision of this Ordinance to the contrary, as long as any Master Notes or the Notes of a particular series are registered in the name of Cede & Co., as nominee of DTC, (i) all payments with respect to the principal of and interest on such Notes and all notices with respect to those Notes shall be made and given, respectively, in the manner provided in the DTC Letter of Representations (attached hereto as Exhibit E); (ii) the requirements of this Ordinance of holding, delivering, or transferring Notes of such series shall be deemed modified to require the appropriate person or entity to meet the requirements of DTC, and (iii) delivery of the Master Notes and the Notes of such series will be in accordance with arrangements among the City, the applicable Issuing and Paying Agent, and DTC.

(e) If at any time DTC ceases to hold the Master Notes or the Notes of a particular series in book-entry only form, all references herein to DTC shall be of no further force or effect.

(f) The DTC Letter of Representations and the Master Notes shall be substantially in the form attached hereto as Exhibits E and F hereto, respectively, the terms and provisions of which

are hereby approved. The President and Secretary of the Board are hereby authorized to execute and deliver such Master Notes on behalf of the City; any Authorized Officer is hereby authorized to execute and deliver such DTC Letter of Representations on behalf of the City.

Section 6.11. Notice to Rating Agencies. Any notices required to be delivered hereunder shall also be provided to each rating agency at such time providing a rating on the Notes. Such notices shall be given to each rating agency utilizing the following contact information: (1) Standard & Poor's, 55 Water Street, 38th Floor, New York, New York 10041, Attention: Municipal Structured Finance, email pubfinstructured@standardandpoors.com; and (2) Fitch Ratings, Inc., 33 Whitehall Street, New York, New York, 10004, Attention: Municipal Structured Finance.

For the purposes of this Section 6.11, the City covenants to provide notice to each rating agency of the following events:

- (a) material changes to this Ordinance or related documents authorizing the issuance of the Notes;
- (b) any change of the Issuing and Paying Agent under Section 2.1(b) hereof;
- (c) extension, termination, substitution, or expiration of the Initial Credit Agreement relating to the Series A Notes and any Credit Agreement authorized under Sections 2.15 and 2.16, respectively, herein; and
- (d) a determination by the City that the Program has been terminated.

Section 6.12. Preamble. The preamble to this Ordinance shall be considered an integral part of this Ordinance, and is herein incorporated as part of the body of this Ordinance for all purposes.

Section 6.13. Further Procedures. The officers and employees of the City are hereby 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 or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the initial sale and delivery of each series of Notes, any Issuing and Paying Agency Agreement, any Dealer Agreement, the Initial Credit Agreements, and the Offering Memorandum, as each of the foregoing is applicable and relating to a particular series of Notes. In addition, prior to the initial delivery of the Notes, any Authorized Officer, and Bond Counsel are hereby authorized and directed to approve any changes or corrections to this Ordinance or to any of the instruments authorized and approved by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance and as described, with respect to the Series A Notes, in the Offering Memorandum, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Notes or proceedings by the Texas Attorney General's office. In case any officer of the City whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 6.14. Approval of Costs of Issuance. The City Manager of the City is hereby authorized to make payment for the professional services and expenses representing costs of issuance of the Notes.

Section 6.15. No Recourse against City Officials. No recourse shall be had for the payment of principal of or interest on any Notes for any claim based thereon or on this Ordinance or the Credit Agreement against any official, officer, agent or employees of the City or any person executing any Notes or any Credit Agreement.

Section 6.16. Attorney General Modification. In order to obtain the approval of the Notes or the Loan Notes by the Attorney General of the State of Texas, any provision of this Ordinance may be modified, altered or amended after the date of its adoption if required by the Attorney General in connection with the Attorney General's examination as to the legality of the Notes and Loan Notes and approval thereof in accordance with the applicable law. Such changes, if any, shall be provided to the City Secretary and the City Secretary shall insert such changes into this Ordinance as if approved on the date hereof.

Section 6.17. Further Procedures. The Mayor, City Manager, any Assistant City Manager, Chief Financial Officer, 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 seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Credit Agreements, the Dealer Agreement, the Issuing and Paying Agency Agreement, the Notes and the Loan Notes. In case any officer whose signature appears on any Note shall cease to be such officer before the delivery of such Note, such signature shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until such delivery. In addition, the City Manager is hereby authorized to approve, subsequent to the date of the adoption of this Ordinance, any amendments, revisions, modifications or deletions to the Credit Agreements, Dealer Agreement and Issuing and Paying Agency Agreement, including, but not limited to, extensions thereto, as may be required by any bond rating agency, as a condition to the granting or maintenance of a rating on the Notes or as may be necessary or desirable to carry out the purposes of this Ordinance or protect the interests of the City. Further, the City Manager is hereby authorized to execute and/or deliver those certificates or other instruments requested by the Attorney General concerning the City's ad valorem tax levy, its issuance of Notes and Loan Notes, and the calculation of funds sufficient to comply with this Ordinance.

Section 6.18. Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public, and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, Texas Government Code, as amended.

Section 6.19. Effective Immediately. This Ordinance shall take effect on November 28, 2017 when all outstanding Prior Notes have been paid and are no longer outstanding and after publication in accordance with the provisions of the Charter of the City of Dallas, Texas, pertaining thereto, and it is accordingly so ordained.

FINALLY PASSED, APPROVED the _____ day of _____, 2017.

APPROVED AS TO FORM:

By: _____
City Attorney
City of Dallas, Texas

EXHIBIT A
FORMS OF INITIAL CREDIT AGREEMENTS

CREDIT AGREEMENT

by and between

CITY OF DALLAS, TEXAS

and

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION

Dated as of November 28, 2017

The City of Dallas
General Obligation Commercial Paper Notes,
Series A

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- Exhibit A — Form of Bank Note
- Exhibit B — Notice of Advance
- Exhibit C — No-Issuance Instruction
- Exhibit D — Form of Expiration Date Extension Request
- Exhibit E — Form of Opinions of Co-Bond Counsel
- Exhibit F — Form of Opinion of City Attorney

CREDIT AGREEMENT

This CREDIT AGREEMENT, dated as of November 28, 2017 (as amended and supplemented from time to time, the "*Agreement*"), is entered into by and between the CITY OF DALLAS, TEXAS (the "*City*") and JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, a national banking association (including its successors and assigns, the "*Bank*").

WITNESSETH:

WHEREAS, the City has authorized The City of Dallas General Obligation Commercial Paper Notes, Series A (the "*Notes*") pursuant to that certain Ordinance Authorizing The City of Dallas General Obligation Commercial Paper Notes Series A and Series B, adopted by the City Council of the City on October 25, 2017 (as amended and supplemented from time to time, the "*Ordinance*") in a maximum aggregate principal amount not to exceed \$350,000,000;

WHEREAS, the City has requested that the Bank provide liquidity to support payment of the principal of and interest on the Notes at stated maturity by making available a revolving line of credit for such purpose, and the Bank is willing to make available such a revolving line of credit to the City, subject to the terms and conditions of this Agreement; and

WHEREAS, the City has also authorized The City of Dallas General Obligation Commercial Paper Notes, Series B (the "*Series B Notes*") pursuant to the Ordinance in a maximum aggregate principal amount not to exceed \$350,000,000, and the City and the Bank have agreed to enter into that certain Note Purchase Agreement dated as of November 28, 2017 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the "*JPMorgan Note Purchase Agreement*"), to provide for the purchase of Series B Notes from time to time by the Bank in accordance with the terms thereof; *provided, however*, that the combined support hereunder and under the JPMorgan Note Purchase Agreement with respect to the principal amount of both the Notes and the Series B Notes shall not exceed \$350,000,000.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. In addition to the terms defined elsewhere in this Agreement or by reference to another document or agreement, the following terms used in this Agreement shall have the following respective meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"*Act*" means Chapter 1371, Texas Government Code, as amended.

“Advance” means a loan made hereunder pursuant to Section 2.1(a) hereof. An Advance shall constitute a *“Loan”* as defined in the Ordinance.

“Advance Maturity Date” means the date that is the earlier of (i) the February 1 of the calendar year immediately following the date an Advance was made and (ii) the Final Date.

“Alternate Facility” means a credit agreement, letter of credit or other facility delivered in substitution for this Agreement, the delivery of which shall satisfy the requirements of the Note Authorization and the Issuing and Paying Agency Agreement.

“Amortization Payment” has the meaning set forth in Section 2.1(b) hereof.

“Amortization Payment Date” means (a) the Advance Maturity Date and each six-month anniversary of the Advance Maturity Date occurring thereafter which occurs prior to the Term Loan Maturity Date and (b) the Term Loan Maturity Date.

“Authorized Officer” has the meaning set forth in the Ordinance.

“Amortization Period” has the meaning set forth in Section 2.1(b) hereof.

“Available Commitment” means, at any date, the sum of the Available Principal Commitment and the Available Interest Commitment then in effect.

“Available Interest Commitment” means, and in no event shall it exceed, \$25,890,411 which constitutes two hundred seventy (270) days of interest at ten percent (10%) on the maximum Available Principal Commitment calculated on the basis of actual number of days and a 365 day year, such initial amount adjusted from time to time as follows: (a) downward in an amount equal to the Interest Component of any Advance; (b) upward in an amount equal to the Interest Component of any Advance that is repaid, pursuant to the terms of Section 2.1 or 2.7; and (c) downward by an amount that bears the same proportion to the Available Interest Commitment immediately prior to such reduction as the amount of any reduction in the Commitment bears to the Commitment immediately prior to such reduction; *provided, however*, that after giving effect to any such adjustment the Available Interest Commitment shall never exceed \$25,890,411. Any adjustments pursuant to clause (a), (b) or (c) above shall occur simultaneously with the event requiring such adjustment.

“Available Principal Commitment” means \$350,000,000 as adjusted from time to time as follows: (a) downward in an amount equal to the principal amount of each Loan made hereunder and the principal amount of each Series B Note purchased by the Bank from time to time pursuant to the JPMorgan Note Purchase Agreement; (b) downward by the amount of any reduction in the Commitment pursuant to Section 2.6, Section 7.2 or Section 7.4; and (c) so long as the Revolving Credit Period has not terminated, upward in an amount equal to the principal amount of any Loan that is repaid pursuant to the terms hereof and the principal amount of any Series B Notes repaid pursuant to the JPMorgan Note Purchase Agreement; *provided*, that, after giving effect to any such adjustment the Available Commitment shall never exceed the lesser of

\$350,000,000 or the Commitment from time to time in effect. Any adjustments pursuant to clause (a), (b) or (c) above shall occur simultaneously with the event requiring such adjustment.

"Bank" has the meaning set forth in the preamble hereof.

"Bank Note" means the promissory note of the City delivered to the Bank to evidence Loans from time to time made by the Bank hereunder, in the form of Exhibit A attached hereto. The Bank Note constitutes a "Loan Note" as defined in the Ordinance.

"Bank Rate" means the following rate(s) of interest per annum applicable with respect to each Advance (and each Term Loan, if any, that such Advance is converted into): (a) for any day commencing on the date such Advance is made up to and including the ninetieth (90th) day next succeeding the date such Advance is made, a rate of interest equal to the Base Rate from time to time in effect and (b) for any day commencing on the ninety-first (91st) day next succeeding the date such Advance is made and thereafter, a rate of interest equal to the sum of the Base Rate from time to time in effect *plus* one percent (1.0%) per annum; *provided, however,* that immediately and automatically upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuance of such Event of Default, "Bank Rate" shall mean the Default Rate; *provided further, however,* that in no event shall the Bank Rate be less than the highest per annum interest rate applicable to any Notes that are outstanding.

"Bankruptcy Code" means 11 U.S.C. Section 101, *et seq.*, as amended, and any successor statute thereto.

"Base Rate" means, for any day, the per annum rate of interest equal to the highest of (a) the Prime Rate plus one and one-half percent (1.5%) per annum, (b) the Federal Funds Rate plus two percent (2.0%) per annum and (c) seven and one-half percent (7.5%) per annum.

"Co-Bond Counsel" means Bracewell LLP and West & Associates LLP.

"Business Day" means any day other than (a) a Saturday, Sunday or other day on which commercial banks located in the State of New York or State of Texas are authorized or required by law or executive order to close or (b) a day on which the New York Stock Exchange is closed.

"Capital Lease" means any lease of property by any Person which, in accordance with GAAP, would be required to be capitalized on the balance sheet of such Person.

"Change in Law" means the occurrence, after the Effective Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Acts and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any

successor or similar authority) or the United States or foreign regulatory authorities shall in each case be deemed to be a "Change in Law," regardless of the date enacted, adopted or issued.

"City" has the meaning set forth in the preamble hereof.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Commitment" means, initially \$375,890,411 (i.e., the sum of the maximum principal amount of the Notes in the amount of \$350,000,000, and interest thereon at a maximum interest rate of 10% per annum for a period of 270 days), as such amount may be reduced or terminated pursuant to Section 2.6, Section 7.2 and Section 7.4 hereof, which amount shall be reduced if and to the extent that the authorized maximum principal amount of the Notes is reduced.

"Commitment Fee" has the meaning set forth in the Fee Letter.

"Dealer" means the City's commercial paper dealer or co-commercial paper dealers appointed pursuant to the Ordinance, initially Jeffries LLC.

"Dealer Agreement" means the Dealer Agreement, dated as of November 28, 2017, between the City and the Dealer (together with any amendments or replacements thereto or any successor agreement thereto).

"Debt" of any Person means, at any date, without duplication, (a) all obligations of such Person for borrowed money including, without limitation, obligations secured by any of the revenues or assets of such Person and all obligations of such Person evidenced by bonds (including revenue bonds), debentures, notes or other similar instruments, (b) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business (including, without limitation, accounts payable to construction contractors and other professionals for services rendered), (c) all obligations of such Person as lessee under Capital Leases, (d) all Debt of others secured by a lien on any asset of such Person, whether or not such Debt is assumed by such Person, and (e) all Debt of others guaranteed by, or secured by any of the revenues or assets of, such Person.

"Default" means any occurrence, circumstance or event, or any combination thereof, which, with the lapse of time and/or giving of notice, would constitute an Event of Default.

"Default Rate" means a per annum rate of interest equal to the sum of the Base Rate from time to time in effect plus 3.0% per annum; *provided, however*, that, subject to Section 2.4(c), in no event shall the Default Rate exceed the Highest Lawful Rate.

"Designated Jurisdiction" means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

"Effective Date" means November 28, 2017, the date on which this Agreement becomes effective, subject to the satisfaction or waiver by the Bank of the conditions set forth in Section 4.1 hereof.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time. References to Sections of ERISA shall be construed also to refer to any successor Sections.

“Event of Default” with respect to this Agreement has the meaning set forth in the introductory statement to Article VII of this Agreement and, with respect to any Related Document, has the meaning assigned therein.

“Excess Interest Amount” has the meaning set forth in Section 2.4(c) hereof.

“Excluded Taxes” means, with respect to the Bank or any Participant, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which the Bank or such Participant is organized or in which its principal office is located, and (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Bank or such Participant is located.

“Expiration Date” means November 27, 2020, or such other date to which such day may be extended pursuant to Section 2.10 hereof

“Federal Funds Rate” means, for any day, the rate calculated by the Federal Reserve Bank of New York based on such day’s federal funds transactions by depository institutions, as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time, and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the federal funds effective rate. Notwithstanding anything herein to the contrary, if the Federal Funds Rate as determined as provided above would be less than zero percent (0.0%), then the Federal Funds Rate shall be deemed to be zero percent (0.0%).

“Fee Letter” means that certain Fee Letter dated the Effective Date, from the Bank to the City regarding fees, costs and expenses in connection with this Agreement, as the same may be amended, restated or otherwise modified from time to time.

“Final Date” means the earliest of:

- (a) the Expiration Date; and
- (b) the date the Commitment is reduced to zero pursuant to Section 2.6 or terminated pursuant to Section 7.2 or 7.4 of this Agreement; and
- (c) the Substitution Date.

“Fitch” means Fitch, Inc., and any successor rating agency.

“GAAP” means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute

of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the accounting profession), or in such other statements by such other entity as may be in general use by significant segments of the U.S. accounting profession, which are applicable to the circumstances as of the date of determination and consistently applied.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Highest Lawful Rate" shall mean the maximum net effective interest rate permitted by law to be paid on obligations issued or incurred by the City in the exercise of its borrowing powers (as currently prescribed by Chapter 1204, Texas Government Code), as amended.

"Immediate Termination Event" has the meaning set forth in Section 7.3 hereof.

"Indemnitee" means each of (a) the Bank, (b) any Participant (whether or not the City was given notice of the granting of the Participation in question to such Participant and whether or not the Indemnitee has an interest in any Note or this Agreement at the time any amount is payable to such Indemnitee hereunder), (c) any member at any time of any affiliated group (within the meaning of Section 1504 of the Code) of which any Indemnitee is a member, (d) any of the foregoing Persons' respective officers, directors, shareholders, employees, consultants, servants, attorneys and agents, and (e) any successor to any of such Persons.

"Interest Component" in respect of any Advance, means the portion of such Advance equal to the accrued interest on the maturing Notes which is paid with the proceeds of such Advance pursuant to Section 2.1 hereof.

"Investment Policy" has the meaning set forth in Section 6.21(a) hereof.

"Issuing and Paying Agent" means U.S. Bank National Association, acting in such capacity under the Issuing and Paying Agency Agreement, or any successor issuing and paying agent appointed by the City.

"Issuing and Paying Agency Agreement" means the Issuing and Paying Agency Agreement, dated as of November 28, 2017, between the City and the Issuing and Paying Agent (together with any amendment or supplements thereto or any successor agreement thereto).

"JPMorgan Note Purchase Agreement" has the meaning set forth in the recitals hereto.

"Loan" means an Advance or Term Loan made by the Bank to the City pursuant to Article II hereof.

"Material Adverse Change" or *"Material Adverse Effect"* means a material adverse change in, or a material adverse effect upon, any of (a) the operations, business, properties or financial condition of the City or (b) the legality, validity, binding effect or enforceability of this Agreement, the Issuing and Paying Agency Agreement, the Note Authorization or the Ordinance.

"Moody's" means Moody's Investors Service, Inc. and its successors and assigns.

"No-Issuance Instruction" means the notice described in Section 4.4 hereof.

"Note Agreements" mean, collectively, the Notes issued by the City from time to time, the Note Authorization, the Issuing and Paying Agency Agreement and the Dealer Agreement.

"Note Authorization" means the Ordinance and any written direction to the Issuing and Paying Agent directing the issuance of Notes.

"Note Payment Fund" has the meaning set forth in Section 6.3(a) hereof.

"Notes" means the General Obligation Commercial Paper Notes, Series A of the City.

"Notice of Advance" means a written borrowing request in substantially the form of Exhibit B attached hereto, with appropriate completions, executed by the Issuing and Paying Agent acting on behalf of the City, which requests an Advance from the Bank.

"OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"Offering Memorandum" means the offering memorandum relating to the issuance of the Notes, including any amendment or supplement thereto.

"Ordinance" has the meaning set forth in the recitals hereto.

"Other Taxes" has the meaning set forth in Section 3.2 hereof.

"Outstanding" when used with reference to Notes, as of the date of determination, shall mean all Notes theretofore delivered, except: (1) Notes theretofore cancelled and delivered to the City or delivered to the Issuing and Paying Agent for cancellation; (2) Notes upon transfer of or in exchange for and in lieu of which other Notes have been delivered pursuant to the Ordinance; and (3) Notes under which obligations of the City have been released, discharged or extinguished in accordance with the terms thereof.

"Participant" has the meaning set forth in Section 8.2(b) hereof.

"Participation" has the meaning set forth in Section 8.2(b) hereof.

"Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107-56 (signed into law October 26, 2001).

"Person" means a natural person, corporation (which shall be deemed to include a business trust), unincorporated organization, a government or any department or agency thereof, association, company, partnership, or any other entity.

"Pledged Collateral" means (a) the proceeds from (i) the sale of the Refunding Notes and other Notes from time to time hereafter issued and to be used to pay outstanding principal amounts of the Notes or the Bank Note and (ii) the sale of general obligation bonds issued by the City from time to time hereafter for the purpose of paying the outstanding principal amounts of or interest on the Notes or the Bank Note, (b) borrowings under this Agreement, (c) amounts held in the Note Payment Fund and (d) the proceeds of the tax levy as set forth in the Ordinance.

"Prime Rate" means the rate of interest per annum publicly announced from time to time by the Bank as its prime rate in effect at its office located at 270 Park Avenue, New York, New York; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective. Notwithstanding anything herein to the contrary, if the Prime Rate determined as provided above would be less than zero percent (0.0%), then the Prime Rate shall be deemed to be zero percent (0.0%).

"Principal Component" in respect of any Loan, means the portion of such Loan equal to the principal amount of the Notes paid with the proceeds of such Loan.

"Prior Notes" means the previously issued and outstanding commercial paper notes of the City issued pursuant to Ordinance No. 28060, adopted by the City Council of the City on November 10, 2010.

"Rating Agencies" means Moody's, Fitch and S&P.

"Refunding Notes" mean any Notes issued by the City the proceeds of which are used solely to pay the maturing principal of and interest on previously issued Notes or Prior Notes.

"Related Documents" means and includes (without limitation) this Agreement, the Fee Letter, the Note Agreements, the Bank Note and any and all other documents which the City has executed and delivered, or may hereafter execute and deliver, to evidence or secure the City's obligations thereunder.

"Related Parties" means, with respect to any Person, the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person.

"Revolving Credit Period" means the period commencing on the Effective Date and continuing to the Final Date.

“S&P” means S&P Global Ratings, and any successor rating agency.

“Sanction(s)” means any international economic sanction administered or enforced by the United States Government (including, without limitation, OFAC).

“Series B Notes” has the meaning set forth in the recitals hereto.

“Specified Debt” means (i) any bonds, notes, certificates, debentures or other evidence of similar indebtedness issued by or on behalf of the City that constitutes a general obligation of the City, (ii) the obligations of the City under any Swap Contract (other than any termination payments under any Swap Contract) providing interest rate support with respect to any Debt, (iii) any obligation of the City as lessee under a capital lease which is not subject to appropriation or abatement, (iv) any guarantee by the City (*provided, however*, that the failure to pay any such guarantee as a result of any set-off, recoupment, counterclaim or any other defense of the City shall not constitute a failure to pay Specified Debt for purposes of this Agreement) and (v) direct obligations of the City arising under letters of credit (including standby and commercial), credit agreements, bankers’ acceptances, bank guaranties, surety bonds and similar instruments, and in the case of each of the foregoing clauses (i) through (v), the payment of which is payable from ad valorem taxes levied against all taxable property of the City within the limits prescribed by applicable law.

“Substitution Date” means the date of acceptance by the City and the Issuing and Paying Agent of an Alternate Facility in replacement of this Agreement.

“Suspension Event” has the meaning set forth in Section 7.4(b) hereof.

“Swap Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), value added taxes, or any other goods and services, use or sales taxes, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“*Term Loan*” means an Advance which has been converted to a term loan pursuant to Section 2.1(b) hereof.

“*Term Loan Maturity Date*” means the earliest of (i) the date that is two (2) years from the date the related Advance was made, (ii) the date the Commitment is reduced to zero pursuant to Section 2.6 or terminated pursuant to Section 7.2 or 7.4 of this Agreement, and (iii) the Substitution Date.

Section 1.2. Interpretation. In this Agreement (unless otherwise specified), the singular includes the plural and the plural the singular; words importing any gender include the other gender; references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to; references to “writing” include printing, typing, lithography and other means of reproducing words in a tangible, visible form; references to times of day shall refer to New York City time; the words “including,” “includes” and “include” shall be deemed to be followed by the words “without limitation”; references to articles, sections (or subdivisions of sections), recitals, exhibits, annexes or schedules are to those of this Agreement unless otherwise indicated; references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments, but only to the extent such amendments and other modifications are not prohibited by the terms of this Agreement; the phrase “and/or” shall be deemed to mean the words both preceding and following such phrase, or either of them; and references to the parties and to Persons include their respective permitted successors and assigns and, in the case of governmental Persons, Persons succeeding to their respective functions and capacities.

ARTICLE II

REVOLVING CREDIT; TERM LOANS

Section 2.1. Commitment to Lend. (a) *Revolving Credit.* The Bank agrees that it will, during the Revolving Credit Period, on the terms and conditions set forth in this Agreement, lend to the City from time to time amounts up to, but not to exceed, an aggregate amount at any one time outstanding equal to the Commitment. Each Advance by the Bank under this Section 2.1(a) shall be made in such amount equal to the Principal Component plus the Interest Component, if any, as may be requested by the Issuing and Paying Agent to enable the Issuing and Paying Agent, on behalf of the City, to pay the principal of and accrued interest on the maturing Notes during the Revolving Credit Period and on the date of the Advance. The aggregate Principal Component of all Advances made on any date shall not exceed the Available Principal Commitment on such date. The aggregate Interest Component of all Advances made on any date shall equal the lesser of (i) the Available Interest Commitment on such date and (ii) the actual aggregate amount of interest, if any, accrued on the Notes to be paid with the proceeds of all such Advances on such date. The Interest Component shall be due and payable two (2) Business Days after such Advance is made by the Bank (and shall accrue interest from date of such Advance unless paid on the same day as such Advance pursuant to Section 2.4(a)). The Principal Component of any Advance made by the Bank, may be paid by the City on any date, but shall be paid not later than its Advance Maturity Date, subject to the provisions of Section

2.1(b) below; *provided, however*, that in the event that on the date of any Advance (i) the representations and warranties set forth in Article V hereof are not true and correct in all material respects or (ii) any Event of Default shall have occurred and be continuing, such Principal Component of such Advance shall be due and payable on the date that is two (2) Business Days after such Advance is made; *provided however*, to the extent the City determines that ad valorem debt service tax revenues lawfully available to pay such Advance are not available at that time, such Advance shall not be due and payable until February 1 of the calendar year immediately following the date that the City takes action to levy or assess ad valorem taxes on property subject to taxation by the City. The City may borrow under this Section 2.1(a), prepay under Section 2.7, and reborrow under this Section 2.1(a) at any time and from time to time during the Revolving Credit Period; *provided, however*, that the aggregate of all Advances and Term Loans which are not repaid shall not exceed the aggregate Commitment at any time.

(b) *Term Loans.* The Bank agrees that it will, so long as the terms and conditions set forth in Section 4.3 hereof shall have been satisfied, convert the Principal Component of an Advance, on its Advance Maturity Date, to a Term Loan. Each Term Loan shall be due and payable in installments on each Amortization Payment Date (each such payment, an "*Amortization Payment*"), with the final installment in an amount equal to the entire then-outstanding principal amount of such Term Loan to be repaid on the Term Loan Maturity Date, together with all accrued interest thereon (the period commencing on the Advance Maturity Date and ending on the Term Loan Maturity Date is herein referred to as the "*Amortization Period*"). Each Amortization Payment shall be that amount of principal which will result in equal (as nearly as possible) aggregate Amortization Payments over the Amortization Period. During each Amortization Period, interest on the Term Loans shall accrue at the Bank Rate, be payable monthly in arrears on the first Business Day of each calendar month and be calculated on the basis of a 365 or 366 day year, as applicable, and actual days elapsed.

(c) *Generally.* Notwithstanding anything herein to the contrary, in no event shall the Bank be obligated to make Loans if the sum of such Loan plus the aggregate principal amount of Loans then outstanding would be in excess of the Commitment in effect on such date.

Section 2.2. Method of Borrowing. Each Advance shall be made to the Issuing and Paying Agent pursuant to a completed Notice of Advance signed by the Issuing and Paying Agent and delivered to the Bank not later than 12:00 p.m. (noon) of the Business Day on which an Advance is to be made to the Issuing and Paying Agent. A completed and signed Notice of Advance shall be made to the Bank by delivery of a telecopy, electronic mail, or other written form containing the information prescribed in Exhibit B hereto. Notwithstanding the foregoing, the Bank shall, subject to the conditions set forth in this Section and in Section 4.2 hereof, honor a Notice of Advance made to the Bank on or after any date the Bank has delivered a No-Issuance Instruction pursuant to Section 2.13 hereof, which is also a date upon which Notes are due and payable.

Upon receipt by the Bank of a Notice of Advance, the request for an Advance as therein set out shall be irrevocable by the City. At or prior to 2:00 p.m. on the date for which the Advance is requested, and subject to satisfaction of the applicable conditions set forth in this Section 2.2 and Section 4.2 hereof, the Bank shall make available, in federal or other

immediately available funds, to the Issuing and Paying Agent funds for the account of the City with instructions to deposit such funds to the Note Payment Fund (with instructions for further deposit to any principal or interest payment subaccounts therein, as and if necessary). All Advances made by the Bank pursuant to the terms of this Agreement shall be made from funds of the Bank, and not from the funds of any other Person.

Section 2.3. Bank Note. (a) The Loans made by the Bank shall be evidenced by a Bank Note payable to the order of the Bank in a principal amount equal to the Commitment. The Bank Note shall bear interest on the aggregate principal balance of the outstanding Loans (which balance shall not exceed the principal amount of outstanding Loans received by the City or the Issuing and Paying Agent), and shall be due and payable on the dates, in the amounts and under the circumstances set forth herein and in the Bank Note. No interest shall begin to accrue on the Bank Note until such time as the City or the Issuing and Paying Agent has received a Loan from the Bank under this Agreement.

(b) The Bank shall record, and prior to any transfer of its Bank Note, shall endorse on the schedules forming a part thereof, appropriate notations to evidence the date, amount, type, and maturity of each Loan made by it and the date and amount of each payment of principal and interest made by the City with respect thereto; *provided, however*, that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the City hereunder or under the Bank Note. In any legal action or proceeding in respect of this Agreement or a Bank Note, the notations made on the Bank Note or as provided by the Bank's accounting records shall be presumptive evidence of the existence and amount due thereunder. The Bank is hereby authorized by the City to endorse the Bank Note and to attach to and make a part of the Bank Note a continuation or substitution of any such schedule as and when required.

Section 2.4. Interest.

(a) *Interest Accrual.* Each Loan shall bear interest at the Bank Rate or the Default Rate (as applicable) on the outstanding principal amount thereof for each day from the date such Loan is made until paid in full. To the extent that funds are advanced to the City to pay the accrued interest on Notes maturing on the date of the related Advance and the City repays the Bank the Interest Component of the related Advance by 3:00 p.m. on the same Business Day that such funds are advanced for such purpose, no interest shall accrue on the Interest Component of such Advance.

(b) *Payment Dates.*

(i) Interest on each Advance shall be payable monthly in arrears on the first Business Day of each month (commencing on the first such date to occur after the making of the related Advance) and on the Advance Maturity Date thereof.

(ii) Interest on each Term Loan shall be payable monthly in arrears on the first Business Day of each month (commencing on the first such date to occur after the making of the related Term Loan) and on the Term Loan Maturity Date.

(c) In the event that the rate of interest payable hereunder or under the Bank Note shall exceed the applicable Highest Lawful Rate for any period for which interest is payable, then (i) interest at such Highest Lawful Rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof and (B) such Highest Lawful Rate (the "*Excess Interest Amount*"), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed such Highest Lawful Rate, at which time the City shall pay to the Bank, with respect to amounts then payable to the Bank that are required to accrue interest hereunder, such portion of the deferred Excess Interest Amount as will cause the rate of interest then paid to the Bank, to equal such Highest Lawful Rate, which payments of deferred Excess Interest Amount shall continue to apply to such unpaid amounts hereunder or under the Bank Note until all deferred Excess Interest Amount is fully paid to the Bank. Notwithstanding the foregoing and to the extent permitted by Texas law, upon the date on which no principal amount with respect to the Loans remains unpaid, the City shall pay to the Bank a fee equal to the accrued and unpaid portion of Excess Interest Amount on such date; *provided* that such payment shall not cause interest to exceed the maximum net effective interest rate authorized under Chapter 1204, Texas Government Code, as amended. The obligations of the City under this Section shall survive the termination of this Agreement and the payment in full of the Loans.

(d) Notwithstanding anything contained herein or in the Bank Note to the contrary, the Excess Interest Amount due under the Bank Note shall be paid by the City to the Bank from any unrestricted legally available funds appropriated to make payment thereof, but to the extent the City determines such funds are not available at that time, shall not be required to be paid by the City until February 1 of the calendar year immediately following the date that the City takes action to levy or assess ad valorem taxes on property subject to taxation by the City.

(e) To the extent permitted by law, any overdue principal of and overdue interest on any Loan or any other amount due to the Bank hereunder shall bear interest, payable on demand, for each day the same is overdue until paid, at a rate per annum equal to the Default Rate, payable on demand.

(f) All computations of interest in respect of Loans under this Agreement shall be made on a 365-day year basis and actual days elapsed. Each determination of an interest rate by the Bank pursuant to any provision of this Agreement shall be conclusive and binding on the City and the Bank in the absence of manifest error. In addition, any calculation made pursuant to this Section 2.4(f) hereof that would cause the interest (including amounts described in Section 2.4(e) hereof) paid, payable, or accruing on the indebtedness of the City under this Agreement and the Bank Note to exceed the Highest Lawful Rate shall be adjusted so as to reduce the interest paid, payable, and accruing hereunder to such Highest Lawful Rate, as more fully set out in Section 2.4(c) hereof. All sums paid or agreed to be paid to the Bank for the use, forbearance, or detention of the indebtedness evidenced by the Bank Note shall, to the extent permitted by law (including, to the extent applicable, Chapter 1204, Texas Government Code, as amended), be amortized, prorated, allocated, and spread through the full term of the Bank Note.

(g) Notwithstanding anything contained herein to the contrary, the interest rates applicable to Loans may be changed at any time upon the mutual written agreement of the City

and the Bank. If any such change in the interest rates applicable to Loans is so agreed to, this Agreement and the Bank Note shall remain outstanding and continue in full force and effect, with no modification other than as to the change in the interest rates applicable to Loans, and all Loans will continue to be made under the Bank Note in accordance with this Agreement, modified only to reflect the agreement of the parties with respect to the changed interest rate applicable to Loans.

Section 2.5. Fees. The City hereby agrees to pay to the Bank all amounts set forth in the Fee Letter on the terms, in the amounts and in the manner set forth herein and therein and the terms of the Fee Letter are hereby incorporated herein by reference as if fully set forth herein. Any reference herein to fees and/or any other amounts or obligations payable hereunder or under this Agreement shall include, without limitation, all fees and other amounts or obligations payable pursuant to the Fee Letter, and any reference to this Agreement shall be deemed to include a reference to the Fee Letter. All computations of fees and other amounts due under the Fee Letter shall be made by the Bank on the basis of a year of 360 days and the actual number of days elapsed.

Section 2.6. Termination or Reduction of Commitment. (a) During the Revolving Credit Period, the City may, upon at least three (3) Business Days' notice to the Bank, the Issuing and Paying Agent, the Dealer, and any Rating Agency which has issued a rating on the Notes, reduce from time to time the aggregate unused Commitment by \$1,000,000 or any integral multiple of \$100,000 in excess thereof; *provided* that the City may not reduce the Commitment if the Available Commitment as proposed to be reduced would be less than the aggregate principal amount of all Outstanding Notes. The notice delivered pursuant to the preceding sentence must certify that the conditions set forth in the proviso to such sentence have been satisfied and the Bank shall be entitled to rely upon such certification without any further investigation.

(b) The Commitment shall terminate on the Final Date, subject to the terms hereof.

(c) If the Commitment is terminated in its entirety, all accrued Commitment Fees shall be payable on the effective date of such termination. If the Commitment is reduced, Commitment Fees on the amount by which the Commitment is so reduced shall be payable on the effective date of such reduction and Commitment Fees on the amount by which the Commitment is reduced shall cease to accrue on the date of such reduction.

(d) Notwithstanding any provision of this Agreement or any Related Document to the contrary, the City agrees not to terminate the Commitment, except upon (i) the payment by the City to the Bank of any and all fees required to be paid pursuant to the terms of the Fee Letter, (ii) the payment to the Bank of all obligations of the City payable hereunder, under the Bank Note and under the Fee Letter and (iii) the City providing the Bank with thirty (30) days' prior written notice of its intent to terminate the Commitment; *provided* that all payments to the Bank referred to in clauses (i) and (ii) above shall be made in immediately available funds.

(e) Notwithstanding the foregoing and anything set forth herein to the contrary, the City agrees not to permanently reduce the Commitment except upon payment by the City to the Bank

on the date of such reduction of any and all fees required to be paid pursuant to the terms of the Fee Letter, such amount to be made in immediately available funds.

Section 2.7. Prepayment of Loans. (a) *Optional Prepayments.* The City may, at its option, upon written notice to the Bank, at any time and from time to time, prepay Loans, in whole or in part, without premium or penalty. Each partial prepayment permitted above shall be in the principal amount of \$1,000,000 or any multiple thereof plus accrued interest thereon.

(b) *Mandatory Prepayments.* If on any date (A) the sum of the aggregate principal amount of outstanding Loans and the aggregate principal amount of the Notes and the Series B Notes Outstanding and all interest to accrue on the Notes through their respective maturity dates thereof exceed the amount of the Commitment then in effect, the City shall immediately prepay the Loans in an amount equal to such excess, (B) the aggregate principal amount of Outstanding Notes plus the amount of interest to accrue thereon to maturity exceeds the Available Commitment then in effect, the City shall immediately prepay the Loans in an amount equal to such excess, or (C) any Notes are sold to finance the repayment of a Loan, the City shall immediately prepay any outstanding Loans in an amount equal to the sum of the proceeds from such sale.

(c) *Notice Irrevocable.* Upon receipt by the Bank of a notice of prepayment pursuant to this Section, such notice shall not be revocable by the City.

(d) *Accrued Interest.* Each prepayment shall be accompanied by the payment of accrued interest to the date of such prepayment on the amount prepaid. Section 2.8.

General Provisions as to Payment. The following general provisions shall apply to all payments of Commitment Fees and payments due under the Bank Note and hereunder:

(a) The Bank shall calculate and notify the City in writing of the amounts payable by the City hereunder (other than any Interest Component) and under the Fee Letter not less than ten (10) Business Days preceding any payment date; *provided* that in no event shall the failure by the Bank to timely deliver such an invoice affect the obligation of the City to make all such payments in the amounts and on the dates required in this Agreement and/or the Fee Letter. Such calculations will be based on the assumptions that the interest rate and the Commitment Fee rate will not change from the date of calculation to the payment date. In the event any of such applicable rates change between the date of notification and the payment date, any overpayment or underpayment resulting from such change will be applied to the next ensuing payment or reimbursed, as the case may be.

(b) The City shall make each payment due to the Bank hereunder or under the Fee Letter not later than 3:00 p.m. on the day when due, in federal or other funds immediately available, by wire transfer to such account as the Bank may from time to time designate. All payments received by the Bank after 3:00 p.m. shall be determined to have been received on the next succeeding Business Day and the applicable interest or fee shall continue to accrue.

(c) Whenever any payment due hereunder or under the Fee Letter shall be due on any day which is not a Business Day, the date for payment thereof shall be extended to the next

succeeding Business Day. If the date for the payment or prepayment of amounts due hereunder or under the Fee Letter is extended by the preceding sentence, or by operation of law, or otherwise, interest thereon shall be payable for the period of such extension at the rate applicable thereto under other provisions of this Agreement.

Section 2.9. *Security for Bank Note.* As security for payment of the obligations of the City to the Bank pursuant to this Agreement and the Bank Note in addition to its general obligation pledge, the City has, pursuant to Section 2.11 of the Ordinance, pledged to the Bank all of the City's right, title, and interest in and to the Pledged Collateral, subject only to the parity pledge of the Pledged Collateral to the owners of the Notes pursuant to the Ordinance.

Chapter 1208, Texas Government Code, applies to the Bank Note and the obligations hereunder and under the Fee Letter and the pledge made under this Section 2.9, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bank Note or any obligation hereunder or under the Fee Letter is outstanding and unpaid such that the pledge made by the City hereunder is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the Bank 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, Texas Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 2.10. *Extension of Revolving Credit Period.* Not more than one hundred twenty (120) days prior to the Expiration Date, the City may submit a written request in the form of Exhibit D hereto to the Bank that the Expiration Date be extended for an additional period as agreed to by the parties hereto. The City may request one or more such extensions. Any such written request may be accompanied by requests to increase or decrease the amount, or otherwise modify the terms and conditions, of the Commitment. The Bank has no obligation to agree to extend the Revolving Credit Period or any other request or condition accompanying such request. If the Bank, in its sole discretion following such request by the City, agrees to extend the Revolving Credit Period, the Bank shall give written notice of the election by the Bank to extend to the City, the Issuing and Paying Agent and the Dealer within thirty (30) days from the date of receipt of information necessary, in the Bank's reasonable judgment, to permit the Bank to make an informed credit decision; and such extension shall be subject to preparation, execution and delivery of documentation in form and substance satisfactory to the Bank and the City. If the Bank does not so notify the City, the Expiration Date shall not be so extended. At the time of any extension, the Bank may, in its sole discretion as a condition to such extension, require changes in the terms and conditions of this Agreement, including the Commitment Fee, the Bank Rate or the Default Rate.

ARTICLE III

YIELD PROTECTION; TAXES

Section 3.1. *Increased Costs.* (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, liquidity or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, the Bank;

(ii) impose on the Bank or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement, the Bank Note or any Loans made by the Bank; or

(iii) subject the Bank to any Taxes (other than Excluded Taxes and Taxes covered by Section 3.2 hereof) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to the Bank of making, continuing, converting or maintaining any Advance or Term Loan (or of maintaining the Commitment) or to reduce the amount of any sum received or receivable by the Bank hereunder (whether of principal, interest or otherwise), then the City will pay to the Bank such additional amount or amounts as will compensate the Bank for such additional costs incurred or reduction suffered from lawfully available funds.

(b) If the Bank determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on the Bank's capital or liquidity or on the capital or liquidity of the Bank's holding company, if any, as a consequence of this Agreement or the Loans made by the Bank to a level below that which the Bank or such Bank's holding company could have achieved but for such Change in Law (taking into consideration the Bank's policies and the policies of the Bank's holding company with respect to capital adequacy and liquidity), then, from time to time upon written request of the Bank, the City will pay to the Bank, as the case may be, such additional amount or amounts as will compensate such the Bank or the Bank's holding company for any such reduction suffered.

(c) A certificate of the Bank setting forth the amount or amounts necessary to compensate the Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section together with a commercially reasonable explanation of the amounts payable shall be delivered to the City and shall be conclusive absent manifest error. The City shall pay the Bank the amount shown as due on any such certificate within 30 days after receipt thereof from lawfully available funds.

(d) Failure or delay on the part of the Bank to demand compensation pursuant to this Section shall not constitute a waiver of the Bank's right to demand such compensation; *provided, however,* that the Bank shall use commercially reasonable efforts to notify the City of any Change in Law that the Bank is aware of and, in its reasonable judgement, has determined has or will result in increased costs for which the Bank expects to demand compensation. Notwithstanding any other provision of this Section 3.1 to the contrary, the obligation of the City to make payments hereunder shall not be required earlier than (i) the date on which the City has unrestricted legally available funds appropriated to make payment thereof, and (ii) February 1 of

the calendar year immediately following the date the City takes action to levy or assess ad valorem taxes for the payment of such amounts.

(e) The City agrees that each Participant shall, to the extent of its Participation, be entitled to the benefits of this Section 3.1 as if such Participant were the Bank.

(f) The City shall have no liability to the Bank for any increased costs, increased capital or reduction in return to the extent incurred by the Bank more than one (1) year prior to the date the above certificate is given to the City with respect thereto (the "Cut-Off-Date"), except where (A) the Bank, through no fault of its own, had no actual knowledge of the Change in Law or action resulting in such increased costs, increased capital or reduction as of the Cut-Off-Date or (B) such Change in Law giving rise to such increased costs, increased capital or reduction is retroactive to a date prior to the Cut-Off-Date. If the Bank shall impose increased costs pursuant to this Section 3.1 then the City shall be able to terminate this Agreement as provided in Section 2.6 hereof; *provided, however*, such termination shall be permitted without payment of a termination fee in accordance with the terms of the Fee Letter.

(g) Without prejudice to the survival of any other agreement of the City hereunder, the agreements and obligations of the City contained in this Section shall survive the termination of this Agreement and the payment in full of the obligations of the City hereunder; *provided* that no demand for compensation for increased costs or reductions pursuant to this Section 3.1 shall be made later than sixty (60) days following the termination of this Agreement other than with respect to any Change in Law after such date that is retroactive to a date prior to the date sixty (60) days following the termination of this Agreement.

Section 3.2. Net of Taxes, Etc. (a) Any and all payments to the Bank or a Participant by the City hereunder and under the Fee Letter shall be made free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges, withholdings or liabilities imposed thereon, excluding, however, taxes imposed on or measured by the net income or capital of the Bank or Participant by any Governmental Authority or therein solely as a result of a connection between the Bank or Participant and such jurisdiction or political subdivision (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If the City shall be required by law to withhold or deduct any Taxes imposed by the United States or any political subdivision thereof from or in respect of any sum payable hereunder or under the Fee Letter to the Bank or any Participant, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 3.2), the Bank or Participant receives an amount equal to the sum it would have received had no such deductions been made, (ii) the City shall make such deductions and (iii) the City shall pay, subject to Section 3.2(c) hereof, the full amount deducted to the relevant Governmental Authority in accordance with applicable law. If the City shall make any payment under this Section 3.2 to or for the benefit of the Bank or a Participant with respect to Taxes and if the Bank or a Participant shall claim any credit or deduction for such Taxes against any other taxes payable by the Bank or such Participant to any taxing jurisdiction in the United States then the Bank or such Participant shall pay to the City an amount equal to the amount by which such other taxes are actually reduced; *provided* that the aggregate amount payable by the Bank or such Participant pursuant to

this sentence shall not exceed the aggregate amount previously paid by the City with respect to such Taxes. In addition, the City agrees to pay, subject to Section 3.2(c) hereof, any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America, the State of Texas or the State of New York from any payment made hereunder or under the Fee Letter or from the execution or delivery or otherwise with respect to this Agreement (hereinafter referred to as "Other Taxes"). The Bank and any Participant making a claim hereunder shall provide to the City within a reasonable time a copy of any written notification it receives with respect to Taxes or Other Taxes owing by the City to the Bank or such Participant hereunder or under the Fee Letter; *provided* that the Bank's or Participant's failure to send such notice shall not relieve the City of its obligation to pay such amounts hereunder or under the Fee Letter.

(b) The City shall, to the extent permitted by law and subject to the provisions hereof but subject to Section 3.2(c) hereof, indemnify the Bank and each Participant for the full amount of Taxes and Other Taxes including any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 3.2 paid by the Bank or a Participant or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted; *provided* that the City shall not be obligated to indemnify the Bank or any Participant for any penalties, interest or expenses relating to Taxes or Other Taxes arising from the Bank's or such Participant's negligence or willful misconduct. The Bank and each Participant agree to give notice to the City of the assertion of any claim against the Bank or such Participant relating to such Taxes or Other Taxes as promptly as is reasonably practicable after being notified of such assertion; *provided* that the Bank's or Participant's failure to notify the City promptly of such assertion shall not relieve the City of its obligation under this Section 3.2. Subject to Section 3.2(c), payments by the City pursuant to this indemnification shall be made upon receipt of a written demand therefor, accompanied by a certificate describing in reasonable detail the basis thereof. The Bank and each Participant agree to repay to the City any refund (including that portion of any interest that was included as part of such refund) with respect to Taxes or Other Taxes paid by the City pursuant to this Section 3.2 received by the Bank or Participant for Taxes or Other Taxes that were paid by the City pursuant to this Section 3.2 and to contest, with the cooperation and at the expense of the City, any such Taxes or Other Taxes which the Bank, such Participant or the City reasonably believes not to have been properly assessed.

(c) Notwithstanding any other provision of this Section 3.2 to the contrary, the obligation of the City to make payments hereunder shall not be required earlier than (i) the date on which the City has unrestricted legally available funds appropriated to make payment thereof, and (ii) February 1 of the calendar year immediately following the date the City takes action to levy or assess *ad valorem* taxes for the payment of such Taxes or Other Taxes.

(d) Within thirty (30) days after the date of any payment of Taxes by the City, the City shall furnish to the Bank the original or a certified copy of a receipt evidencing payment thereof.

(e) The obligations of the City under this Section 3.2 shall survive the termination of this Agreement, the Bank Note and the Note Agreements; *provided* that no demand for payment under this Section 3.2 shall be made later than sixty (60) days following the termination of this

Agreement other than with respect to Taxes that are retroactive to a date prior to the date sixty (60) days following the termination of this Agreement.

ARTICLE IV

CONDITIONS PRECEDENT

Section 4.1. Conditions Precedent to Commitment. The obligation of the Bank to establish the Commitment and execute and deliver this Agreement is subject to the satisfaction of each of the following conditions precedent on or before the Effective Date, all in form and substance satisfactory to the Bank:

(a) *Approvals.* The Bank shall have received copies of all action taken by the City including, but not limited to, the Ordinance, approving the execution and delivery by the City of this Agreement, the Fee Letter, the Bank Note, the Note Agreements and the Offering Memorandum, in each case, certified by an authorized official of the City as complete and correct as of the Effective Date.

(b) *Incumbency of City Officials.* The Bank shall have received an incumbency certificate of the City in respect of each of the officials who is authorized to (i) sign this Agreement, the Fee Letter, the Bank Note and the Note Agreements on behalf of the City and (ii) take actions for the City under this Agreement, the Fee Letter, the Bank Note and the Note Agreements.

(c) *Opinions of Co-Bond Counsel.* The Bank shall have received written opinions of Co-Bond Counsel, addressed to the Bank, dated the Effective Date, in the form attached hereto as Exhibit E.

(d) *Opinion of City Attorney.* The Bank shall have received a written opinion of the City Attorney, dated the Effective Date, in the form attached hereto as Exhibit F.

(e) *Attorney General Opinion.* The Bank shall have received the approving opinion of the Attorney General of Texas approving the proceedings authorizing the Notes and this Agreement.

(f) *Documents.* The Bank shall have received copies of each of this Agreement, the Fee Letter, the JPMorgan Note Purchase Agreement and the Note Agreements, duly executed by the parties thereto, which agreements shall be in full force and effect as well as an executed or certified copy of each document, instrument, certificate and opinion delivered pursuant to the foregoing in connection with the issuance and delivery of the Notes, including a specimen copy of the Notes.

(g) *Bank Note.* The Bank shall have received the executed Bank Note.

(h) *Offering Memorandum.* The Bank shall have received the final version of the Offering Memorandum.

(i) *No Default, Etc.* (i) No Default or Event of Default shall have occurred and be continuing as of the date hereof or will result from the execution and delivery by the City of this Agreement, the Fee Letter, the Bank Note and the Note Agreements, and the establishment of the Commitment, (ii) the representations and warranties made by the City in Articles V hereof (including those incorporated by reference) shall be true and correct in all material respects on and as of the Effective Date as if made on and as of such date, and (iii) the Bank shall have received a certificate, dated the Effective Date, from the City to the foregoing effect.

(j) *Issuing and Paying Agent.* The Bank shall have received evidence of the power and authority of the Issuing and Paying Agent to execute its responsibilities under the Issuing and Paying Agency Agreement and a certificate, dated the Effective Date and in a form reasonably acceptable to the Bank, of the Issuing and Paying Agent as to such matters incident to this Agreement and the other Related Documents and the transactions contemplated hereby and thereby as the Bank shall have reasonably requested.

(k) *Dealer.* The Bank shall have received evidence that Jefferies & Co., Inc. is the duly appointed and acting Dealer for the Notes.

(l) *Ratings.* The Bank shall have received evidence that (i) the Notes have been rated at least "F1+" by Fitch and "A-1" by S&P and (ii) the long-term credit rating assigned to the City's general obligation Debt (without giving effect to any bond insurance policy or other credit enhancement) is at least "A1" (or its equivalent) by Moody's, "AA" (or its equivalent) by Fitch and "AA-" (or its equivalent) by S&P.

(m) *Bank Note.* The City shall have provided a CUSIP number for the Bank Note and a rating applicable to the Bank Note of no less than "BBB-" (or its equivalent) or better by Fitch.

(n) *Other Documents.* The Bank shall have received such other documents, certificates, and opinions as the Bank or its counsel shall have reasonably requested as well as such copies of the City's annual budget, Investment Policy and financial reports as the Bank shall have requested.

(o) *Fees and Expenses.* All fees and expenses due and payable to the Bank or its legal counsel pursuant to the Fee Letter shall be paid.

(p) *House Bill 1295.* The City shall have electronically acknowledged the filing of Form 1295 required by Texas House Bill 1295.

In addition, (A) the Bank shall have determined, as of the Effective Date, that no law, regulation, ruling or other action of the United States, the State of New York or the State of Texas or any political subdivision or other Governmental Authority therein or thereof shall be in effect or shall have occurred, the effect of which would be to prevent the City, the Issuing and Paying Agent, the Dealer or the Bank from fulfilling their respective obligations under this Agreement, the Fee Letter or the other Related Documents to which each such entity is a party

and (B) no material adverse change in the laws, rules, guidelines, or regulations (or their interpretation or administration) currently in effect and applicable to the parties hereto, and the transactions contemplated hereby, as determined in sole discretion of the Bank, shall have occurred.

Section 4.2. Conditions Precedent to Making Advances. The obligation of the Bank to make an Advance hereunder is subject to the following conditions precedent on or before the time on which the Advance is to be made:

(a) *Notice of Advance.* As provided in Section 2.2 hereof, the Bank shall have received a properly completed Notice of Advance.

(b) *No Immediate Termination Event or Suspension Event.* No Immediate Termination Event or Suspension Event shall have occurred; *provided, however,* that in the case of a Suspension Event, the Bank's obligation to make Advances hereunder is subject to reinstatement as provided in Section 7.4(b) hereof.

In addition, the Bank shall not have any obligation to make an Advance to pay the principal of or interest on any Notes which were issued by the City after receipt by the Issuing and Paying Agent, the Dealer, and the City of a No-Issuance Instruction.

Section 4.3. Conditions Precedent to Term Loan. The obligation of the Bank to make any Term Loan is subject to satisfaction of the conditions that (A) no Default or Event of Default has occurred and is continuing, and (B) the representations and warranties of the City contained in this Agreement or the other Related Documents are true and correct in all respects as of the related Advance Maturity Date.

Section 4.4. Conditions Precedent to Issuance of Notes. No Notes shall be issued unless on the date of such issuance, each of the following conditions precedent shall have been fulfilled in a manner satisfactory to the Bank (or waived by the Bank in writing):

(i) *Representations and Warranties, No Event of Default.* The representations and warranties contained herein, each other Related Document and each certificate or other writing delivered to the Bank pursuant hereto or thereto on or prior to the date of such issuance shall be correct on and as of such date as though made on and as of such date, except to the extent a representation or warranty relates specifically to an earlier date (in which case such representation or warranty shall be true and correct as of such date), and no Event of Default or Default shall have occurred and be continuing on such date or would result from such issuance.

(ii) *Commercial Paper.* All conditions precedent for the issuance of the Notes hereunder and under the Note Agreements shall have been satisfied.

(iii) *Note Agreements.* The Note Agreements shall be in full force and effect.

(iv) *No-Issuance Instruction.* The Bank shall not have given a No-Issuance Instruction.

(v) *Available Commitment.* The aggregate principal amount of Outstanding Notes, after giving effect to such issuance, shall not exceed the Available Commitment then in effect.

Unless the City shall have previously advised the Bank in writing that one or more conditions set forth in subsections (i), (ii), (iii) and (v) of this Section 4.4 have not been satisfied, the City shall be deemed to have represented and warranted that on the date of such issuance or authentication of any Notes, the above conditions have been satisfied. The Bank may deliver a notice to the Issuing and Paying Agent and to the City in the form of Exhibit C hereto, directing the City and the Issuing and Paying Agent not to issue or authenticate any Notes (a "*No-Issuance Instruction*"), at any time that the Bank shall have determined that any condition to the issuance of any Notes has not been satisfied. The No-Issuance Instruction may be delivered by telecopy, by facsimile, by mail, by electronic mail or by messenger, and may also be given by telephone if promptly confirmed in writing, *provided* that the failure to confirm such No-Issuance Instruction promptly in writing shall not render any telephonic notice ineffective or invalid in any respect. Upon receipt of such No-Issuance Instruction, the City will not permit the Issuing and Paying Agent to issue or authenticate any Notes, unless and until such No-Issuance Instruction is rescinded by the Bank. The City shall use its best efforts to cause the Issuing and Paying Agent to comply immediately with any such No-Issuance Instruction. The Bank shall not incur any liability as a result of the Bank's giving any No-Issuance Instruction that, in its good faith judgment, the Bank determines to be in accordance with this Section 4.4. The Bank agrees that if, after the delivery of a No-Issuance Instruction, the Bank determines that the conditions to the issuance of any Notes have been satisfied and the Bank has received a notice from the City to such effect, then the Bank shall promptly deliver a notice (a copy of which shall be delivered by the Bank to the City and each Dealer) to the Issuing and Paying Agent, rescinding such No-Issuance Instruction.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

To induce the Bank to enter into this Agreement, extend the Commitment and make Advances, the City represents and warrants to the Bank on the Effective Date that:

Section 5.1. Due Existence. The City (i) is an incorporated city under a home-rule charter adopted pursuant to Article XI, Section 5 of the State of Texas Constitution; and (ii) has the full legal right, power, and authority to (A) own its properties and to carry on its business as now being and hereafter proposed to be conducted, (B) execute and deliver this Agreement and the Related Documents, (C) perform all its obligations and liabilities under this Agreement and the Related Documents, (D) receive Loans, and otherwise incur Debt in accordance with this Agreement and the Fee Letter, and (E) levy ad valorem taxes on all taxable property within the City, within the limits prescribed by applicable law including, without limitation, to pay the principal of and interest on the Notes, all other outstanding bonds and notes of the City and all of

its obligations hereunder (including, without limitation, the obligation to repay all Loans, to pay all interest thereon, and to pay all fees and other amounts payable hereunder and under the Fee Letter).

Section 5.2. Authorization; No Conflict. The execution and delivery of this Agreement and the Fee Letter, the execution and delivery of the Bank Note, the authorization and issuance of the Notes, the execution and delivery of the Note Agreements, the borrowings represented by the Loans hereunder and the performance by the City of its obligations under this Agreement, the Bank Note and the Note Agreements, are within the City's powers, have been duly authorized by all necessary governmental action, have received all necessary approval (if any shall be required), and do not and will not contravene or conflict with any provision of law (including the Constitution of the State of Texas) or of any agreement binding upon the City.

Section 5.3. Valid and Binding Nature. This Agreement, the Fee Letter, the Bank Note and the Note Agreements are, and the Notes when issued will be, legal, valid, and binding obligations of the City enforceable against the City (assuming this Agreement and the Fee Letter are valid and binding agreements of the Bank) in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws or equitable principles relating to or limiting creditors rights and remedies generally.

Section 5.4. Litigation and Contingent Liabilities. Except as disclosed in the Offering Memorandum as in effect on the Effective Date, no litigation, arbitration proceedings, or governmental proceedings are pending or threatened against the City which question or seek to limit the right, power, or authority of the City to enter into this Agreement to issue the Bank Note, to issue the Notes, to enter into the other Note Agreements or to perform any of its obligations under this Agreement, the Fee Letter, the Bank Note or the Note Agreements or that would, if adversely determined, materially and adversely affect the financial condition of the City or its ability to perform its obligations hereunder or thereunder.

Section 5.5. Governmental Approvals. No approval, permit, consent or authorization of, or registration or filing with, any Governmental Authority or Person not already obtained or made (or will have been obtained on or prior to the Effective Date) is required on the part of the City in connection with the execution and delivery by the City or the performance of any of its obligations under this Agreement, the Fee Letter, the Bank Note or any Note Agreement.

Section 5.6. Financial Statements. The audited financial statements of the City for the fiscal year ended September 30, 2016, and the auditors' reports with respect thereto, copies of which have been furnished to the Bank, correctly and fairly present the financial position, changes in financial position and the results of operations of the City at and for the periods ended on such dates, and were prepared in accordance with GAAP. Since September 30, 2016, there has been no Material Adverse Change in such financial condition.

Section 5.7. No Default. The City is not in default under (a) any order, writ, injunction or decree of any Governmental Authority applicable to it, (b) any law applicable to it, (c) any general obligation Debt or other obligations payable from or secured by the Pledged Collateral, or (d) any contract, agreement or instrument to which the City is a party or by which it or its

property is bound, which default would have a Material Adverse Effect on the properties, business, condition (financial or other), results of operations or prospects of the City or the transactions contemplated by this Agreement, the Bank Note, the Fee Letter or the Note Documents, or which could reasonably be expected to have a Material Adverse Effect on the validity or enforceability of, or the authority or ability of the City to perform its obligations under, this Agreement, the Bank Note, the Fee Letter or any other Related Document to which it is a party; and no event has occurred which with the giving of notice or the passage of time or both would constitute such a default. No Default or Event of Default has occurred or is existing hereunder.

Section 5.8. Full Disclosure. None of the representations or warranties made by the City in this Agreement as of the date such representations and warranties are made or deemed made, and none of the statements contained in each exhibit or any certificate furnished by or on behalf of the City contains any untrue statement of a material fact or omits any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading.

Section 5.9. Pledged Collateral. Section 2.11 of the Ordinance creates a valid, continuing and irrevocable lien on and pledge of the Pledged Collateral in favor of the Bank to secure the obligations of the City hereunder, including without limitation, the principal of and interest on the Notes and the Loan Note, and such Section 2.11 is hereby incorporated herein by reference.

Section 5.10. General Obligation. All obligations of the City in respect of principal of, and interest on, the Notes, the Bank Note and all obligations hereunder (including, without limitation, the obligation of the City to repay all Advances, to pay all interest thereon, and to pay all fees and other amounts payable hereunder and under the Fee Letter) constitute direct and general obligations of the City payable from ad valorem taxes levied against all taxable property of the City within the limits prescribed by applicable law. The City currently intends, at appropriate times, to issue its bonds, the proceeds of which will repay all or a portion of the Notes and the Bank Note.

Section 5.11. Ad Valorem Taxes. The Ordinance (i) levies an ad valorem tax against all taxable property of the City in each year sufficient to pay the principal of and interest due on the Notes and the Bank Note, and, as of the Effective Date, (ii) was duly adopted, is in full force and effect, and has not been amended or otherwise modified.

Section 5.12. Margin Stock. No portion of the proceeds of any Loans shall be used by the City (or the Issuing and Paying Agent or any other Person on behalf of the City) for the purpose of "purchasing" or "carrying" any margin stock or used in any manner which might cause the borrowing or the application of such proceeds to violate Regulation U of the Board of Governors of the Federal Reserve System or any other regulation of the Board or to violate the Securities Exchange Act of 1934, as amended, in each case as in effect on the date or dates of such Advances and such use of proceeds.

Section 5.13. Tax-Exempt Status. The City has not taken any action or omitted to take any action, and knows of no action taken or omitted to be taken by any other person or entity, which action, if taken or omitted, would cause interest on the Notes to be subject to federal income taxes or such Notes to be subject to local personal property taxes within the City levied by it or any political subdivision thereof.

Section 5.14. Permitted Investments. The City has neither made any investment nor entered into any agreements for the purpose of effecting any investment which are not permitted to be made by it pursuant to its Investment Policy, the Ordinance or any other Related Document.

Section 5.15. No Proposed Legal Changes. There is no amendment or, to the knowledge of the City, proposed amendment certified for placement on a ballot within the State of Texas, or any legislation that has passed either house of the State of Texas Legislature, or any published judicial decision interpreting any of the foregoing, the effect of which is to materially adversely affect the Notes, or any holder thereof in its capacity as such, or the ability of the City to perform its obligations under this Agreement, the Bank Note, the Fee Letter or the Related Documents.

Section 5.16. Note Agreements. The City makes each of the representations, warranties and covenants contained in the Note Agreements to which it is a party to, and for the benefit of, the Bank as if the same were set forth at length herein together with all applicable definitions thereto. Except to the extent expressly permitted by Section 6.15 hereof, no amendment, modification, termination or replacement of any such representations, warranties, covenants and definitions contained in the Note Agreements shall be effective to amend, modify, terminate or replace the representations, warranties, covenants and definitions incorporated herein by this reference, without the prior written consent of the Bank.

Section 5.17. OFAC . Neither the City, nor, to the knowledge of the City, any Related Party, (a) is currently the subject of any Sanctions, (b) is located, organized or residing in any Designated Jurisdiction, or (c) is or has been (within the previous five (5) years) engaged in any transaction with any Person who is now or was then the subject of Sanctions or who is located, organized or residing in any Designated Jurisdiction. Neither the City nor, to the knowledge of the City, any Related Party, have used the proceeds from the Notes or any Loans, directly or indirectly, to lend, contribute, provide or otherwise be made available to fund any activity or business in any Designated Jurisdiction or to fund any activity or business of any Person located, organized or residing in any Designated Jurisdiction or who is the subject of any Sanctions, or in any other manner that will result in any violation by any Person (including the Bank) of Sanctions.

Section 5.18. Mandamus. The duties and obligations of the City under this Agreement that are clearly defined and non-discretionary and for which there is no other remedy available at law are enforceable by mandamus in any court of competent jurisdiction.

Section 5.19. ERISA. The City is not required to maintain or contribute to, does not maintain or contribute to, and has not maintained or contributed to, any employee pension benefit plan that is subject to Title IV of ERISA.

ARTICLE VI

COVENANTS

From the Effective Date and so long as the Bank is obligated to make Advances hereunder and under the Bank Note and until the payment in full of all of the obligations of the City under this Agreement and the Bank Note, the City shall unless the Bank otherwise consents in writing:

Section 6.1. Reporting Requirements. The City will deliver to the Bank:

(a) as soon as available, a copy of the management-prepared financial forecast report (prepared using the budget basis of accounting, not GAAP) for each fiscal quarter of the City, which report shall include with respect to the City's general and proprietary funds: (i) revenues and expenditures to date, (ii) fiscal year budgeted revenues and expenditures and (iii) fiscal year-end forecasts and variances from budget represented by such forecasts;

(b) as soon as available, but not later than nine (9) months after the close of each fiscal year of the City, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of and for the year ended for the City certified by an independent accountant selected by the City. Such certificate shall not be qualified or limited;

(c) concurrently with the delivery of the financial statements referred to in Section 6.1(b), a certificate of an Authorized Officer stating that, to the best of such officer's knowledge, the City, during such period, has observed and performed all of its covenants and other agreements, and satisfied every condition contained in this Agreement to be observed, performed or satisfied by it, and that such officer has obtained no knowledge of any Default or Event of Default except as specified (by applicable Section reference) in such certificate;

(d) promptly upon the availability thereof, a copy of any official statement, offering memorandum or other disclosure documents relating to the offering of any general obligation Debt;

(e) as soon as available, but not later than ninety (90) days after adoption by the City, the City's budget and a copy of the capital budget, and any amendments thereto;

(f) such other statements, lists of property and accounts, budgets, forecasts or reports with respect to the City as the Bank may reasonably request;

(g) at the request of the Bank, a statement of the amount of Notes outstanding and the interest rates on such Notes; and

(h) from time to time such additional information regarding the financial position, operations, business or prospects of the City as the Bank may reasonably request.

As and to the extent the information required by this Section 6.1 has been properly and timely filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access System, the City will be deemed to have complied with the provisions of this Section.

Section 6.2. Accounting Records. The City shall maintain adequate books, accounts and records and permit employees or agents of the Bank at any reasonable time to examine or audit the books, accounts and records of the City and make copies and memoranda.

Section 6.3. Note Payment Fund. (a) The City will create and establish with the Issuing and Paying Agent a separate and special account to be designated as the City of Dallas Note Payment Account, Series A (the "*Note Payment Fund*"). The Note Payment Fund shall contain the following accounts: (i) Interest Payment Account; and (ii) Principal Payment Account (which may contain within it one or more subaccounts for the Term Loans). Moneys on deposit in the Note Payment Fund shall be used to pay principal of and interest on Notes and the Bank Note as the same shall become due and payable as provided herein and in the Ordinance and to repay any borrowings or other amounts payable pursuant to this Agreement and under the Fee Letter.

(b) All proceeds of borrowings under this Agreement, all proceeds received by the City with respect to any Notes and Refunding Notes, and all other available funds of the City that the City may elect at its sole option to deposit therein, shall be deposited into the Note Payment Fund and used to pay the principal of and interest on the Notes and the Bank Note.

(c) Moneys deposited in said Note Payment Fund may be invested by the Issuing and Paying Agent at the direction of the City in investments as are permitted by the laws of the State of Texas and are within the City's Investment Policy; *provided, however*, that such investment does not inhibit the punctual payment of the principal and interest on the Notes and the Bank Note; and *provided, further*, that no funds derived from Advances made pursuant to this Agreement may be invested by or on behalf of the City and all said funds shall be held segregated from all other accounts and funds of the Issuing and Paying Agent.

Section 6.4. Payments. The Notes and the Bank Note are general obligations of the City payable from and secured by the funds pledged therefor pursuant to the Ordinance. The City agrees to make payments into the Note Payment Fund at such times and in such amounts as are necessary to provide for the full payment of the principal of and the interest on the Notes and the Bank Note when due.

Section 6.5. Security and Pledge. To provide security for the payment of the principal of and interest on the Notes, the Bank Note and any other amounts due under this Agreement as

the same shall become due and payable, the City has granted a lien on and pledge of (subject only to the provisions of the Ordinance permitting the application thereof for purposes and on the terms and conditions set forth therein) the Pledged Collateral. The City shall at all times keep the Pledged Collateral and every part thereof free and clear of all pledges and security interests except the pledges granted in the Ordinance or permitted under the Related Documents, and shall maintain the pledge of the Pledged Collateral to the Bank as a fully perfected pledge and all rights of the City to receive any amount of the Pledged Collateral, subject only to the rights of the owners of Notes pursuant to the Ordinance.

Section 6.6. Compliance with the Ordinance. The covenants and agreements contained in the Ordinance are hereby incorporated herein and shall be deemed to be for the benefit and protection of the Bank and its rights under and pursuant to this Agreement and the Fee Letter.

Section 6.7. Punctual Payment. The City will punctually pay or cause to be paid (i) the principal and interest due on the Notes and the Bank Note and (ii) the fees owed to the Bank under this Agreement and under the Fee Letter, in strict conformity with the terms hereof, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Agreement.

Section 6.8. Proceeds of Notes. The proceeds of the Notes will be used by the City solely for the purposes described in the Ordinance. The proceeds of the Advances will be applied by the City only to pay the principal of and interest on the Notes at stated maturity during the Revolving Credit Period.

Section 6.9. Other Bank Facilities. The City shall not enter into or become liable under any other bank facilities in connection with the City's general obligation Debt unless the obligations of the City under such other bank facility are pari passu with the Bank Note and all other obligations to the Bank under this Agreement and under the Fee Letter, both in right of payment and with respect to any lien on or pledge of a levy of ad valorem tax on taxable property of the City; *provided* that the City shall not grant or suffer to exist any lien on or pledge of any security provided to the Bank as described in Section 6.5 (other than that tax levy), except for a lien or pledge in favor of the holders of the Notes or otherwise in favor of the Bank.

Section 6.10. Notices to Rating Agencies. The City will notify the Rating Agencies in a timely manner of any matter with respect to which the City has separately agreed with any of the Rating Agencies to provide such notice, and the City shall promptly provide the Bank with a copy of such notice.

Section 6.11. Performance by City. The City shall punctually pay or cause to be paid all amounts payable under this Agreement, the Bank Note, the Fee Letter and the other Related Documents and observe and perform all of the conditions, covenants and requirements of this Agreement, the Bank Note, the Fee Letter and the other Related Documents. In addition, the City covenants that it will comply with the requirements of all applicable law of any Governmental Authority having jurisdiction over the City, non-compliance with which could reasonably be expected to have a Material Adverse Effect on its ability to perform its obligations under this Agreement, the Bank Note, the Fee Letter or the other Related Documents to which it

is a party, unless the same is being contested in good faith and by appropriate proceedings and such contest shall operate to stay the Material Adverse Effect of any such non-compliance. The City will perform all of its obligations under each of the Note Agreements.

Section 6.12. Notice of Certain Events. The City will:

(a) Promptly, and in any event within five (5) Business Days of the City becoming aware thereof, notify the Bank in writing of the occurrence of any Default or Event of Default, describing the nature thereof and the action the City proposes to take with respect thereto.

(b) Promptly, and in any event within fifteen (15) Business Days of the City becoming aware thereof, any litigation or administrative proceedings against the City of which the City has received actual notice and in which there is a reasonable possibility of an adverse determination and which could reasonably be expected to have a Material Adverse Effect on (A) the financial condition of the City or (B) the City's ability to perform its obligations under this Agreement, the Bank Note or any Note Agreement.

Section 6.13. Maintenance of Issuing and Paying Agent and Dealer. The City will maintain in place an Issuing and Paying Agent under the Issuing and Paying Agency Agreement and a Dealer for the Notes, and obtain the prior written consent of the Bank (which consent shall not be unreasonably withheld) to any change in the Persons acting as Issuing and Paying Agent or Dealer. If a Dealer fails to perform its duties under the Dealer Agreement (including, without limitation, an inability or failure to sell Notes to pay maturing Notes), then the City agrees at the written request of the Bank, to cause the Dealer to be replaced with a Dealer satisfactory to the Bank.

Section 6.14. No Conflicting Agreements. The City will not enter into any agreement containing any provision which would be violated or breached by the performance of its obligations hereunder, under the Bank Note or under the Note Agreements.

Section 6.15. Amendments to Note Agreements. The City will not amend or modify any provision of, or give any consent or grant any waiver under, any Note Agreement without first obtaining the Bank's written consent.

Section 6.16. Total Outstanding. At no time shall the City permit (i) the aggregate principal amount of outstanding Notes plus the amount of interest to accrue thereon to maturity to exceed the Available Commitment; and (ii) the sum of (x) the aggregate principal amount of the Notes and the Series B Notes Outstanding and all interest to accrue on the Notes through the maturity dates thereof, and (y) the aggregate principal amount of all outstanding and unpaid Advances, Term Loans and the "Term Loan" as defined in the JPMorgan Note Purchase Agreement, to exceed the Commitment.

Section 6.17. Tax Exemption. The City will not take any action, or omit to take any action, under present or future laws, rules, regulations, or official interpretations thereof which, if

omitted or taken, would cause interest on the Notes to be includable in the gross income of the owners thereof for federal tax purposes.

Section 6.18. Offering Memorandum. Other than as expressly consented to in writing by the Bank, the City will not refer to the Bank in any offering or reoffering document with respect to the Notes or make any changes in reference to the Bank in any revision of the Offering Memorandum or any such offering or reoffering document without the Bank's prior written consent thereto.

Section 6.19. Further Assurance. The City will execute and deliver to the Bank all such documents and instruments as may be necessary or reasonably required by the Bank to enable the Bank to exercise and enforce its rights under this Agreement, the Bank Note and the Note Agreements.

Section 6.20. Ratings. The City shall at all times maintain (i) a credit rating on the Notes from at least one Rating Agency, and (ii) a long-term unenhanced credit rating on its general obligation Debt from at least one Rating Agency. The City covenants and agrees that it shall not at any time withdraw any long-term unenhanced credit rating on its general obligation Debt from any of Fitch, Moody's or S&P if the effect of such withdrawal would be to cure a Default or an Event of Default under this Agreement or reduce the Commitment Fee.

Section 6.21. Investments Guidelines. The City will:

(a) Promptly notify the Bank in writing of any changes proposed to the City's written investment policies or guidelines (the "*Investment Policy*"), a copy of which has been delivered by the City to the Bank prior to the Effective Date, if the proposed change would increase the types of investments permitted by such Investment Policy.

(b) Promptly notify the Bank in writing, after the adoption thereof by the City, of any change in the Investment Policy, which change increases the types of investments permitted by the Investment Policy and of which change the Bank was not previously notified pursuant to clause (a) above.

(c) Promptly notify the Bank in writing after the adoption by the City of any amendments to the City's Financial Management Performance Criteria, a copy of which has been delivered by the City to the Bank prior to the Effective Date.

Section 6.22. Tax Levy. So long as any Loan remains outstanding, the City hereby covenants to cause the ad valorem taxes levied for the payment of the principal thereof and the interest thereon as and when the same become due to be assessed at a rate sufficient to pay the principal thereof and the interest thereon in full as and when the same become due.

Section 6.23. Substitution. (a) The City will not provide an Alternate Facility unless (i) the City shall have given the Bank at least sixty (60) days' prior written notice thereof, (ii) this Agreement shall have been returned to the Bank for cancellation no later than one (1)

Business Day after the effective date of such Alternate Facility and (iii) all obligations of the City hereunder, under the Fee Letter and under the Bank Note shall have been paid in full.

(b) The City shall obtain an Alternate Facility to replace this Agreement (and, prior to the effectiveness thereof, shall make arrangements reasonably satisfactory to the Bank for the payment in full of all obligations of the City hereunder, under the Fee Letter and under the Bank Note) not more than ninety (90) days after an extension of the Expiration Date is not effected pursuant to Section 2.10 hereof. The City covenants and agrees to cause the repayment of all obligations of the City hereunder, under the Fee Letter and under the Bank Note as and when due.

Section 6.24. Fiscal Year. The City will not adopt, permit or consent to any change in its established fiscal year without giving the Bank written notice thereof.

Section 6.25. Swap Contracts. The City shall at all times require that any termination fees or settlement amounts payable in connection with any Swap Contract entered into by the City on or after the Effective Date shall be subordinate to the payment of principal of, and interest on, the Notes and the Bank Note; *provided, however,* that the foregoing shall not operate to prevent amendments and supplements to Swap Contracts entered into prior to the date hereof as long as such amendments or supplements do not operate to modify the priority of payment of any related termination fees or settlement amounts.

Section 6.26. Provisions to Facilitate Payments. The City shall cause to be included in each annual budget of the City reasonable provisions for the payment of all amounts due and estimated to become due with respect to the Notes and obligations payable to the Bank under this Agreement, the Fee Letter, the Bank Note and the other Related Documents during the fiscal year covered by such budget. To the extent that amounts actually due and payable to the Bank under this Agreement, the Fee Letter, the Bank Note and the other Related Documents in any fiscal year exceed the amounts estimated and/or available therefrom in an annual budget of the City for such fiscal year, the City shall take, or cause to be taken, as promptly as possible, all such actions (including, without limitation, amendments of such annual budget) as may be required to permit and facilitate the expenditure of additional moneys from all sources legally available for the payment of such amounts.

Section 6.27. Waiver of Sovereign Immunity. To the extent allowed by Texas law, including particularly Chapter 1371, Texas Government Code, the City waives immunity from suit or liability for the purpose of adjudicating a claim to enforce the City's contractual obligations under this Agreement and the Bank Notes.

Section 6.28. JPMorgan Note Purchase Agreement. The City shall cause the JPMorgan Note Purchase Agreement to remain in full force and effect at all times during the term of this Agreement (except to the extent terminated by the Bank).

ARTICLE VII

EVENTS OF DEFAULT

The occurrence of any event set forth in Section 7.1 or Section 7.3 shall constitute an event of default hereunder (each, an "*Event of Default*").

Section 7.1. Events of Default Not Permitting Immediate Termination.

(a) The City fails to pay any fees, expenses or other amounts (other than an Advance or a Term Loan covered by Section 7.3(a)) payable hereunder or under the Fee Letter within five (5) days after receipt of an invoice therefor; or

(b) A breach or failure of performance by the City of any covenant contained in Section 6.5, 6.6, 6.7, 6.8, 6.12, 6.16, 6.17, 6.18, 6.20 or 6.22 hereof; or

(c) A breach or failure of performance by the City of any covenant, condition, or agreement on its part to be observed or performed contained herein (other than a breach or failure covered by another paragraph in this Section 7.1 or Section 7.3) and any such breach or failure (if capable of remedy) continues for a period of thirty (30) days after notice thereof from the Bank to the City; *provided, however*, that if such default cannot be cured in such 30-day period, but can reasonably be cured within ninety (90) days after such notice and the City is diligently working to cure the same, then such default shall not become an Event of Default until ninety (90) days after such notice; or

(d) Any of the City's representations or warranties made or deemed made herein or in any statement or certificate at any time given pursuant hereto or in connection herewith proves at any time to have been false or misleading in any material respect when made and any such false or misleading statement or certificate (if capable of remedy) continues for a period of sixty (60) days after notice thereof from the Bank to the City; or

(e) Entry or filing of any judgment, order, writ or warrant of attachment in an amount in excess of \$20,000,000 against the City or against any of its property and failure of the City to vacate, bond, stay or contest in good faith such judgment, writ, warrant of attachment or other process for a period of sixty (60) days or a failure to pay or satisfy such judgment within sixty (60) days or as otherwise required by such judgment, writ or warrant of attachment; or

(f) (i) The principal of or interest on any Debt in excess of \$25,000,000 in the aggregate or any Specified Debt or the maturity of any such Debt or such Specified Debt has been accelerated or such obligation is otherwise required to be prepaid prior to the stated maturity thereof or (ii) any event shall occur permitting the holder or holders of any Debt in excess of \$25,000,000 in the aggregate or any Specified Debt to accelerate such Debt or such Specified Debt or require repayment thereof prior to stated maturity thereof, but not including as such an event the exercise by the City of an option to prepay

any Debt prior to the stated maturity thereof, in each case for a reason other than as described in another paragraph of this Section 7.1 or Section 7.3; or

(g) The rating (without regard to credit enhancement) assigned to any of the long-term general obligation Debt of the City by Moody's, Fitch or S&P (in each case to the extent such Rating Agency then maintains a rating on the long-term general obligation Debt of the City) shall fall below "Baa1" by Moody's, "BBB+" by Fitch or "BBB+" by S&P; or

(h) The City fails to pay when due and payable, after giving effect to any applicable grace period, the principal on the Notes (other than the principal on the Notes for which an Advance has been requested); or

(i) an "event of default" under the JPMorgan Note Purchase Agreement or any Related Document shall have occurred; or

(j) (i) The City contests in an administrative or judicial proceeding, repudiates or otherwise denies (including, without limitation, authorizing the filing of a claim to such effect in an administrative or judicial proceeding) that it has any further liability or obligation under or with respect to any provision of this Agreement, the Notes, the Bank Note, any general obligation Debt, the Act, the Ordinance or the Issuing and Paying Agency Agreement relating to (x) the ability or the obligation of the City to pay, when due, the principal of or interest on the Notes, any general obligation Debt or the Bank Note, (y) the Pledged Collateral or (z) the general obligation or the full faith and credit pledge of the City securing, in each case, the Notes, the Bank Note or any general obligation Debt of the City; or

(ii) the City contests in an administrative or judicial proceeding, repudiates or otherwise denies (including, without limitation, authorizing the filing of a claim to such effect in an administrative or judicial proceeding) the legality, validity or enforceability of any provision of this Agreement, the Notes, the Bank Note, any general obligation Debt, the Act, the Ordinance or the Issuing and Paying Agency Agreement relating to (x) the ability or the obligation of the City to pay, when due, the principal of or interest on the Notes, any general obligation Debt or the Bank Note, (y) the Pledged Collateral or (z) the general obligation or the full faith and credit pledge of the City securing, in each case, the Notes, the Bank Note or any general obligation Debt of the City; or

(iii) the City shall have taken or permitted to be taken any official action (including enactment of a statute or adoption of an ordinance) which would adversely affect the legality, validity or enforceability of any provision of this Agreement, the Notes, the Bank Note, any general obligation Debt, the Ordinance or the Issuing and Paying Agency Agreement relating to (x) the ability or the obligation of the City to pay, when due, the principal of or interest on the Notes or the Bank Note, (y) the Pledged Collateral or (z) the general obligation or the full faith and credit pledge of the City securing, in each case, the Notes, the Bank Note or any general obligation Debt of the City.

Section 7.2. Actions Taken in Respect of Events of Default. Upon the occurrence and during the continuance of any Event of Default, the Bank may take one or more of the following actions: (i) give a No-Issuance Instruction to the City and the Issuing and Paying Agent as provided in Section 4.4 hereof, (ii) by written notice delivered to the City and the Issuing and Paying Agent, (A) terminate the Commitment in whole (except for the obligation of the Bank, existing as of the time of the written notice to terminate the Commitment in whole, to make Advances to fund then outstanding Notes) and (B) to the extent permitted by law, declare all amounts payable by the City to the Bank hereunder, under the Fee Letter and under the Bank Note, including, without limitation, all outstanding Advances and Term Loans, to be forthwith due and payable without presentment, demand, protest, all of which are expressly waived by the City; *provided, however,* that to the extent that the Bank pursues the rights granted to it under Section 7.2(ii)(B) above, the City shall pay to the Bank such amounts from any unrestricted funds legally available, and following such Event of Default, appropriated by the City, for such purpose as described above and to the extent that the City's legally available and appropriated funds are insufficient to pay such amounts upon demand, the amount of such deficiency shall not become due and payable prior to the earlier to occur of (x) the date on which the City has appropriated unrestricted legally available funds to pay all or a portion of the deficiency or (y) February 1 of the calendar year immediately following the date the City takes action to levy or assess ad valorem taxes on tangible property within the limits of the City; *provided further, however,* that interest on any unpaid amounts during the continuance of an Event of Default shall bear interest at the Default Rate until such amounts are paid in full; or (iii) either personally or by attorney or agent without bringing any action or proceeding, or by a receiver to be appointed by a court in any appropriate action or proceeding, take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable hereunder or under the Related Documents or to enforce performance or observance of any obligation, agreement or covenant of the City under the Related Documents, whether for specific performance of any agreement or covenant of the City or in aid of the execution of any power granted to the Bank herein or in the Related Documents.

Section 7.3. Immediate Termination Events. Each of the following Events of Default shall also constitute an "Immediate Termination Event" under this Agreement:

(a) The City fails to pay any principal amount of any Advance or Term Loan on the scheduled due date or any interest on any Advance or Term Loan when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) other than payments on any Advance or Term Loan due solely as a result of acceleration caused by the Bank pursuant to Section 7.2; or

(b) The City (i) applies for or consents to the appointment of or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or of a substantial part of its property or assets, (ii) admits in writing its inability, or is generally unable, to pay its general obligation Debt as such Debt becomes due, (iii) makes a general assignment for the benefit of creditors or declares a moratorium with respect to its general obligation Debt, (iv) commences a voluntary case under the Bankruptcy Code, (v) files a petition seeking to take advantage of any other laws relating to bankruptcy, insolvency, reorganization, liquidation, winding-up, or composition or adjustment of

general obligation Debts, or (vi) acquiesces in writing to, or fails to controvert in a timely and appropriate manner, any petition filed against it in an involuntary case filed under the Bankruptcy Code (as now or hereafter in effect) seeking liquidation or reorganization with respect to a substantial part of its assets, and such case or proceeding is not stayed, discharged or dismissed within sixty (60) days of the filing of such petition; or

(c) (i) Without the application or consent of the City, a case or other proceeding is commenced in any court of competent jurisdiction seeking (y) the reorganization, dissolution, winding-up, liquidation, or composition or readjustment of general obligation Debt of the City or (z) the appointment of a trustee, receiver, custodian, liquidator or the like of the City or any substantial part of the assets thereof and such case or proceeding continues undismissed, or an order, judgment or decree approving or ordering any of the foregoing is entered and continues unstayed and in effect, in either case, for a period of sixty (60) consecutive days, or (ii) an order for relief in respect of the City is entered in an involuntary case under the Bankruptcy Code (as now or hereafter in effect); or

(d) (i) the City shall impose, declare or announce (whether or not in writing) a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on any Specified Debt (including, without limitation, the Notes, the Bank Note or the Loans) or (ii) any Governmental Authority having appropriate jurisdiction over the City shall impose, declare or announce (whether or not in writing) as a result of a finding, ruling or other determination or shall enact or adopt legislation or issue an executive order or enter a judgment or decree which results in a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on (A) the Notes, the Loans or the Bank Note, (B) all of the City's general obligation Debt, or (C) all of the City's Debt; or

(e) The rating (without regard to credit enhancement) assigned to any of the long-term general obligation Debt of the City by Moody's, Fitch and S&P shall be withdrawn, suspended or fall below "Baa3" by Moody's, "BBB-" by Fitch and "BBB-" by S&P (in each case to the extent such Rating Agency then maintains a rating on the long-term general obligation Debt of the City), unless such Rating Agency states, in the case of a withdrawal or suspension, that such withdrawal or suspension is for reasons that are not credit-related; or

(f) One or more final unappealable judgments or orders, issued or rendered by a Governmental Authority of competent jurisdiction, for the payment of money in excess of \$25,000,000, individually or in the aggregate, shall be issued or rendered against the City, and such judgment or order shall continue unsatisfied, unbonded, undismissed and unstayed for a period of sixty (60) days; or

(g) The City shall fail to pay when due any principal of or interest on any Specified Debt (including, in each case, without limitation, any principal or sinking fund installments, but excluding, in each case, (i) payments due on Specified Debt owing to a

liquidity provider under a liquidity facility solely as a result of acceleration caused by such liquidity provider with respect to such Specified Debt and (ii) any Specified Debt which is in the form of commercial paper notes which are supported as to the payment of principal and/or interest thereof by a credit enhancement or liquidity facility if such failure to make such payment is due solely to the failure of the related credit enhancement or liquidity facility provider to make such payment), and such failure shall continue beyond any applicable period of grace specified in any underlying indenture, contract or instrument providing for the creation of or concerning such Specified Debt; or

(h) Any provision of this Agreement, the Notes, the Bank Note, the Act, the Ordinance or the Issuing and Paying Agency Agreement relating to (x) the ability or the obligation of the City to pay, when due, the principal of or interest on the Notes or the Bank Note (including the Loans evidenced thereby), (y) the Pledged Collateral or (z) the general obligation or full faith and credit pledge of the City securing the Notes and the Bank Note shall at any time, and for any reason, cease to be valid and binding on the City, or shall be declared to be null and void, invalid or unenforceable as determined by any Governmental Authority of competent jurisdiction in a final nonappealable judgment or as a result of any legislative or administrative action by any Governmental Authority having jurisdiction over the City.

Section 7.4. Actions Taken in Respect of Immediate Termination Events and Suspension Events; Other Remedies Related Thereto.

(a) *Immediate Termination Events.* Upon the occurrence and continuance of an Immediate Termination Event, the Commitment shall immediately and automatically terminate, without notice from the Bank and, thereafter, the Bank shall be under no obligation to make Loans hereunder; *provided*, that the Event of Default described in Section 7.3(a) will not qualify as an "Immediate Termination Event" hereunder if the failure to pay the principal of, or interest due on, the Bank Note is due solely to an acceleration of the Bank Note by the Bank for any reason other than nonpayment as described in Section 7.3(a) hereof. Promptly upon the occurrence of any such Immediate Termination Event, the Bank shall notify the City, the Issuing and Paying Agent and the Dealer of such termination and the effective date of such termination in writing by facsimile, promptly confirmed by regular mail; *provided*, that the Bank shall incur no liability of any kind by reason of its failure to give such notice and such failure shall in no way affect the automatic and immediate termination of the Commitment or its obligation to make Advances pursuant hereto.

(b) *Suspension Events.* In the case of a Default described in Section 7.3(c)(i), or in the case of an Event of Default described in Section 7.1(j) (each, a "*Suspension Event*"), the obligation of the Bank to make Advances under this Agreement shall be immediately suspended without notice or demand and, thereafter, the Bank shall be under no obligation to make Advances hereunder until the Commitment is reinstated as described below. Promptly upon the occurrence of any such Suspension Event, the Bank shall notify the City, the Issuing and Paying Agent and the Dealer of such suspension and the effective date of such suspension in writing by facsimile, and confirmed by telephone; *provided*, that the Bank shall incur no liability of any kind by reason of its failure to give such notice and such failure shall in no way affect the

suspension of the Commitment or the suspension of its obligation to make Advances pursuant to this Agreement.

(i) In the event that a Default described in Section 7.3(c)(i) is cured prior to becoming an Event of Default (and thereby becoming an Immediate Termination Event), the Bank's obligation to make Advances shall be automatically reinstated and the terms of this Agreement will continue in full force and effect (unless the Commitment shall otherwise have been terminated, suspended or expired as provided in this Agreement).

(ii) Upon the occurrence of an Event of Default described in Section 7.1(j), if a Governmental Authority with jurisdiction to rule on the legality, validity or enforceability of any document described in Section 7.1(j) shall find or rule by entry of a final and nonappealable judgment that the material provision is legal, valid and binding on, or enforceable against, the City, then the Commitment and the obligations of the Bank under this Agreement shall, thereupon, be reinstated (unless the Commitment shall otherwise have been terminated, suspended or expired as provided in this Agreement). Notwithstanding the foregoing, if the suspension of the obligations of the Bank pursuant to any Event of Default described in Section 7.1(j) remains in effect and litigation is still pending and a determination regarding same shall not have been dismissed or otherwise made pursuant to a final and nonappealable judgment, as the case may be, within one (1) year of the commencement of the action or proceeding giving rise to the Event of Default described in Section 7.1(j), then the Commitment and the obligation of the Bank to make Advances hereunder shall terminate without notice or demand and, thereafter, the Bank shall be under no obligation to make Advances.

(c) *Other Remedies.* For the avoidance of doubt, in addition to the remedies set forth in Sections 7.4(a) and 7.4(b) above, upon the occurrence of an Immediate Termination Event or if a Suspension Event has not been cured as required by Section 7.4(b) above thereby resulting in the termination of the Commitment and the obligation of the Bank to make Advances hereunder, the Bank may take one or more of those actions set forth in Section 7.2 above.

Section 7.5. Suits at Law or in Equity and Mandamus. In case one or more Events of Default shall occur, then and in every such case the Bank shall be entitled to proceed to protect and enforce its rights by (i) way of mandamus to require the City to perform its obligations under this Agreement, or (ii) enforcement by writ of mandamus of any provision of the Ordinance and this Agreement in any court of competent jurisdiction.

Section 7.6. No Remedy Exclusive. The rights and remedies of the Bank under this Agreement shall be cumulative and not exclusive of any rights or remedies which it would otherwise have, and no failure or delay by the Bank in exercising any right shall operate as a waiver of it, nor shall any single or partial exercise of any power or right preclude its other or further exercise or the exercise of any other power or right.

ARTICLE VIII

GENERAL

Section 8.1. Notices. All notices and other communications provided for hereunder shall be in writing (including required copies) and sent by receipted hand delivery (including Federal Express or other receipted courier service), facsimile transmission, or regular mail, as follows:

- (a) if to the City:

City of Dallas, Texas
1500 Marilla Street
Dallas, Texas 75201
Attention: Chief Financial Officer
Telephone: (214) 670-5631
Facsimile: (214) 670-4653
E-Mail: elizabeth.reich@dallascityhall.com

- (b) if to the Bank:

JPMorgan Chase Bank, National Association
383 Madison Ave, 8th Floor
New York, New York 10179
Mail Code NY1-M076
Attention: David Bayer
Telephone: (212) 270-4186
Facsimile: (917) 546-2657
E-Mail: david.m.bayer@jpmorgan.com

- (c) if to the Issuing and Paying Agent:

U.S. Bank National Association
100 Wall Street, Suite 1600
New York, New York 10005
Attention: Judith Hyppolite
Telephone: (212) 361-6151
Facsimile: (212) 361-6153
E-mail: judith.hyppolite@usbank.com

- (d) if to the Dealer:

Jefferies & Company, Inc.
13355 Noel Road, Suite 1400
Dallas, Texas 75240
Attention: Tilghman Naylor
Telephone: (972) 701-3038

Facsimile: (972) 701-3030
E-Mail: tnaylor@jefferies.com

or, as to each Person named above, at such other address as shall be designated by such Person in a written notice to the parties hereto. All such notices and communications shall, when delivered or sent by facsimile transmission or mailed, be effective when deposited with the courier, sent by facsimile transmission or mailed respectively, addressed as aforesaid, except that Requests for Advances submitted to the Bank shall not be effective until received by the Bank.

Section 8.2. Survival of Covenants; Successors and Assigns. (a) All covenants, agreements, representations, and warranties made herein and in the certificates delivered pursuant hereto shall survive the making of any Loan hereunder and shall continue in full force and effect so long as the Commitment is in effect and until all obligations of the City hereunder and under the Bank Note shall have been paid in full. Whenever in this Agreement any of the parties hereto is referred to, such reference shall, subject to the last sentence of this Section, be deemed to include the successors and assigns of such party, and all covenants, promises and agreements by or on behalf of the City which are contained in this Agreement and the Bank Note shall inure to the benefit of the successors and assigns of the Bank. The City may not transfer its rights or obligations under this Agreement and the Bank Note without the prior written consent of the Bank. The Bank may transfer some or all of its rights and obligations under this Agreement with the prior written consent of the City (which consent shall not be withheld unreasonably) *provided* that (i) the transfer shall not cause the lowering, withdrawal or suspension of any ratings then existing on the Notes, and (ii) the Bank shall be responsible for all costs resulting from the transfer. This Agreement and the Bank Note are made solely for the benefit of the City and the Bank, and no other person or entity (including, without limitation, the Issuing and Paying Agent, the Dealer or any holder of Notes) shall have any right, benefit or interest under or because of the existence of this Agreement and the Bank Note.

(b) Notwithstanding the foregoing, the Bank shall be permitted to grant to one or more financial institutions (each a "*Participant*") a participation or participations in all or any part of the Bank's rights and benefits under this Agreement and the Bank Note on a participating basis but not as a party to this Agreement and the Bank Note (a "*Participation*"), without the consent of the City; *provided* that the Bank agrees to give the City notice of the grant of any Participation upon the effectiveness thereof. In the event of any such grant by the Bank of a Participation to a Participant, whether or not upon notice to the City, the Bank shall remain responsible for the performance of its obligations hereunder, and the City shall continue to deal solely and directly with the Bank in connection with the Bank's rights and obligations under this Agreement and the Bank Note. The City agrees that each Participant shall, to the extent of its Participation, be entitled to the benefits of this Agreement and the Bank Note as if such Participant were the Bank; *provided* that no Participant shall have the right to declare, or to take actions in response to, an Event of Default under Sections 7.1 or 7.3 hereof.

(c) The Bank may assign and pledge all or any portion of the obligations owing to it to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operation Circular issued by such Federal Reserve Bank; *provided* that any payment in respect of such

assigned obligations made by the City to the Bank in accordance with the terms of this Agreement shall satisfy the City's obligations hereunder in respect of such assigned obligation to the extent of such payment. No such assignment shall release the Bank from its obligations hereunder.

Section 8.3. Unconditional Obligations. The obligations of the City under this Agreement, under the Fee Letter and the Bank Note shall be absolute, unconditional, irrevocable and payable strictly in accordance with the terms of this Agreement and the Bank Note, under all circumstances whatsoever, including, without limitation, the following:

- (a) any lack of validity or enforceability of this Agreement, the Bank Note or, to the extent permitted by law, the Notes or any other Note Agreement;
- (b) any amendment or waiver of or any consent to departure from the terms of all or any of the Note Agreements to which the Bank has not consented in writing;
- (c) the existence of any claim, counterclaim, set-off, recoupment, defense, or other right which any Person may have at any time against the Bank, the City, the Issuing and Paying Agent, the Dealer, or any other Person, whether in connection with this Agreement, the Bank Note, the Note Agreements or any other transaction;
- (d) any statement or any other document presented pursuant hereto proves to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever; and
- (e) payment by the Bank of an Advance hereunder against presentation of a Notice of Advance which does not comply with the terms of this Agreement; *provided* that such payment shall not have constituted negligence of the Bank.

Section 8.4. Liability of Bank; Indemnification. (a) TO THE EXTENT PERMITTED BY THE LAWS OF THE STATE OF TEXAS, THE CITY ASSUMES ALL RISKS OF THE ACTS OR OMISSIONS OF THE ISSUING AND PAYING AGENT WITH RESPECT TO THE USE OF THE COMMITMENT AND THE ADVANCES MADE PURSUANT THERETO; *PROVIDED* THAT THIS ASSUMPTION WITH RESPECT TO THE BANK IS NOT INTENDED TO AND SHALL NOT PRECLUDE THE CITY FROM PURSUING SUCH RIGHT AND REMEDIES AS IT MAY HAVE AGAINST THE ISSUING AND PAYING AGENT UNDER ANY OTHER AGREEMENTS. NEITHER THE BANK NOR ITS OFFICERS OR DIRECTORS SHALL BE LIABLE OR RESPONSIBLE FOR (I) THE USE OF THE PROCEEDS OF THE LOANS OR THE TRANSACTIONS CONTEMPLATED HEREBY AND BY THE NOTE AGREEMENTS OR FOR ANY ACTS OR OMISSIONS OF THE ISSUING AND PAYING AGENT OR THE DEALER, (II) THE VALIDITY, SUFFICIENCY, OR GENUINENESS OF ANY DOCUMENTS, EVEN IF SUCH DOCUMENTS SHALL, IN FACT, PROVE TO BE IN ANY OR ALL RESPECTS INVALID, FRAUDULENT, FORGED OR INSUFFICIENT, (III) PAYMENTS BY THE BANK AGAINST PRESENTATION OF DOCUMENTS WHICH DO NOT COMPLY WITH THE TERMS OF THIS AGREEMENT, OR (IV) ANY OTHER CIRCUMSTANCES WHATSOEVER IN MAKING OR FAILING TO MAKE PAYMENT HEREUNDER; *PROVIDED* THAT THE CITY SHALL HAVE A CLAIM AGAINST THE BANK TO THE EXTENT OF ANY DIRECT, AS OPPOSED TO CONSEQUENTIAL DAMAGES, BUT ONLY TO THE EXTENT CAUSED BY THE WILLFUL FAILURE OR NEGLIGENCE OF THE BANK (AS DETERMINED BY A

COURT OF COMPETENT JURISDICTION) IN FAILING TO MAKE AN ADVANCE REQUIRED TO BE MADE BY THE BANK HEREUNDER AFTER STRICT COMPLIANCE BY THE CITY WITH ALL CONDITIONS PRECEDENT TO SUCH ADVANCE, UNLESS THE MAKING OF SUCH ADVANCE WAS NOT OTHERWISE PERMITTED BY LAW.

(b) TO THE EXTENT PERMITTED BY THE LAWS OF THE STATE OF TEXAS, THE CITY HEREBY INDEMNIFIES AND HOLDS HARMLESS EACH INDEMNITEE FROM AND AGAINST ANY AND ALL CLAIMS, DAMAGES, LOSSES, CONSEQUENTIAL DAMAGES, LIABILITIES, REASONABLE COSTS OR EXPENSES (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES AND EXPENSES (WHICH SHALL NOT INCLUDE SALARIES, FEES OR EXPENSES OF COUNSEL THAT IS AN EMPLOYEE OF THE BANK OR AN AFFILIATE OF THE BANK)) WHATSOEVER WHICH SUCH INDEMNITEE MAY INCUR (OR WHICH MAY BE CLAIMED AGAINST SUCH INDEMNITEE BY ANY PERSON WHATSOEVER) BY REASON OF OR IN CONNECTION WITH (I) THE EXECUTION OR DELIVERY OF THIS AGREEMENT, ANY OTHER RELATED DOCUMENT OR ANY AGREEMENT OR INSTRUMENT CONTEMPLATED HEREBY OR THEREBY, THE PERFORMANCE BY THE PARTIES HERETO OF THEIR RESPECTIVE OBLIGATIONS HEREUNDER OR THEREUNDER, THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, (II) ANY LOAN OR THE USE OR PROPOSED USE OF THE PROCEEDS THEREFROM, OR (III) ANY ACTUAL OR PROSPECTIVE CLAIM, LITIGATION, INVESTIGATION OR PROCEEDING RELATING TO ANY OF THE FOREGOING, WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY, WHETHER BROUGHT BY A THIRD PARTY OR BY THE CITY, AND REGARDLESS OF WHETHER ANY INDEMNITEE IS A PARTY THERETO, IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF THE INDEMNITEE; PROVIDED THAT THE CITY SHALL NOT BE REQUIRED TO INDEMNIFY THE BANK OR ANY PARTICIPANT FOR ANY LOSSES, CLAIMS, DAMAGES, LIABILITIES, COSTS OR EXPENSES (OTHER THAN THOSE DESCRIBED IN CLAUSE (I)) TO THE EXTENT, BUT ONLY TO THE EXTENT, CAUSED BY THE WILLFUL MISCONDUCT OR NEGLIGENCE OF THE BANK OR SUCH PARTICIPANT (AS DETERMINED BY A COURT OF COMPETENT JURISDICTION). THE PROVISIONS OF THIS SECTION 8.4(B) SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

Section 8.5. Expenses and Taxes. The City will promptly pay (i) the reasonable costs and expenses of the Bank in connection with the negotiation, preparation, execution, and delivery of this Agreement, the Fee Letter and any other documents which may be delivered in connection with this Agreement, plus the reasonable fees and disbursements of counsel to the Bank, (ii) the fees and disbursements of counsel to the Bank with respect to advising the Bank as to the rights and responsibilities under this Agreement after the occurrence of a Default or an Event of Default (whether or not said Default or Event of Default has resulted in an Immediate Termination Event or a Suspension Event), and (iii) all costs and expenses, if any, in connection with the enforcement of this Agreement, the Fee Letter and any other documents which may be delivered in connection herewith or therewith, including in each case the fees and disbursements of counsel to the Bank. In addition, the City shall pay any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing, and recording of this Agreement and the security contemplated by the Bank Note, the Note Agreements and any related documents and agrees to save the Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees. In addition, the City agrees to pay, after the occurrence of a Default or an Event of Default (whether or not said Default or Event of Default has resulted in an Immediate

Termination Event or a Suspension Event), all costs and expenses (including attorneys' fees (which shall not include salaries, fees or expenses of counsel that is an employee of the Bank or an affiliate of the Bank) and costs of settlement) incurred by the Bank in enforcing any obligations or in collecting any payments due from the City hereunder or under the Fee Letter or the Bank Note by reason of such Default or Event of Default (whether or not said Default or Event of Default has resulted in an Immediate Termination Event or a Suspension Event) or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "workout" or of any insolvency or bankruptcy proceedings.

Section 8.6. No Waiver; Conflict. Neither any failure nor any delay on the part of the Bank in exercising any right, power or privilege hereunder, nor any course of dealing with respect to any of the same, shall operate as a waiver thereof, preclude any other or further exercise thereof nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The remedies herein provided are cumulative, and not exclusive of any remedies provided by law. To the extent of any conflict between this Agreement and the Note Agreements, this Agreement shall control as between the City and the Bank.

Section 8.7. Modification, Amendment, Waiver, Etc. No modification, amendment or waiver of any provision of this Agreement or the Bank Note shall be effective unless the same shall be in writing and signed by the party against whom such amendment, modification or waiver is to be enforced.

Section 8.8. Dealing with the City, the Issuing and Paying Agent, and/or the Dealer. The Bank and its affiliates may accept deposits from, extend credit to and generally engage in any kind of banking, trust or other business with the City, the Issuing and Paying Agent, and/or the Dealer regardless of the capacity of the Bank hereunder.

Section 8.9. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction, and all other remaining provisions hereof will be construed to render them enforceable to the extent permitted by law.

Section 8.10. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but when taken together shall constitute but one agreement and any of the parties hereto may execute this Agreement by signing any such counterpart. Delivery of an executed counterpart of a signature page of this Agreement or any other Related Document, or any certificate delivered thereunder, by fax transmission or e-mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement or such other Related Document or certificate. Without limiting the foregoing, to the extent a manually executed counterpart is not specifically required to be delivered under the terms of any Related Document, upon the request of any party, such fax transmission or e-mail transmission shall be promptly followed by such manually executed counterpart.

Section 8.11. Table of Contents; Headings. The table of contents and the Section and subsection headings used herein have been inserted for convenience of reference only and do not constitute matters to be considered in interpreting this Agreement.

Section 8.12. Beneficiaries. This Agreement is made solely for the benefit of the City and the Bank, their successors and assigns, and no other Person (including, without limitation, any owners of the Notes) shall have any right, benefit or interest under or because of the existence of this Agreement.

Section 8.13. Waiver of Jury Trial. TO THE EXTENT PERMITTED BY LAW, BOTH THE CITY AND THE BANK HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE BANK NOTE, ANY OF THE NOTE AGREEMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER RELATED DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 8.14. Entire Agreement. THIS AGREEMENT TOGETHER WITH THE OTHER RELATED DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES HERETO AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES HERETO.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES HERETO.

Section 8.15. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS; PROVIDED, HOWEVER, THAT THE RIGHTS, DUTIES AND OBLIGATIONS OF THE BANK UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO CONFLICT OF LAW PROVISIONS (OTHER THAN NEW YORK GENERAL OBLIGATIONS LAWS 5-1401 AND 5-1402).

Section 8.16. Venue. With respect to any suit, action or proceedings relating to this Agreement, each party agrees to bring any such suit, action or proceeding in, and irrevocably submits, to the extent permitted by applicable law, to the exclusive jurisdiction of, the courts of the United States District Court located in the Northern District of Texas.

Section 8.17. Patriot Act. The Bank is subject to the Patriot Act (as hereinafter defined) and hereby notifies the City that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Bank is required to obtain, verify, and record information that identifies the City which information includes the name and address of the City and other information that will allow the Bank to identify the City in accordance with the Patriot Act.

Section 8.18. No Advisory or Fiduciary Responsibility. In connection with all aspects of the transactions contemplated by this Agreement and the Related Documents (including in connection with any amendment, waiver or other modification of this Agreement or of any Related Document), the City acknowledges and agrees that: (a)(i) any arranging, structuring and other services regarding this Agreement and the Related Documents provided by the Bank or any affiliate of the Bank are arm's length commercial transactions between the City on the one hand, and the Bank and any affiliate of the Bank on the other hand, (ii) the City has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the City is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated by this Agreement and the Related Documents; (b)(i) the Bank and each affiliate of the Bank is and has been acting solely as a principal and has not been, is not, and will not be acting as an advisor, agent or fiduciary for the City or any other Person and (ii) neither the Bank nor any affiliate of the Bank has any obligation to the City with respect to the transactions contemplated by this Agreement and the Related Documents, except those obligations expressly set forth herein; and (c) the Bank and each affiliate of the Bank may be engaged in a broad range of transactions that involve interests that differ from those of the City, and neither the Bank nor any affiliate of the Bank has any obligation to disclose any of such interests to the City. To the extent permitted by applicable laws, the City hereby waives and releases any claims that it may have against the Bank and each affiliate of the Bank with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of the transactions contemplated by this Agreement and the Related Documents.

Section 8.19. No Israel Boycott. Pursuant to Section 2270.002, Texas Government Code, the Bank hereby represents that it does not Boycott Israel and, subject to or as otherwise required by applicable Federal law, including, without limitation, 50 U.S.C. Section 4607, the Bank agrees not to Boycott Israel during the term of this Agreement. For purposes of this Section 8.19, "Boycott Israel" shall have the meaning given such term in Section 2270.002, Texas Government Code.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the City and the Bank have duly executed this Credit Agreement as of the date first above written.

CITY OF DALLAS, TEXAS

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

[_____]
City Attorney
City of Dallas, Texas

By: _____
Name: _____
Title: _____

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION

By: _____
Name: _____
Title: _____

EXHIBIT A
FORM OF
CITY OF DALLAS
CREDIT AGREEMENT LOAN NOTE, SERIES A

November 28, 2017
\$375,890,411 Initial Maximum Amount

The CITY OF DALLAS, TEXAS, acknowledges itself indebted and for value received promises to pay to the order of JPMorgan Chase Bank, National Association (the "*Bank*"), at the address provided in the Agreement (hereinafter defined), the aggregate unpaid principal amount of all Loans hereunder and under the Agreement, not to exceed Three Hundred Seventy-Five Million Eight Hundred Ninety Thousand Four Hundred Eleven and No/100 Dollars (\$375,890,411) in principal amount at any one time outstanding, made by the Bank to the City hereunder, in lawful money of the United States of America, in federal or other immediately available funds, and to pay interest at the rates set forth in the Agreement on the actual unpaid principal amount hereof for each day outstanding from the date hereof until this Bank Note is paid in full, in like money and funds at such office. Interest shall be payable on the dates and manner set forth in the Agreement. Principal on this Bank Note shall be payable on the dates and manner set forth in the Agreement.

This Bank Note is subject to prepayment, and amounts prepaid prior to the last day of the Revolving Credit Period may be reborrowed, all pursuant to the terms and under the conditions of the Credit Agreement, dated as of November 28, 2017, between the City and the Bank (as amended, restated, supplemented or otherwise modified from time to time, the "*Agreement*"), the terms of which are hereby incorporated by reference in this Bank Note). All terms used herein and not defined shall have the same meaning as in the Agreement. Reference is made to the Agreement for provisions as to the prepayment hereof and for reborrowing. Reference is also made to the Agreement for provisions providing for additional interest and other amounts to be payable under certain circumstances.

Provision has been made for the payment of principal of this Bank Note sufficient to provide for the payment of principal hereof, as such principal matures, and such security interests have been irrevocably pledged for such payment. It is hereby certified that every requirement of law relating to the issue hereof has been duly complied with and that this Bank Note is within every applicable debt or other limit.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the CITY OF DALLAS, TEXAS has caused this Loan Note to be signed in its name by its City Manager and attested to by its City Secretary, and be sealed with the seal of the City, and this Bank Note to be dated the date and year first written above.

CITY OF DALLAS, TEXAS

By: _____
Name: _____
Title: _____

(SEAL)

ATTEST:

By: _____

EXHIBIT B

NOTICE OF ADVANCE

TO: JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (the "*Bank*") under the Credit Agreement, dated as of November 28, 2017 between the Bank and the City of Dallas, Texas (the "*City*") (the "*Agreement*")

Re: The City of Dallas
General Obligation Commercial Paper Notes, Series A

The City, acting herein by the undersigned Issuing and Paying Agent, pursuant to Section 2.2 and related provisions of the Agreement, issues this Notice of Advance to be made under the Agreement as follows:

1. Business Day on which Advance is to be made ("*Advance Date*"): _____;
2. Aggregate Principal Amount of Advance: _____;
(Amount as to Principal Component _____)
(Amount as to Interest Component _____)

The Advance shall be available for the account of holders of the Notes at the Issuing and Paying Agent.

Date of this Notice of Advance: _____

[ISSUING AND PAYING AGENT]

By: _____
Name: _____
Title: _____

EXHIBIT C

NO-ISSUANCE INSTRUCTION

_____, 20__

[ISSUING AND PAYING AGENT]

Re: The City of Dallas
General Obligation Commercial Paper Notes, Series A

Ladies and Gentlemen:

JPMorgan Chase Bank, National Association (the "Bank") and the City of Dallas, Texas (the "City"), have entered into that certain Credit Agreement dated as of November 28, 2017 (the "Agreement"). Any term defined in the Agreement and used in this letter shall have the meanings ascribed to it in the Agreement.

[There exists a Default or an Event of Default] and this letter constitutes your notice thereof pursuant to Section 4.4 of the Agreement. [Describe Default or Event of Default] Effective as of your receipt of this notice, and until you receive written notice from the Bank that this notice has been rescinded, you are instructed not to authenticate or deliver any Notes.

Very truly yours,

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION

By: _____
Name: _____
Title: _____

cc: [City]; [Dealer]

EXHIBIT E

FORM OF CO-BOND COUNSEL OPINION

November 28, 2017

WE HAVE ACTED AS BOND COUNSEL for the City of Dallas, Texas, a municipal corporation and political subdivision of the State of Texas (the "City"), in connection with the issuance of commercial paper notes (the "Notes") described as follows:

CITY OF DALLAS GENERAL OBLIGATION COMMERCIAL PAPER NOTES, SERIES A, in an aggregate principal amount not to exceed \$350,000,000 at any one time outstanding; dated the dates, bearing interest, maturing on the dates and principal amounts, and transferable and exchangeable as set out in the Notes and in the ordinance adopted by the City Council of the City (the "City") on October 25, 2017, authorizing the issuance of the Notes from time to time (the "Ordinance").

WE HAVE ACTED as bond counsel for the sole purpose of rendering an opinion with respect to the legality and validity of the Notes under the Constitution and laws of the State of Texas and with respect to the status of the interest on the Notes under federal income tax law. We have not investigated or verified original proceedings, records, data or other materials, but have relied solely upon the transcript of certified proceedings described in the following paragraph. We have not assumed any responsibility with respect to the financial condition or capabilities of the City or the disclosure thereof in connection with the sale of the Notes. We express no opinion and make no comment with respect to the sufficiency of the security for or the marketability of the Notes. Capitalized terms used herein and not otherwise defined shall have the meaning assigned in the Ordinance.

IN OUR CAPACITY AS BOND COUNSEL, we have examined (a) the applicable provisions of the Constitution and laws of the State of Texas; (b) a transcript of certified proceedings of the City relating to the issuance of the Notes, including the Ordinance; the Credit Agreement dated as of November 28, 2017 between the City and JPMorgan Chase (the "Bank"), as Credit Provider (the "Credit Agreement"); the Issuing and Paying Agency Agreement dated November 28, 2017 between the City and U.S. Bank, National Association, as Issuing and Paying Agent; and the Dealer Agreement dated November 28, 2017 between the City and Jeffries & Company, LLC as Dealer; (c) customary certificates of officers and representatives of the City and the City's financial advisor; (d) other pertinent instruments relating to the authorization of the Notes and the security for the payment thereof; and (e) such other materials and matters of law as we deemed relevant. We have further examined such applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), court decisions, Treasury regulations and published rulings of the Internal Revenue Service (the "Service") as we have deemed relevant. We have also examined the opinion of the

November 28, 2017

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Attorney General of the State of Texas approving the proceedings relating to the Notes and the Master Note.

BASED ON SUCH EXAMINATION, it is our opinion that:

(i) the transcript of certified proceedings evidences complete legal authority for the issuance and sale of the Notes from time to time by the City, pursuant and subject to the provisions, terms and conditions of the Ordinance, in full compliance with the Constitution and laws of the State of Texas presently in effect;

(ii) under the Constitution and laws of the State of Texas presently in effect, upon due execution, authentication and delivery and upon compliance by the City with the terms, conditions and covenants of the Ordinance, the Notes will constitute valid and legally binding obligations of the City enforceable in accordance with the terms and conditions thereof, except to the extent that the rights and remedies of the owners of the Notes may be limited by laws heretofore or hereafter enacted relating to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors of political subdivisions and the exercise of judicial discretion in appropriate cases; and

(iii) the Notes are secured by and payable from (a) the proceeds from the sale of other Notes issued pursuant to the Ordinance for such purpose and the proceeds from the sale of a series or issue of Bonds issued by the City for such purpose, (b) the proceeds of Loans under and pursuant to the Credit Agreement, as amended, revised, supplemented, or substituted, pursuant to which the Bank has agreed to provide credit to the City under the terms and conditions set forth therein, (c) the proceeds of an annual ad valorem tax levied, within the limits prescribed by law, by the City upon all taxable property located within the City, and (d) amounts in certain funds established pursuant to the Ordinance.

IT IS FURTHER OUR OPINION that, under existing law:

(iv) interest on Notes issued in accordance with the Ordinance will be excludable from gross income for federal income tax purposes; and

(v) Notes issued in accordance with the Ordinance will not be "private activity bonds" under the Code and, as such, interest on the Notes will not be subject to the alternative minimum tax on individuals and corporations, except that interest on the Notes will be included in the "adjusted current earnings" of a corporation (other than an S corporation, regulated investment company, REIT or REMIC) for purposes of computing its alternative minimum tax liability.

IN PROVIDING SUCH OPINIONS, we have relied on representations of the City with respect to matters solely within the knowledge of the City, which we have not independently verified, and have assumed continuing compliance with the covenants in the Ordinance pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Notes for federal income tax purposes. If such representations are determined to be inaccurate or incomplete or the City fails to comply with the foregoing provisions of the Ordinance, interest on the Notes could become includable in gross income from the date of original delivery, regardless of the date on which the event causing such inclusion occurs.

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Except as stated above, we express no opinion as to any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership, or disposition of the Notes.

Owners of the Notes should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers otherwise qualifying for the health insurance premium assistance credit and individuals otherwise qualifying for the earned income tax credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively-connected earnings and profits (including tax-exempt interest such as interest on the Notes).

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

This opinion speaks only as of its date and only in connection with the Notes and may not be applied to any other transaction. Further, this opinion is specifically limited to the laws of the State of Texas and, to the extent applicable, the laws of the United States of America.

EXHIBIT F

FORM OF CITY ATTORNEY OPINION

[LETTERHEAD OF CITY]

November 28, 2017

JPMorgan Chase Bank, National Association

Re: City of Dallas, Texas, General Obligation Commercial Paper Notes, Series A (the "Notes")

Ladies and Gentlemen:

In connection with the issuance of the Notes, the City of Dallas, Texas (the "City") has entered into a Credit Agreement, dated as of November 28, 2017, with JP Morgan Chase Bank, National Association, relating to the Notes (the "Credit Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement. I am the duly appointed City Attorney of the City, and this opinion is rendered on behalf of the City pursuant to and in connection with the authorization of the Notes and the execution and delivery of the Credit Agreement and the related Fee Letter and Bank Note. I or my designated attorneys have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates of public officials, and other instruments, and we have conducted such other investigation of fact and law as I have found necessary or advisable for the purpose of this opinion.

Under Ordinance No. _____, adopted by the City on October 25, 2017 (the "Ordinance"), authorizing the issuance of the Notes and the Credit Agreement, the proceeds of the Advances and Term Loans made under the Credit Agreement are to be applied to the payment of the principal of and interest on the Notes.

I have also made such further investigation of the law and facts as I have deemed necessary or advisable for purposes of the opinions herein expressed.

Based upon the foregoing I am of the opinion that:

1. The City (a) is an incorporated city operating under a home-rule charter adopted pursuant to Article XI, Section 5 of the Texas Constitution; (b) has full power and authority to execute, deliver, and perform the Credit Agreement, the Bank Note, the Fee Letter, the Ordinance, and the Note Agreements and to borrow under the Notes, the Bank Note and the Credit Agreement; (c) has all the requisite power and authority to levy and assess ad valorem taxes to pay the Advances and Term Loans; and (d) has all the requisite power and authority to pledge and grant a lien on the Pledged Collateral to the Bank to secure payment of the Advances and Term Loans under the Credit Agreement and has lawfully exercised such power.

2. All authorizations, consents, approvals, licenses, permissions, and registrations, if any, of or with any Person, including any governmental authority, required in connection with (a) the execution, delivery, and performance of the Credit Agreement, the Fee Letter, the Bank Note, the Note Authorization and the Notes and (b) the City's authorization of the execution, delivery and performance of the Credit Agreement, the Fee Letter, the Bank Note, the Note Authorization and the Note Agreements have, in each case, been obtained.

3. Except as disclosed in the Offering Memorandum the City is a party to various lawsuits in the normal course of business; however, there is no litigation or legal or administrative proceeding pending, or to my knowledge, threatened against, or any outstanding judgment, order, writ, injunction, decree, or award affecting the City before any court, governmental authority, or arbitral body (a) which prohibits or affects, or if adversely determined might prohibit or affect, the ability or authority of the City to execute, deliver, or perform any part of the Credit Agreement, the Fee Letter, the Bank Note or the Note Agreements or (b) which in the aggregate have, or if adversely determined would have, a material adverse effect on the financial condition of the City. To my knowledge, the City is not in default with respect to any order, writ, injunction, or decree of any court or other governmental authority which would adversely affect the City's ability to execute, deliver, or perform any part of the Credit Agreement, the Fee Letter, the Bank Note, the Note Authorization, the Ordinance or the Note Agreements.

4. The Credit Agreement, the Fee Letter, the Bank Note and Note Agreements have been duly authorized, executed and delivered by the City, and, assuming the due authorization, execution and delivery by the parties thereto, if applicable, constitutes a legal, valid and binding agreement of the City enforceable in accordance with its terms.

5. The adoption of the Ordinance by the City Council of the City authorizing the preparation and delivery of the Offering Memorandum and the execution and delivery of the Credit Agreement, the Fee Letter and the Bank Note by the City and the performance by the City of its obligations under the Credit Agreement, the Fee Letter and the Bank Note will not conflict with or result in a breach of any of the terms, conditions or provisions of any agreement or instrument to which the City is a party or by which it is bound or constitute a default thereunder and all consents, approvals, authorizations and orders of a governmental or regulatory authority, if any, which are required to be obtained by the City for the consummation of the transactions contemplated by the Offering Memorandum or as conditions precedent to the execution and delivery of the Notes have been obtained; provided, however, that no opinion is expressed as to any action required under state securities or blue sky laws.

The opinions expressed above are qualified to the extent that the enforceability of the rights and remedies set forth in the Ordinance, the Credit Agreement, the Fee Letter, the Bank Note and Note Agreements may be limited by bankruptcy, reorganization, or other similar laws of general application relating to or affecting the enforcement of creditors' rights. I express no opinion as to the extent to which any indemnification provision contained in the Credit Agreement or any other document used in connection with the issuance of the Notes is enforceable under Texas law or as to the specific remedy that any court, governmental authority, or board of arbitration may grant, impose, or render in connection with the above-described instruments. I express no opinion as to the validity or enforceability of Sections 3.2(b) and 8.4 of the Credit Agreement.

The opinions herein expressed and the statements herein made are limited in all respects to the laws of the State of Texas and applicable federal law. This opinion is solely for the benefit of and may be relied upon by the addressee. This opinion may not be relied upon by any other person, without my written consent.

Very truly yours,

Larry E. Castro, City Attorney

By: _____
_____, Assistant City Attorney

NOTE PURCHASE AGREEMENT

by and between

CITY OF DALLAS, TEXAS

and

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION

Dated as of November 28, 2017

The City of Dallas
General Obligation Commercial Paper Notes
Series B

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NOTE PURCHASE AGREEMENT

This NOTE PURCHASE AGREEMENT, dated as of November 28, 2017 (as amended and supplemented from time to time, the "*Agreement*"), is entered into by and between the CITY OF DALLAS, TEXAS (the "*City*") and JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, a national banking association (including its successors and assigns, the "*Bank*").

WITNESSETH:

WHEREAS, the City has authorized The City of Dallas General Obligation Commercial Paper Notes, Series B (the "*Notes*") pursuant to that certain Ordinance Authorizing The City of Dallas General Obligation Commercial Paper Notes Series A and Series B, adopted by the City Council of the City on October 25, 2017 (as amended and supplemented from time to time, the "*Ordinance*") in a maximum aggregate principal amount not to exceed \$350,000,000;

WHEREAS, the City has requested that the Bank purchase the Notes from time to time, and the Bank is willing to do so, subject to the terms and conditions of this Agreement; and

WHEREAS, the City has also authorized The City of Dallas General Obligation Commercial Paper Notes, Series A (the "*Series A Notes*") pursuant to the Ordinance in a maximum aggregate principal amount not to exceed \$350,000,000, and the City and the Bank have agreed to enter into that certain Credit Agreement dated as of November 28, 2017 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the "*JPMorgan Credit Agreement*"), to provide for a revolving line of credit to pay the principal of and interest on the Series A Notes at stated maturity in accordance with the terms thereof; *provided, however*, that the combined support hereunder and under the JPMorgan Credit Agreement with respect to the principal amount of both the Notes and the Series A Notes shall not exceed \$350,000,000.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. In addition to the terms defined elsewhere in this Agreement or by reference to another document or agreement, the following terms used in this Agreement shall have the following respective meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"*Act*" means Chapter 1371, Texas Government Code, as amended.

“*Affiliate*” means, with respect to any Person, any Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person. A Person shall be deemed to control another Person for the purposes of this definition if such first Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

“*Amortization Payment*” has the meaning set forth in Section 2.4 hereof.

“*Amortization Payment Date*” means (a) the Initial Amortization Payment Date and each six-month anniversary of the Initial Amortization Payment Date occurring thereafter which occurs prior to the Term Loan Maturity Date and (b) the Term Loan Maturity Date.

“*Amortization Period*” has the meaning set forth in Section 2.4 hereof.

“*Applicable Factor*” means 70%.

“*Applicable Spread*” means initially 85 basis points (0.85%), provided, however, that in the event of any change in any Rating by Moody’s, Fitch or S&P, the Applicable Spread shall be the number of basis points associated with such new Rating as set forth in the following schedule:

Level	S&P Rating*	Fitch Rating*	Moody’s Rating*	Applicable Margin (Basis Points)
Level 1	A+ or above	A+ or above	A1 or above	85 bps
Level 2	A	A	A2	105 bps
Level 3	A-	A-	A3	125 bps
Level 4	BBB+	BBB+	Baa1	145 bps
Level 5	BBB	BBB	Baa2	165 bps
Level 6	BBB- or below	BBB- or below	Baa3 or below	185 bps

In the case of a split in the Ratings (i.e., the Rating of one Rating Agency is at a different Level than the Rating of any other Rating Agency), (i) if Ratings are assigned by all three Rating Agencies, and two of such Ratings are equivalent, the Applicable Spread shall be based upon the Level in which the two equivalent Ratings appear; (ii) if Ratings are assigned by all three Rating Agencies and no two such Ratings are equivalent, the Applicable Spread shall be based upon the Level in which the middle Rating appears; and (iii) if Ratings are assigned by only two Rating Agencies and such Ratings are not equivalent, the Applicable Spread shall be based upon the Level in which the lower of the two Ratings appears. Any change in the Applicable Spread resulting from a change in a Rating shall be and become effective as of and on the date of the public announcement of the change in such Rating. References to the Ratings above are references to rating categories as presently determined by the Rating Agencies and in the event

of adoption of any new or changed rating system by any such Rating Agency, including, without limitation, any recalibration of the applicable Rating in connection with the adoption of a "global" rating scale, the Rating from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. Upon the occurrence of and during the continuance of an Event of Default the applicable interest rate on the Notes shall increase automatically to the Default Rate.

For purposes of this definition of Applicable Spread, "Ratings" shall mean the long-term credit ratings assigned to the City's general obligation Debt (without regard to any bond insurance or other credit enhancement) by each of the Rating Agencies.

"Approved Fund" means any Fund that is administered or managed by (a) the Bank, (b) an Affiliate of the Bank or (c) an entity or an Affiliate of an entity that administers or manages the Bank.

"Authorized Officer" has the meaning set forth in the Ordinance.

"Available Commitment" means the Commitment from time to time in effect, as such amount is adjusted from time to time as follows: (a) downward in an amount equal to the principal amount of Notes purchased and held by the Bank pursuant to the terms hereof, the principal amount of each "Loan" (as defined in the JPMorgan Credit Agreement) made to the City pursuant to the JPMorgan Credit Agreement, and the principal amount of each Series A Note at any time issued and outstanding; and (b) so long as this Agreement has not terminated, upward in an amount equal to the principal amount of any Notes repaid hereunder, the principal amount of each "Loan" that is repaid pursuant to the terms of the JPMorgan Credit Agreement (as defined in the JPMorgan Credit Agreement) and the principal amount of each Series A Note which is paid at maturity; *provided*, that, after giving effect to any such adjustment the Available Commitment shall never exceed the Commitment from time to time in effect. Any adjustments pursuant to clause (a) or (b) above shall occur simultaneously with the event requiring such adjustment.

"Bank" has the meaning set forth in the preamble hereof.

"Bank Rate" means the following rate(s) of interest per annum: (a) for any day commencing on the Expiration Date to and including the ninetieth (90th) day next succeeding the Expiration Date, a rate of interest equal to the Base Rate from time to time in effect and (b) for any day commencing on the ninety-first (91st) day next succeeding the Expiration Date and thereafter, a rate of interest equal to the sum of the Base Rate from time to time in effect plus one percent (1.0%) per annum; *provided, however*, that immediately and automatically upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuance of such Event of Default, "Bank Rate" shall mean the Default Rate.

"Bank Transferee" has the meaning set forth in Section 8.2 hereof.

"*Bankruptcy Code*" means 11 U.S.C. Section 101, *et seq.*, as amended, and any successor statute thereto.

"*Base Rate*" means, for any day, the per annum rate of interest equal to the highest of (a) the Prime Rate plus one and one-half percent (1.5%) per annum, (b) the Federal Funds Rate plus two percent (2.0%) per annum and (c) seven and one-half percent (7.5%) per annum.

"*Breakage Expenses*" has the meaning set forth in Section 2.12 hereof.

"*Business Day*" means any day other than (a) a Saturday, Sunday or other day on which commercial banks located in the State of New York or State of Texas are authorized or required by law or executive order to close or (b) a day on which the New York Stock Exchange is closed.

"*Capital Lease*" means any lease of property by any Person which, in accordance with GAAP, would be required to be capitalized on the balance sheet of such Person.

"*Change in Law*" means the occurrence, after the Effective Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Acts and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities shall in each case be deemed to be a "*Change in Law*," regardless of the date enacted, adopted or issued.

"*City*" has the meaning set forth in the preamble hereof.

"*Co-Bond Counsel*" means Bracewell LLP and West & Associates LLP.

"*Code*" means the Internal Revenue Code of 1986, as amended from time to time.

"*Commitment*" means \$350,000,000, as such amount may be reduced pursuant to Section 2.10 hereof.

"*Commitment Fee*" has the meaning set forth in the Fee Letter.

"*Controlled Group*" means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the City or any subsidiary, are treated as a single employer under Section 414 of the Code.

"*Debt*" of any Person means, at any date, without duplication, (a) all obligations of such Person for borrowed money including, without limitation, obligations secured by any of the revenues or assets of such Person and all obligations of such Person evidenced by bonds

(including revenue bonds), debentures, notes or other similar instruments, (b) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business (including, without limitation, accounts payable to construction contractors and other professionals for services rendered), (c) all obligations of such Person as lessee under Capital Leases, (d) all Debt of others secured by a lien on any asset of such Person, whether or not such Debt is assumed by such Person, and (e) all Debt of others guaranteed by, or secured by any of the revenues or assets of, such Person.

“*Default*” means any occurrence, circumstance or event, or any combination thereof, which, with the lapse of time and/or giving of notice, would constitute an Event of Default.

“*Default Rate*” means a per annum rate of interest equal to the sum of the Base Rate from time to time in effect plus 3.0% per annum; *provided*, that for any Note accruing interest at the LIBOR Index Rate at the time of the applicable Event of Default, the “Default Rate” shall mean the sum of 3.0% *plus* the LIBOR Index Rate then in effect until the end of the LIBOR Index interest period applicable thereto and, thereafter, at a rate per annum equal to the sum of 3.0% *plus* the Base Rate from time to time in effect; *provided further, however*, that, subject to Section 2.6, in no event shall the Default Rate exceed the Highest Lawful Rate.

“*Determination of Taxability*” means and shall be deemed to have occurred on the first to occur of the following:

(i) on the date when the City files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability has occurred;

(ii) on the date when a Holder or any former Holder notifies the City that it has received a written opinion by a nationally recognized firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within one hundred eighty (180) days after receipt by the City of such notification from such Holder or such former Holder, as applicable, the City shall deliver to such Holder or such former Holder, as applicable, a ruling or determination letter issued to or on behalf of the City by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(iii) on the date when the City shall be advised in writing by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time, including an employee subordinate to one of these officers who has been authorized to provide such advice) that, based upon filings of the City, or upon any review or audit

of the City or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) on the date when the City shall receive notice from a Holder, a Holder representative, on behalf of the Bank, or any former Holder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such Holder or such former Holder the interest on the Notes due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (iii) or (iv) hereunder unless the City has been afforded the reasonable opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined and is not subject to further appeal; *provided further, however*, that upon demand from a Holder, a Holder representative, on behalf of the Bank, or former Holder, the City shall promptly reimburse, such Holder or former Holder for any payments, including any taxes, interest, penalties or other charges, such Holder (or former Holder) shall be obligated to make as a result of the Determination of Taxability.

“*Effective Date*” means November 28, 2017, the date on which this Agreement becomes effective, subject to the satisfaction or waiver by the Bank of the conditions set forth in Section 4.1 hereof.

“*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time. References to Sections of ERISA shall be construed also to refer to any successor Sections.

“*Event of Default*” with respect to this Agreement has the meaning set forth in the introductory statement to Article VII of this Agreement and, with respect to any Related Document, has the meaning assigned therein.

“*Event of Taxability*” means all or any portion of the interest paid or payable on the Notes is includable in the gross income of the Holder or any former Holder for federal income tax purposes.

“*Excess Interest Amount*” has the meaning set forth in Section 2.6 hereof.

“*Excluded Taxes*” means, with respect to the Bank, any Holder or any Participant, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which the Bank, such Holder or such Participant is organized or in which its principal office is located, and (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Bank, such Holder or such Participant is located.

"Expiration Date" means November 27, 2020, as such date may be extended pursuant to Section 2.10 hereof.

"Federal Funds Rate" means, for any day, the rate calculated by the Federal Reserve Bank of New York based on such day's federal funds transactions by depository institutions, as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time, and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the federal funds effective rate. Notwithstanding anything herein to the contrary, if the Federal Funds Rate as determined as provided above would be less than zero percent (0.0%), then the Federal Funds Rate shall be deemed to be zero percent (0.0%).

"Fee Letter" means that certain Fee Letter dated the Effective Date, from the Bank to the City regarding fees, costs and expenses in connection with this Agreement, as the same may be amended, restated or otherwise modified from time to time.

"Fund" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

"GAAP" means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the accounting profession), or in such other statements by such other entity as may be in general use by significant segments of the U.S. accounting profession, which are applicable to the circumstances as of the date of determination and consistently applied.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Highest Lawful Rate" shall mean the maximum net effective interest rate permitted by law to be paid on obligations issued or incurred by the City in the exercise of its borrowing powers (as currently prescribed by Chapter 1204, Texas Government Code, as amended).

"Holder" shall mean the Bank and any other holder of the Notes or the Loan Note or any entity to which the Bank or any such other holder sells a participation in the Notes or the Loan Note (whether or not the City was given notice of such sale and whether or not the Holder has an interest in the Notes or the Loan Note at the time amounts are payable to such Holder thereunder and under this Agreement).

"Indemnitee" means each of (a) the Bank, (b) any Participant (whether or not the City was given notice of the granting of the Participation in question to such Participant and whether or not the Indemnitee has an interest in any Note or this Agreement at the time any amount is

payable to such Indemnitee hereunder), (c) any member at any time of any affiliated group (within the meaning of Section 1504 of the Code) of which any Indemnitee is a member, (d) the Paying Agent/Registrar, (e) any of the foregoing Persons' respective officers, directors, shareholders, employees, consultants, servants, attorneys and agents, and (f) any successor to any of such Persons.

"Initial Amortization Payment Date" means the first Business Day of the sixth (6th) full calendar month following the Expiration Date or, if later, the earlier of (x) the first date on which the City has unrestricted legally available funds appropriated to make payment of such Amortization Payment, and (y) February 1 of the calendar year immediately following the date the City takes action to levy or assess ad valorem taxes for the payment of such Amortization Payment.

"Interest Payment Date" means, with respect to any Note, the last day of each Interest Period applicable to such Note and the related Maturity Date of such Note; *provided, however*, that if any Interest Period for a Note exceeds three (3) months, the respective dates that fall every three (3) months after the beginning of such Interest Period shall also be Interest Payment Dates.

"Interest Period" means, as to each Note, the period commencing on the date such Note is issued and purchased by the Bank and ending on the date one, three or six months thereafter, as selected by the City in its Request for Purchase; *provided that*:

(a) the Interest Period shall commence on the date of issuance and purchase of any Note and, in the case of immediately successive Interest Periods, each successive Interest Period shall commence on the date on which the immediately preceding Interest Period expires;

(b) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; provided, that if any Interest Period with respect to a Note would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the immediately preceding Business Day;

(c) any Interest Period with respect to a Note that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the relevant calendar month at the end of such Interest Period; and

(d) no Interest Period shall extend beyond the Maturity Date of such Note.

"Investment Policy" has the meaning set forth in Section 6.15(a) hereof.

"JPMorgan Credit Agreement" has the meaning set forth in the recitals hereto.

"LIBOR Index" means, for any Interest Period, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for U.S. Dollars for a period equal in length to such Interest Period as displayed on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page or screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Bank in its reasonable discretion; in each case the *"LIBOR Screen Rate"*) at approximately 11:00 a.m., London time, two London Banking Days prior to the commencement of such Interest Period; *provided* that if the LIBOR Screen Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement; *provided further* that if the LIBOR Screen Rate shall not be available at such time, or the Bank shall determine that any law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for the Bank to purchase, continue or fund Notes whose interest is determined by reference to the LIBOR Screen Rate, or to determine or charge interest rates based upon the LIBOR Screen Rate, then *"LIBOR Index"* shall be the rate determined by reference to such other comparable publicly available service for displaying interest rates for dollar deposits in the London interbank market as may be selected by the Bank in its reasonable discretion after consultation with the City, or, in the absence of such availability, by reference to the rate at which dollar deposits of \$5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Bank, in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two London Banking Days prior to the commencement of such Interest Period; *provided further* that if any of the foregoing rates is unavailable, then the Bank and the City shall endeavor to establish an alternate rate of interest to the LIBOR Index and shall amend this Agreement to reflect such alternate rate of interest and other related changes; *provided further* that if any rate established pursuant to the foregoing clauses is less than zero, such rate shall be deemed to be zero for purposes of this Agreement). The Bank's internal records of applicable interest rates shall be determinative in the absence of manifest error.

"LIBOR Index Rate" means a per annum rate of interest equal to the product of: (a) the sum of (A) the Applicable Spread plus (B) the product of (x) the LIBOR Index for the applicable Interest Period multiplied by (y) the Applicable Factor and (b) the applicable Margin Rate Factor. The LIBOR Index Rate shall be rounded upwards to the fourth decimal place.

"Loan Note" means the promissory note of the City delivered to the Bank to evidence the Term Loan, if any, made by the Bank hereunder, in the form of Exhibit A attached hereto. The Loan Note constitutes a *"Loan Note"* as defined in the Ordinance.

"London Banking Day" means any day that is a day for trading by and between banks in Dollar deposits in the London interbank market.

"Margin Rate Factor" means, for any day, the greater of (i) 1.0 and (ii) the product of (A) one minus the applicable Maximum Federal Corporate Tax Rate multiplied by (B) 1.53846, rounded upward to the second decimal place. The effective date of any change in the Margin Rate Factor shall be the effective date of the decrease or increase (as applicable) in the Maximum Federal Corporate Tax Rate resulting in such change.

“Material Adverse Change” or *“Material Adverse Effect”* means a material adverse change in, or a material adverse effect upon, any of (a) the operations, business, properties or financial condition of the City or (b) the legality, validity, binding effect or enforceability of this Agreement, the Note Authorization or the Ordinance.

“Maturity Date” means the date a Note matures under the Ordinance and as described in the Note; provided that in no event shall the Maturity Date of any Note be later than the earlier of (i) the date that is 270 days from the dated date of any particular Note and (ii) the Expiration Date.

“Maximum Federal Corporate Tax Rate” means, for any day, the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect as of such day (or, if as a result of a change in the Code, the rate of income taxation imposed on corporations is generally shall not be applicable to the Bank, the maximum statutory rate of federal income taxation which could apply to the Bank as of such day).

“Moody’s” means Moody’s Investors Service, Inc. and its successors and assigns.

“Non-Bank Transferee” has the meaning set forth in Section 8.2 hereof.

“Note Agreements” mean, collectively, the Notes issued by the City from time to time and the Note Authorization.

“Note Authorization” means the Ordinance and any written direction to the Paying Agent/Registrar directing the issuance of Notes.

“Note Payment Fund” has the meaning set forth in Section 6.3(a) hereof.

“Notes” means the General Obligation Commercial Paper Notes, Series B of the City.

“Notice of Continuation” has the meaning set forth in Section 2.1(c) hereof.

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“Ordinance” has the meaning set forth in the recitals hereto.

“Other Taxes” has the meaning set forth in Section 3.2 hereof.

“Outstanding” when used with reference to Notes, as of the date of determination, shall mean all Notes theretofore delivered, except:

(1) Notes theretofore cancelled and delivered to the City or delivered to the Paying Agent/Registrar for cancellation;

(2) Notes upon transfer of or in exchange for and in lieu of which other Notes have been delivered pursuant to the Ordinance; and

(3) Notes under which obligations of the City have been released, discharged or extinguished in accordance with the terms thereof.

"Participant" has the meaning set forth in Section 8.2(b) hereof.

"Participation" has the meaning set forth in Section 8.2(b) hereof.

"Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107-56 (signed into law October 26, 2001).

"Paying Agent/Registrar" means JPMorgan Chase Bank, National Association, acting in such capacity pursuant to the terms hereof and the terms of the Ordinance, or any successor issuing and paying agent appointed by the City.

"Person" means a natural person, corporation (which shall be deemed to include a business trust), unincorporated organization, a government or any department or agency thereof, association, company, partnership, or any other entity.

"Pledged Collateral" means (a) the proceeds from (i) the sale of the Refunding Notes and other Notes from time to time hereafter issued and to be used to pay outstanding principal amounts of the Notes or the Loan Note and (ii) the sale of general obligation bonds issued by the City from time to time hereafter for the purpose of paying the outstanding principal amounts of or interest on the Notes or the Loan Note, (b) borrowings under this Agreement, (c) amounts held in the Note Payment Fund and (d) the proceeds of the tax levy as set forth in the Ordinance.

"Prime Rate" means the rate of interest per annum publicly announced from time to time by the Bank as its prime rate in effect at its office located at 270 Park Avenue, New York, New York; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective. Notwithstanding anything herein to the contrary, if the Prime Rate determined as provided above would be less than zero percent (0.0%), then the Prime Rate shall be deemed to be zero percent (0.0%).

"Prior Notes" means the previously issued and outstanding commercial paper notes of the City issued pursuant to Ordinance No. 28060, adopted by the City Council of the City on November 10, 2010.

"Purchase Period" shall mean the period commencing on the Effective Date and continuing to the Termination Date.

"Rating Agencies" means Moody's, Fitch and S&P.

"Refunding Notes" mean any Notes issued by the City the proceeds of which are used solely to pay the maturing principal of and interest on previously issued Notes or Prior Notes.

"Related Documents" means and includes (without limitation) this Agreement, the Fee Letter, the Note Agreements, the Loan Note and any and all other documents which the City has executed and delivered, or may hereafter execute and deliver, to evidence or secure the City's obligations thereunder.

"Related Parties" means, with respect to any Person, the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person.

"Request for Purchase" means a written notice in the form of Exhibit B hereto made by the City to the Bank requesting that the Bank to purchase Notes hereunder.

"S&P" means S&P Global Ratings, and any successor rating agency.

"Sanction(s)" means any international economic sanction administered or enforced by the United States Government (including, without limitation, OFAC).

"Series A Notes" has the meaning set forth in the recitals hereto.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a *"Master Agreement"*), including any such obligations or liabilities under any Master Agreement.

"Taxable Date" means the date on which interest on any Note is first includable in gross income of a Holder (including, without limitation, any previous Holder) as a result of an Event of Taxability as such a date is established pursuant to a Determination of Taxability.

"Taxable Period" has the meaning set forth in Section 2.7 hereof.

"Taxable Rate" means, for each day during a Taxable Period, the product of (i) the interest rate on the applicable Notes for such day and (ii) the applicable Taxable Rate Factor.

“*Taxable Rate Factor*” means, for each day that the Taxable Rate is determined, the quotient of (i) one *divided by* (ii) one minus the Maximum Federal Corporate Tax Rate in effect as of such day, rounded upward to the second decimal place.

“*Taxes*” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), value added taxes, or any other goods and services, use or sales taxes, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“*Term Loan*” has the meaning set forth in Section 2.4 hereof.

“*Term Loan Maturity Date*” means the date that is two (2) years from the Expiration Date.

“*Termination Date*” means the earliest of (i) the Expiration Date, (ii) the date the Commitment is terminated or permanently reduced to zero in accordance with Section 2.10 hereof or (iii) the date the Commitment is terminated in accordance with Section 7.2 hereof.

Section 1.2. Interpretation. In this Agreement (unless otherwise specified), the singular includes the plural and the plural the singular; words importing any gender include the other gender; references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to; references to “writing” include printing, typing, lithography and other means of reproducing words in a tangible, visible form; references to times of day shall refer to New York City time; the words “including,” “includes” and “include” shall be deemed to be followed by the words “without limitation”; references to articles, sections (or subdivisions of sections), recitals, exhibits, annexes or schedules are to those of this Agreement unless otherwise indicated; references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments, but only to the extent such amendments and other modifications are not prohibited by the terms of this Agreement; the phrase “and/or” shall be deemed to mean the words both preceding and following such phrase, or either of them; and references to the parties and to Persons include their respective permitted successors and assigns and, in the case of governmental Persons, Persons succeeding to their respective functions and capacities.

ARTICLE II

THE COMMITMENT

Section 2.1. The Commitment. (a) The City proposes to sell Notes to the Bank in an aggregate principal amount not to exceed the Commitment. Such Notes will be issued pursuant to the Ordinance. The Notes, if purchased by the Bank, shall be purchased for the account of the Bank as evidence of a loan to the City. The Notes to be purchased shall be (i) in minimum denominations of \$1,000,000 and integral multiples of \$100,000 in excess thereof, (ii) registered in the name of the Bank, (iii) purchased pursuant to a written notice from the City to the Bank in the form of a Request for Purchase, (iv) in physical form (and not registered through a securities

depository), (v) dated the date of delivery thereof, mature and be payable as provided herein and in the Ordinance and the Notes (but not in excess of 270 days from their dated date and not later than the Expiration Date), subject to the right of prior prepayment as provided in the Ordinance and herein (if any), and shall bear interest and shall have such other terms and provisions as provided herein, in the Ordinance and in the Notes, and (vi) secured by the Pledged Collateral in the manner described in Section 2.14 hereof. Notes repaid may be reborrowed again prior to the Termination Date and new Notes may be delivered in exchange for maturing Notes prior to the Termination Date.

(b) During the Purchase Period, and upon and subject to the terms and conditions hereof and on the basis of the representations, warranties and agreements contained herein, the Bank hereby agrees, when requested by the City pursuant to this Agreement, to purchase Notes from the City from time to time (but in no event more than two (2) purchases per calendar month) in principal amounts not to exceed the Available Commitment from time to time in effect. To request a purchase of Notes by the Bank, the City shall submit a Request for Purchase, properly completed, to the Bank, delivered by 10:00 a.m. on a Business Day that is at least three (3) [**London Banking Days**] prior to the date on which the requested purchase is to be made. If such a Request for Purchase is received by the Bank by such time on such a Business Day and all conditions to such purchase set forth in this Agreement (including those specified in this Section 2.1, Section 4.1 and Section 4.2 hereof and no Event of Default having then occurred and being in existence) and the Ordinance are satisfied, the Bank will purchase such Notes (or accept in exchange for maturing Notes without the requirement for cash exchange) on the date specified in such Request for Purchase.

(c) The interest rate applicable to a Note may be continued for successive Interest Periods in accordance with the Request for Purchase or upon the City's irrevocable request to the Bank in the form of Exhibit C hereto with blanks appropriately completed (each, a "*Notice of Continuation*"). The Bank must receive each Notice of Continuation not later than 10:00 a.m. on the Business Day which is at least three (3) [**London Banking Days**] prior to the last day of the then-current Interest Period for such Note. Upon the Bank's timely receipt of a duly completed and executed Notice of Continuation, the Note described therein shall be continued as a Note with the Interest Period specified therein, or, if no Interest Period is specified therein, or if no Notice of Continuation is received by the Bank, then the applicable Note shall be continued as a Note with a one-month Interest Period. After giving effect to all purchases and continuations of the Notes, there may only be one Interest Period in effect at any one time for a particular Note.

Section 2.2. Direct Purchase. (a) The City intends to sell Notes directly to the Bank pursuant to this Agreement in an amount up to the Available Commitment from time to time in effect.

(b) The Bank shall make an initial purchase of Notes on the Effective Date upon satisfaction of the conditions set forth herein, including, without limitation, those set forth in Section 2.1, Section 2.10 and Section 4.1 hereof. City agrees that the initial purchase by the Bank on the Effective Date shall be at least three and one half million dollars (\$3,500,000) in principal amount of Notes. The Notes shall be delivered by the City to the Bank on the Effective Date upon funding by the Bank.

Section 2.3. Payment of Notes. (a) *Generally.* The obligations of the City under the Notes, the Loan Note and this Agreement constitute the general obligations of the City. The City hereby agrees to make prompt and full payment of all amounts due and owing to the Bank under this Agreement, the Notes, the Loan Note and the other Related Documents and to pay all amounts due and owing to the Bank, with interest thereon at the rate or rates provided in this Agreement, the Notes or such other Related Documents.

(b) *Interest.* Subject to adjustment from time to time as set forth in Sections 2.4, 2.5, 2.6 and 2.7 hereof, each Note shall bear interest at a rate per annum equal to the LIBOR Index Rate for the applicable Interest Period. Except as otherwise set forth herein, accrued but unpaid interest on each Note shall be due and payable on each Interest Payment Date and on the applicable Maturity Date. The Bank shall promptly notify the City and the Paying Agent/Registrar of the interest rate applicable to any Notes upon determination of such interest rate; *provided, however,* that the failure by the Bank to provide notice of the applicable interest rate shall not relieve the City of its obligation to make payment of amounts as and when due hereunder. Each determination by the Bank of an interest rate shall be conclusive and binding for all purposes, absent manifest error.

(c) *Principal.* The City shall pay to the Bank the outstanding principal amount of each Note on the applicable Maturity Date and on the Termination Date; *provided,* however, prior to the Termination Date, subject to the terms of this Agreement, in lieu of repayment of maturing Notes on the Maturity Date, the City may deliver to the Bank replacement refunding Notes of the same principal amount as the maturing Notes to be refunded, which refunding Notes shall otherwise satisfy the conditions of Section 2.1 and Section 4.2 hereof. Subject to the terms and conditions set forth in Section 2.4, Notes maturing on the Expiration Date and not paid on such date shall be deemed to have been paid with the proceeds of a Term Loan advanced by the Bank. All amounts paid pursuant to this Agreement shall be non-refundable and shall be paid in immediately available funds.

Section 2.4. Term Loan. Notwithstanding Section 2.3 above, if the City has not repaid the outstanding principal amount of the Notes in full on the Expiration Date and (i) no Default or Event of Default shall have occurred and be continuing and (ii) the representations and warranties set forth in Article V shall be true and correct on such date, except to the extent the same expressly relate to an earlier date, in which case they shall be true and correct as of such earlier date, then the Bank shall be deemed to have made a term loan (the "*Term Loan*") to the City in an amount equal to the outstanding principal amount of the Notes that mature on the Expiration Date, and the unpaid principal amount of such Note will be deemed have been paid in full with the proceeds of such Term Loan. The Term Loan shall be due and payable in installments on each Amortization Payment Date (each such payment, an "*Amortization Payment*"), with the final installment in an amount equal to the entire then-outstanding principal amount of the Term Loan to be repaid on the Term Loan Maturity Date, together with all accrued interest thereon (the period commencing on the Expiration Date and ending on the Term Loan Maturity Date is herein referred to as the "*Amortization Period*"). Each Amortization Payment shall be that amount of principal which will result in equal (as nearly as possible) aggregate Amortization Payments over the Amortization Period. During each Amortization Period, interest on the Term Loan shall accrue at the Bank Rate, be payable monthly in arrears on the first

Business Day of each calendar month and be calculated on the basis of a 365 or 366 day year, as applicable, and actual days elapsed.

Section 2.5. Default Rate. The City agrees to pay, or cause to be paid to the Bank, upon demand, interest on any and all amounts due and owing by the City under this Agreement, the Notes or the other Related Documents from and after the earlier of (i) the date amounts owed hereunder are due and not paid and (ii) the occurrence and continuance of an Event of Default, but only for so long as such amounts due remain unpaid or such Event of Default continues, at the Default Rate. The obligations of the City under this Section shall survive the termination of this Agreement and the payment in full of the Notes and the Term Loan, if any. The Default Rate shall be calculated on the basis of a 360 day year and actual days elapsed.

Section 2.6. Excess Interest. In the event that the rate of interest payable hereunder or under the Notes shall exceed the applicable Highest Lawful Rate for any period for which interest is payable, then (i) interest at such Highest Lawful Rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof or the Notes, as applicable, and (B) such Highest Lawful Rate (the "*Excess Interest Amount*"), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof or the Notes, as applicable, ceases to exceed such Highest Lawful Rate, at which time the City shall pay to the Bank, with respect to amounts then payable to the Bank that are required to accrue interest hereunder or under the Notes, such portion of the deferred Excess Interest Amount as will cause the rate of interest then paid to the Bank, to equal such Highest Lawful Rate, which payments of deferred Excess Interest Amount shall continue to apply to such unpaid amounts hereunder or under the Notes until all deferred Excess Interest Amount is fully paid to the Bank. Notwithstanding the foregoing and to the extent permitted by Texas law, upon the date on which no principal amount with respect to the Notes and any Term Loan remains unpaid, the City shall pay to the Bank a fee equal to the accrued and unpaid portion of Excess Interest Amount on such date; *provided* that such payment shall not cause interest to exceed the maximum net effective interest rate authorized under Chapter 1204, Texas Government Code, as amended. Notwithstanding anything contained herein or in any Related Document to the contrary, the Excess Interest Amount due hereunder is payable by the City to the Bank from any unrestricted legally available funds appropriated to make payment thereof, but to the extent the City determines such funds are not available at that time, shall not be required to be paid by the City until February 1 of the calendar year immediately following the date that the City takes action to levy or assess ad valorem taxes on property subject to taxation by the City.

Section 2.7. Taxability. (a) In the event a Taxable Date occurs, the Notes shall bear interest at the Taxable Rate on and after the Taxable Date, payable on each Interest Payment Date. In addition to the foregoing (but not in duplication thereof), in the event a Taxable Date occurs, the City hereby agrees to pay to the Bank or any Holder on demand therefor, (1) an amount equal to the difference between (A) the amount of interest that would have been paid to the Bank or any Holder, as applicable, on any Note during the period for which interest on such Note is includable in the gross income of the Bank or any Holder, if such Note had borne interest at the Taxable Rate, beginning on the Taxable Date (the "*Taxable Period*"), and (B) the amount of interest actually paid to the Bank or any Holder, as applicable, during the Taxable Period, and

(2) an amount equal to any interest, penalties or charges owed by the Bank or any Holder, as applicable, as a result of interest on the Notes becoming includable in the gross income of the Bank or any Holder, as applicable, together with any and all reasonable attorneys' fees (which shall not include salaries, fees or expenses of counsel that is an employee of the Bank or an Affiliate of the Bank), court costs, or other out-of-pocket costs incurred by the Bank or any Holder, as applicable, in connection therewith; *provided*, that at no time shall the interest rate exceed the applicable Highest Lawful Rate. The Bank agrees to deliver to the City an invoice with respect to any amounts payable under the foregoing clause (2) of this Section 2.7 together with a commercially reasonable explanation of such amounts.

(b) The obligations of the City under this Section 2.7 shall survive the termination of this Agreement.

Section 2.8. Calculation of Interest. Except as otherwise provided herein, all computations of interest in respect of the Notes shall be made on a 360-day year basis and actual days elapsed. Each determination of an interest rate by the Bank pursuant to any provision of this Agreement shall be conclusive and binding on the City and the Bank in the absence of manifest error. In addition, any calculation made pursuant to this Section 2.8 hereof that would cause the interest paid, payable, or accruing on the indebtedness of the City under this Agreement, the Notes or the Loan Note to exceed the Highest Lawful Rate shall be adjusted so as to reduce the interest paid, payable, and accruing hereunder to such Highest Lawful Rate, as more fully set out in Section 2.6 hereof. Interest due and payable on a Note or a Term Loan shall be equal to the amount accrued to, but excluding the related payment date.

Section 2.9. Fees. The City hereby agrees to pay to the Bank all amounts set forth in the Fee Letter on the terms, in the amounts and in the manner set forth herein and therein and the terms of the Fee Letter are hereby incorporated herein by reference as if fully set forth herein. Any reference herein to fees and/or any other amounts or obligations payable hereunder or under this Agreement shall include, without limitation, all fees and other amounts or obligations payable pursuant to the Fee Letter, and any reference to this Agreement shall be deemed to include a reference to the Fee Letter. All computations of fees and other amounts due under the Fee Letter shall be made by the Bank on the basis of a year of 360 days and the actual number of days elapsed.

Section 2.10. Termination or Reduction of Commitment. (a) During the Purchase Period, the City may, upon at least three (3) Business Days' notice to the Bank and the Paying Agent/Registrar permanently reduce from time to time the Commitment by \$1,000,000 or any integral multiple of \$100,000 in excess thereof; *provided however*, at all times the City shall cause the aggregate outstanding principal amount of Notes outstanding and held by the Bank to be in an amount not less than one percent (1.00%) of the aggregate Commitment then in effect, unless this Agreement shall be terminated as provided herein.

(b) Notwithstanding any provision of this Agreement or any Related Document to the contrary, the City agrees not to terminate the Commitment, except upon (i) the payment by the City to the Bank of any and all fees set forth in the Fee Letter, (ii) the payment to the Bank of all obligations payable hereunder, under the Notes and under the Fee Letter and (iii) the City

providing the Bank with thirty (30) days' prior written notice of its intent to terminate the Commitment; *provided* that all payments to the Bank referred to in clauses (i) and (ii) above shall be made in immediately available funds. If the Commitment is terminated in its entirety, all accrued Commitment Fees shall be payable on the effective date of such termination. If the Commitment is reduced, Commitment Fees on the amount by which the Commitment is so reduced shall be payable on the effective date of such reduction and Commitment Fees on the amount by which the Commitment is reduced shall cease to accrue on the date of such reduction.

(c) Notwithstanding the foregoing and anything set forth herein to the contrary, the City agrees not to permanently reduce the Commitment except upon payment by the City to the Bank on the date of such reduction of any and all fees set forth in the Fee Letter, such amount to be made in immediately available funds.

Section 2.11. Prepayment of Notes. (a) *Optional Prepayments.* The City may, at its option, upon written notice to the Bank, at any time and from time to time, prepay Notes, in whole or in part, subject to the Breakage Expense described in Section 2.12 hereof. Each partial prepayment permitted above shall be in the principal amount of \$1,000,000 or any integral multiple of \$100,000 in excess thereof plus accrued interest thereon.

(b) *Mandatory Prepayments.* If on any date (A) the Available Commitment would be less than zero, the City shall immediately prepay the Notes in an amount that would cause the Available Commitment to be greater than or equal to zero, or (B) any Notes are purchased by the Bank for the repayment of outstanding Notes, the City shall immediately prepay any Outstanding Notes in an amount equal to the sum of the proceeds from such purchase.

(c) Upon receipt by the Bank of a notice of prepayment pursuant to this Section, such notice shall not be revocable by the City.

(d) Each prepayment shall be accompanied by the payment of accrued interest to the date of such prepayment on the amount prepaid.

Section 2.12. Breakage. In the event the Bank shall incur any loss, cost, or expense (including, without limitation, any loss, cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired or contracted to be acquired by the Bank to purchase or hold the Notes or the relending or reinvesting of such deposits or other funds or amounts paid or prepaid to the Bank) as a result of any prepayment or redemption of the Notes or the Loan Note on a date other than an Interest Payment Date (the "*Breakage Expenses*") for any reason, whether before or after the occurrence of an Event of Default, then upon the demand of the Bank, the City shall pay to the Bank a prepayment or redemption premium, as applicable, in such amount as will reimburse the Bank for such Breakage Expenses. If the Bank requests such prepayment or redemption premium, as applicable, it shall provide to the City a certificate setting forth the computation of the Breakage Expenses giving rise to the request for such prepayment or redemption premium, as applicable, in reasonable detail and such certificate shall be conclusive if reasonably determined.

Section 2.13. *General Provisions as to Payment.* The following general provisions shall apply all payments due under the Fee Letter, under the Notes and hereunder:

(a) The Bank shall calculate and notify the City in writing of the amounts payable by the City hereunder and under the Fee Letter not less than ten (10) Business Days preceding any payment date; *provided* that in no event shall the failure by the Bank to timely deliver such an invoice affect the obligation of the City to make all such payments in the amounts and on the dates required in this Agreement and/or the Fee Letter. Such calculations will be based on the assumptions that the interest rate and the Commitment Fee rate will not change from the date of calculation to the payment date. In the event any of such applicable rates change between the date of notification and the payment date, any overpayment or underpayment resulting from such change will be applied to the next ensuing payment or reimbursed, as the case may be.

(b) The City shall make each payment due to the Bank hereunder or under the Fee Letter not later than 3:00 p.m. on the day when due, in federal or other funds immediately available, by wire transfer to such account as the Bank may from time to time designate. All payments received by the Bank after 3:00 p.m. shall be determined to have been received on the next succeeding Business Day and the applicable interest or fee shall continue to accrue.

(c) Whenever any payment due hereunder or under the Fee Letter shall be due on any day which is not a Business Day, the date for payment thereof shall be extended to the next succeeding Business Day. If the date for the payment or prepayment of amounts due hereunder or under the Fee Letter is extended by the preceding sentence, or by operation of law, or otherwise, interest thereon shall be payable for the period of such extension at the rate applicable thereto under other provisions of this Agreement.

Section 2.14. *Security for Notes and Loan Note.* As security for payment of the obligations of the City to the Bank pursuant to this Agreement, the Notes and the Loan Note in addition to its general obligation pledge, the City has, pursuant to Section 2.11 of the Ordinance, pledged to the Bank all of the City's right, title, and interest in and to the Pledged Collateral, subject only to the parity pledge of the Pledged Collateral to the owners of the Series A Notes pursuant to the Ordinance.

Chapter 1208, Texas Government Code, applies to the Notes and the Loan Note and the obligations hereunder and under the Fee Letter and the pledge made under this Section 2.14, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Notes, the Loan Note or any obligation hereunder or under the Fee Letter is outstanding and unpaid such that the pledge made by the City hereunder is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the Bank 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, Texas Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 2.15. *Extension of Purchase Period.* Not more than one hundred twenty (120) days prior to the Expiration Date, the City may submit a written request in the form of Exhibit D

hereto to the Bank that the Expiration Date be extended for an additional period as agreed to by the parties hereto. The City may request one or more such extensions. Any such written request may be accompanied by requests to increase or decrease the amount, or otherwise modify the terms and conditions, of the Commitment. The Bank has no obligation to agree to extend the Expiration Date or any other request or condition accompanying such request. If the Bank, in its sole discretion following such request by the City, agrees to extend the Expiration Date, the Bank shall give written notice of the election by the Bank to extend to the City and the Paying Agent/Registrar within thirty (30) days from the date of receipt of information necessary, in the Bank's reasonable judgment, to permit the Bank to make an informed credit decision; and such extension shall be subject to preparation, execution and delivery of documentation in form and substance satisfactory to the Bank and the City. If the Bank does not so notify the City, the Expiration Date shall not be so extended. At the time of any extension, the Bank may, in its sole discretion as a condition to such extension, require changes in the terms and conditions of this Agreement, including the fees and interest rates referenced herein.

ARTICLE III

YIELD PROTECTION; TAXES

Section 3.1. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, liquidity or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, the Bank;

(ii) impose on the Bank or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement, the Loan Note or any Notes purchased by the Bank; or

(iii) subject the Bank to any Taxes (other than Excluded Taxes and Taxes covered by Section 3.2 hereof) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to the Bank of making, continuing, converting or maintaining any Notes, or the purchase thereof, or Term Loans (or of maintaining the commitment to purchase Notes) or to reduce the amount of any sum received or receivable by the Bank hereunder (whether of principal, interest or otherwise), then the City will pay to the Bank such additional amount or amounts as will compensate the Bank for such additional costs incurred or reduction suffered from lawfully available funds.

(b) If the Bank determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on the Bank's capital or liquidity or on the capital or liquidity of the Bank's holding company, if any, as a consequence of this Agreement or the Notes to a level below that which the Bank or such Bank's

holding company could have achieved but for such Change in Law (taking into consideration the Bank's policies and the policies of the Bank's holding company with respect to capital adequacy and liquidity), then, from time to time upon the written request of the Bank, the City will pay to the Bank, as the case may be, such additional amount or amounts as will compensate such the Bank or the Bank's holding company for any such reduction suffered.

(c) A certificate of the Bank setting forth the amount or amounts necessary to compensate the Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section together with a commercially reasonable explanation of the amounts payable shall be delivered to the City and shall be conclusive absent manifest error. The City shall pay the Bank the amount shown as due on any such certificate within 30 days after receipt thereof from lawfully available funds.

(d) Failure or delay on the part of the Bank to demand compensation pursuant to this Section shall not constitute a waiver of the Bank's right to demand such compensation; *provided, however*, that the Bank shall use commercially reasonable efforts to notify the City of any Change in Law that the Bank is aware of and, in its reasonable judgement, has determined has or will result in increased costs for which the Bank expects to demand compensation. Notwithstanding any other provision of this Section 3.1 to the contrary, the obligation of the City to make payments hereunder shall not be required earlier than (i) the date on which the City has unrestricted legally available funds appropriated to make payment thereof, and (ii) February 1 of the calendar year immediately following the date the City takes action to levy or assess *ad valorem* taxes for the payment of such amounts.

(e) The City agrees that each other Holder and Participant shall, to the extent of its ownership of Notes or the Term Loan or its Participation, as applicable, be entitled to the benefits of this Section 3.1 as if such Holder or Participant were the Bank.

(f) The City shall have no liability to the Bank for any increased costs, increased capital or reduction in return to the extent incurred by the Bank more than one (1) year prior to the date the above certificate is given to the City with respect thereto (the "*Cut-Off-Date*"), except where (A) the Bank, through no fault of its own, had no actual knowledge of the Change in Law or action resulting in such increased costs, increased capital or reduction as of the Cut-Off-Date or (B) such Change in Law giving rise to such increased costs, increased capital or reduction is retroactive to a date prior to the Cut-Off-Date. If the Bank shall impose increased costs pursuant to this Section 3.1 then the City shall be able to terminate this Agreement as provided in Section 2.10 hereof; *provided, however*, such termination shall be permitted without payment of a termination fee in accordance with the terms of the Fee Letter.

(g) Without prejudice to the survival of any other agreement of the City hereunder, the agreements and obligations of the City contained in this Section shall survive the termination of this Agreement and the payment in full of the obligations of the City hereunder; *provided* that no demand for compensation for increased costs or reductions pursuant to this Section 3.1 shall be made later than sixty (60) days following the termination of this Agreement other than with respect to any Change in Law after such date that is retroactive to a date prior to the date sixty (60) days following the termination of this Agreement.

Section 3.2. Net of Taxes, Etc. (a) Any and all payments to the Bank, a Holder or a Participant by the City hereunder, under any Note and under the Fee Letter shall be made free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges, withholdings or liabilities imposed thereon, excluding, however, taxes imposed on or measured by the net income or capital of the Bank, such Holder or such Participant by any Governmental Authority or therein solely as a result of a connection between the Bank, such Holder or such Participant and such jurisdiction or political subdivision (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If the City shall be required by law to withhold or deduct any Taxes imposed by the United States or any political subdivision thereof from or in respect of any sum payable hereunder, under any Note or under the Fee Letter to the Bank, any Holder or any Participant, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 3.2), the Bank, such Holder or such Participant receives an amount equal to the sum it would have received had no such deductions been made, (ii) the City shall make such deductions and (iii) the City shall pay, subject to Section 3.2(c) hereof, the full amount deducted to the relevant Governmental Authority in accordance with applicable law. If the City shall make any payment under this Section 3.2 to or for the benefit of the Bank, a Holder or a Participant with respect to Taxes and if the Bank, such Holder or such Participant shall claim any credit or deduction for such Taxes against any other taxes payable by the Bank, such Holder or such Participant to any taxing jurisdiction in the United States then the Bank, such Holder or such Participant shall pay to the City an amount equal to the amount by which such other taxes are actually reduced; *provided* that the aggregate amount payable by the Bank, such Holder or such Participant pursuant to this sentence shall not exceed the aggregate amount previously paid by the City with respect to such Taxes. In addition, the City agrees to pay, subject to Section 3.2(c) hereof, any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America, the State of Texas or the State of New York from any payment made hereunder or under the Fee Letter or from the execution or delivery or otherwise with respect to this Agreement (hereinafter referred to as "*Other Taxes*"). The Bank, any Holder and any Participant making a claim hereunder shall provide to the City within a reasonable time a copy of any written notification it receives with respect to Taxes or Other Taxes owing by the City to the Bank, such Holder or such Participant hereunder, under any Note or under the Fee Letter; *provided* that the Bank's, such Holder's or such Participant's failure to send such notice shall not relieve the City of its obligation to pay such amounts hereunder or under the Fee Letter.

(b) The City shall, to the extent permitted by law and subject to the provisions hereof but subject to Section 3.2(c) hereof, indemnify the Bank, each Holder and each Participant for the full amount of Taxes and Other Taxes including any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 3.2 paid by the Bank, a Holder or a Participant or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted; *provided* that the City shall not be obligated to indemnify the Bank, any Holder or any Participant for any penalties, interest or expenses relating to Taxes or Other Taxes arising from the Bank's, such Holder's or such Participant's negligence or willful misconduct. The Bank, each Holder and each Participant agree to give notice to the City of the assertion of any claim

against the Bank, such Holder or such Participant relating to such Taxes or Other Taxes as promptly as is reasonably practicable after being notified of such assertion; *provided* that the Bank's, such Holder's or such Participant's failure to notify the City promptly of such assertion shall not relieve the City of its obligation under this Section 3.2. Subject to Section 3.2(c), payments by the City pursuant to this indemnification shall be made upon receipt of a written demand therefor, accompanied by a certificate describing in reasonable detail the basis thereof. The Bank, each Holder and each Participant agree to repay to the City any refund (including that portion of any interest that was included as part of such refund) with respect to Taxes or Other Taxes paid by the City pursuant to this Section 3.2 received by the Bank, such Holder or such Participant for Taxes or Other Taxes that were paid by the City pursuant to this Section 3.2 and to contest, with the cooperation and at the expense of the City, any such Taxes or Other Taxes which the Bank, such Holder, such Participant or the City reasonably believes not to have been properly assessed.

(c) Notwithstanding any other provision of this Section 3.2 to the contrary, the obligation of the City to make payments hereunder shall not be required earlier than (i) the date on which the City has unrestricted legally available funds appropriated to make payment thereof, and (ii) February 1 of the calendar year immediately following the date the City takes action to levy or assess *ad valorem* taxes for the payment of such Taxes or Other Taxes.

(d) Within thirty (30) days after the date of any payment of Taxes by the City, the City shall furnish to the Bank the original or a certified copy of a receipt evidencing payment thereof.

(e) The obligations of the City under this Section 3.2 shall survive the termination of this Agreement and the Note Agreements; *provided* that no demand for payment under this Section 3.2 shall be made later than sixty (60) days following the termination of this Agreement other than with respect to Taxes that are retroactive to a date prior to the date sixty (60) days following the termination of this Agreement.

ARTICLE IV

CONDITIONS PRECEDENT

Section 4.1. Conditions Precedent to Commitment. The obligation of the Bank to execute and deliver this Agreement, and to enter into the commitment to purchase Notes hereunder, is subject to the satisfaction of each of the following conditions precedent on or before the Effective Date, all in form and substance satisfactory to the Bank:

(a) *Approvals.* The Bank shall have received copies of all action taken by the City including, but not limited to, the Ordinance, approving the execution and delivery by the City of this Agreement, the Fee Letter, the Loan Note, and the Note Agreements, in each case, certified by an authorized official of the City as complete and correct as of the Effective Date.

(b) *Incumbency of City Officials.* The Bank shall have received an incumbency certificate of the City in respect of each of the officials who is authorized to

(i) sign this Agreement, the Fee Letter, the Loan Note and the Note Agreements on behalf of the City and (ii) take actions for the City under this Agreement, the Fee Letter, the Loan Note and the Note Agreements.

(c) *Opinions of Co-Bond Counsel.* The Bank shall have received written opinions of Co-Bond Counsel, addressed to the Bank, dated the Effective Date, in the form attached hereto as Exhibit F, and to the effect that the interest with respect to the Notes purchased by the Bank from time to time as provided for herein is excludable from gross income for federal income tax purposes, and including an acknowledgement that the Bank will rely on such opinion in connection with each purchase of Notes hereunder unless the Bank receives prior written notice that such opinion may no longer be relied upon.

(d) *Opinion of City Attorney.* The Bank shall have received a written opinion of the City Attorney, dated the Effective Date, in the form attached hereto as Exhibit G.

(e) *Attorney General Opinion.* The Bank shall have received the approving opinion of the Attorney General of Texas approving the proceedings authorizing the Notes and this Agreement.

(f) *Documents.* The Bank shall have received copies of each of this Agreement, the Fee Letter, the JPMorgan Credit Agreement and the Note Agreements, duly executed by the parties thereto, which agreements shall be in full force and effect as well as an executed or certified copy of each document, instrument, certificate and opinion delivered pursuant to the foregoing.

(g) *Loan Note.* The Bank shall have received the executed Loan Note.

(h) *No Default, Etc.* (i) No Default or Event of Default shall have occurred and be continuing as of the date hereof or will result from the execution and delivery by the City of this Agreement, the Fee Letter, the Loan Note and the Note Agreements, (ii) the representations and warranties made by the City in Articles V hereof (including those incorporated by reference) shall be true and correct in all material respects on and as of the Effective Date as if made on and as of such date, and (iii) the Bank shall have received a certificate, dated the Effective Date, from the City to the foregoing effect.

(i) *[Reserved].*

(j) *Ratings.* The Bank shall have received evidence that the long-term credit rating assigned to the City's general obligation Debt (without giving effect to any bond insurance policy or other credit enhancement) is "A1" (or its equivalent) by Moody's, "AA" (or its equivalent) by Fitch and "AA-" (or its equivalent) by S&P.

(k) *Other Documents.* The Bank shall have received such other documents, certificates, and opinions as the Bank or its counsel shall have reasonably requested as

well as such copies of the City's annual budget, Investment Policy and financial reports as the Bank shall have requested.

(l) *Fees and Expenses.* All fees and expenses due and payable to the Bank or its legal counsel pursuant to the Fee Letter shall be paid.

(m) *House Bill 1295.* The City shall have electronically acknowledged the filing of Form 1295 required by Texas House Bill 1295.

(n) *No DTC or Offering Document.* No Note shall be registered with The Depository Trust Company or any other securities depository. No offering document or official statement shall be prepared with respect to the Notes.

In addition, (A) the Bank shall have determined, as of the Effective Date, that no law, regulation, ruling or other action of the United States, the State of New York or the State of Texas or any political subdivision or other Governmental Authority therein or thereof shall be in effect or shall have occurred, the effect of which would be to prevent the City, the Paying Agent/Registrar, or the Bank from fulfilling their respective obligations under this Agreement, the Fee Letter or the other Related Documents to which each such entity is a party and (B) no material adverse change in the laws, rules, guidelines, or regulations (or their interpretation or administration) currently in effect and applicable to the parties hereto, and the transactions contemplated hereby, as determined in sole discretion of the Bank, shall have occurred.

Section 4.2. Certain Conditions to Bank's Purchase of Notes. The Bank has entered into this Agreement in reliance upon the representations and warranties of the City contained herein and to be contained in the documents and instruments to be delivered on the Effective Date and in connection with each purchase of Notes, and upon the performance by the City of its obligations hereunder, as of the Effective Date and the date of each purchase of Notes. Accordingly, any obligation of the Bank under this Agreement to purchase, to accept delivery of and to pay for any Notes shall be subject to performance by the City of its obligations to be performed hereunder and the delivery of the documents and instruments required to be delivered hereby on or prior to each date of purchase of Notes, and shall also be subject to the following additional conditions:

- (i) No Default or Event of Default shall have occurred and be continuing;
- (ii) receipt by the Bank of a Request for Purchase as described in Section 2.1 hereof;
- (iii) the amount of the requested purchase of Notes shall not exceed the Available Commitment, and each Note requested to be purchased by the Bank shall be delivered to the Bank on the related date of purchase and in a minimum principal amount of \$1,000,000 or an integral multiple of \$100,000 in excess thereof;
- (iv) the representations and warranties of the City contained in Article V shall be true, complete and correct on the date hereof, on the date of the delivery of the

Request for Purchase and on each date of purchase of the Notes except to the extent the same expressly relate to an earlier date, in which case they shall be true and correct as of such earlier date;

(v) in the event of a request to purchase Notes in exchange for maturing Notes, the Request for Purchase shall be at least equal the principal amount of maturing Notes to be exchanged;

(vi) at the time of each purchase of Notes, this Agreement and each Note Agreement shall be in full force and effect in accordance with their respective terms and shall not have been amended, modified or supplemented in any manner which will adversely affect (i) the ability of the City to issue the Notes or perform its obligations thereunder or under this Agreement or (ii) the security for the Notes;

(vii) at the time of each purchase of Notes, all official action of the City relating to this Agreement, the Notes and the Note Agreements shall have been taken and shall be in full force and effect in accordance with their respective terms and shall not have been amended, modified or supplemented in any material adverse respect;

(viii) no Change in Law shall have occurred that would make the purchase of Notes illegal. In such event, the City will have no liability whatsoever with respect to such request for purchase and the Bank will have no liability for its failure to so purchase if such failure is due to a Change in Law; and

(ix) neither the City nor the Bank shall have received written notice from Co-Bond Counsel that the approving opinion delivered pursuant to Section 4.1(c) hereof may no longer be relied upon.

The submission by the City of a Request for Purchase shall be deemed to be a representation and warranty by the City on the date of each applicable purchase that the conditions specified above have been satisfied on and as of such date.

Section 4.3. Satisfaction or Waiver of Conditions. All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance reasonably satisfactory to the Bank, and the Bank shall have the right to waive any condition set forth in this Article IV.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

To induce the Bank to enter into this Agreement, extend the Commitment and purchase Notes, the City represents and warrants to the Bank on the Effective Date that:

Section 5.1. Due Existence. The City (i) is an incorporated city under a home-rule charter adopted pursuant to Article XI, Section 5 of the State of Texas Constitution; and (ii) has the full legal right, power, and authority to (A) own its properties and to carry on its business as now being and hereafter proposed to be conducted, (B) execute and deliver this Agreement and the Related Documents, (C) perform all its obligations and liabilities under this Agreement and the Related Documents, (D) receive the proceeds of the Notes and Term Loans, and otherwise incur Debt in accordance with this Agreement and the Fee Letter, and (E) levy ad valorem taxes on all taxable property within the City, within the limits prescribed by applicable law including, without limitation, to pay the principal of and interest on the Notes, all other outstanding bonds and notes of the City and all of its obligations hereunder (including, without limitation, the obligation to repay all Notes and Term Loans, to pay all interest thereon, and to pay all fees and other amounts payable hereunder and under the Fee Letter).

Section 5.2. Authorization; No Conflict. The execution and delivery of this Agreement and the Fee Letter, the execution and delivery of the Loan Note, the authorization and issuance of the Notes, the execution and delivery of the Note Agreements, the borrowings represented by the Notes and Term Loans hereunder and the performance by the City of its obligations under this Agreement, the Loan Note and the Note Agreements, are within the City's powers, have been duly authorized by all necessary governmental action, have received all necessary approval (if any shall be required), and do not and will not contravene or conflict with any provision of law (including the Constitution of the State of Texas) or of any agreement binding upon the City.

Section 5.3. Valid and Binding Nature. This Agreement, the Fee Letter, the Loan Note and the Note Agreements are, and the Notes when issued will be, legal, valid, and binding obligations of the City enforceable against the City (assuming this Agreement and the Fee Letter are valid and binding agreements of the Bank) in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws or equitable principles relating to or limiting creditors rights and remedies generally.

Section 5.4. Litigation and Contingent Liabilities. Except as disclosed in the offering memorandum relating to the issuance of the Series A Notes as in effect on the Effective Date, no litigation, arbitration proceedings, or governmental proceedings are pending or threatened against the City which question or seek to limit the right, power, or authority of the City to enter into this Agreement to issue the Loan Note, to issue the Notes, to enter into the other Note Agreements or to perform any of its obligations under this Agreement, the Fee Letter, the Loan Note or the Note Agreements or that would, if adversely determined, materially and adversely affect the financial condition of the City or its ability to perform its obligations hereunder or thereunder.

Section 5.5. Governmental Approvals. No approval, permit, consent or authorization of, or registration or filing with, any Governmental Authority or Person not already obtained or made (or will have been obtained on or prior to the Effective Date) is required on the part of the City in connection with the execution and delivery by the City or the performance of any of its obligations under this Agreement, the Fee Letter, the Loan Note or any Note Agreement.

Section 5.6. Financial Statements. The audited financial statements of the City for the fiscal year ended September 30, 2016, and the auditors' reports with respect thereto, copies of which have been furnished to the Bank, correctly and fairly present the financial position, changes in financial position and the results of operations of the City at and for the periods ended on such dates, and were prepared in accordance with GAAP. Since September 30, 2016, there has been no Material Adverse Change in such financial condition.

Section 5.7. No Default. The City is not in default under (a) any order, writ, injunction or decree of any Governmental Authority applicable to it, (b) any law applicable to it, (c) any general obligation Debt or other obligations payable from or secured by the Pledged Collateral, or (d) any contract, agreement or instrument to which the City is a party or by which it or its property is bound, which default would have a Material Adverse Effect on the properties, business, condition (financial or other), results of operations or prospects of the City or the transactions contemplated by this Agreement, the Loan Note, the Fee Letter or the Note Documents, or which could reasonably be expected to have a Material Adverse Effect on the validity or enforceability of, or the authority or ability of the City to perform its obligations under, this Agreement, the Loan Note, the Fee Letter or any other Related Document to which it is a party; and no event has occurred which with the giving of notice or the passage of time or both would constitute such a default. No Default or Event of Default has occurred or is existing hereunder.

Section 5.8. Full Disclosure. None of the representations or warranties made by the City in this Agreement as of the date such representations and warranties are made or deemed made, and none of the statements contained in each exhibit or any certificate furnished by or on behalf of the City contains any untrue statement of a material fact or omits any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading.

Section 5.9. Pledged Collateral. Section 2.11 of the Ordinance creates a valid, continuing and irrevocable lien on and pledge of the Pledged Collateral in favor of the Bank to secure the obligations of the City hereunder, including without limitation, the principal of and interest on the Notes and the Loan Note, and such Section 2.11 is hereby incorporated herein by reference.

Section 5.10. General Obligation. All obligations of the City in respect of principal of, and interest on, the Notes, the Loan Note and all obligations hereunder (including, without limitation, the obligation of the City to repay all Notes, to pay all interest thereon, and to pay all fees and other amounts payable hereunder and under the Fee Letter) constitute direct and general obligations of the City payable from ad valorem taxes levied against all taxable property of the City within the limits prescribed by applicable law. The City currently intends, at appropriate

times, to issue its bonds, the proceeds of which will repay all or a portion of the Notes and the Loan Note.

Section 5.11. Ad Valorem Taxes. The Ordinance (i) levies an ad valorem tax against all taxable property of the City in each year sufficient to pay the principal of and interest due on the Notes and the Loan Note, and, as of the Effective Date, (ii) was duly adopted, is in full force and effect, and has not been amended or otherwise modified.

Section 5.12. Margin Stock. No portion of the proceeds of any Notes or Term Loans shall be used by the City (or the Paying Agent/Registrar or any other Person on behalf of the City) for the purpose of "purchasing" or "carrying" any margin stock or used in any manner which might cause the borrowing or the application of such proceeds to violate Regulation U of the Board of Governors of the Federal Reserve System or any other regulation of the Board or to violate the Securities Exchange Act of 1934, as amended, in each case as in effect on the date or dates of the purchase of such Notes and such use of proceeds.

Section 5.13. Tax-Exempt Status. The City has not taken any action or omitted to take any action, and knows of no action taken or omitted to be taken by any other person or entity, which action, if taken or omitted, would cause interest on the Notes to be subject to federal income taxes or such Note to be subject to local personal property taxes within the City levied by it or any political subdivision thereof.

Section 5.14. Permitted Investments. The City has neither made any investment nor entered into any agreements for the purpose of effecting any investment which are not permitted to be made by it pursuant to its Investment Policy, the Ordinance or any other Related Document.

Section 5.15. No Proposed Legal Changes. There is no amendment or, to the knowledge of the City, proposed amendment certified for placement on a ballot within the State of Texas, or any legislation that has passed either house of the State of Texas Legislature, or any published judicial decision interpreting any of the foregoing, the effect of which is to materially adversely affect the Notes, or any holder thereof in its capacity as such, or the ability of the City to perform its obligations under this Agreement, the Loan Note, the Fee Letter or the Related Documents.

Section 5.16. Note Agreements. The City makes each of the representations, warranties and covenants contained in the Note Agreements to which it is a party to, and for the benefit of, the Bank as if the same were set forth at length herein together with all applicable definitions thereto. Except to the extent expressly permitted by Section 6.15 hereof, no amendment, modification, termination or replacement of any such representations, warranties, covenants and definitions contained in the Note Agreements shall be effective to amend, modify, terminate or replace the representations, warranties, covenants and definitions incorporated herein by this reference, without the prior written consent of the Bank.

Section 5.17. OFAC. Neither the City, nor, to the knowledge of the City, any Related Party, (a) is currently the subject of any Sanctions, (b) is located, organized or residing in any Designated Jurisdiction, or (c) is or has been (within the previous five (5) years) engaged in any

transaction with any Person who is now or was then the subject of Sanctions or who is located, organized or residing in any Designated Jurisdiction. Neither the City nor, to the knowledge of the City, any Related Party, have used the proceeds from the Notes or any Loans, directly or indirectly, to lend, contribute, provide or otherwise be made available to fund any activity or business in any Designated Jurisdiction or to fund any activity or business of any Person located, organized or residing in any Designated Jurisdiction or who is the subject of any Sanctions, or in any other manner that will result in any violation by any Person (including the Bank) of Sanctions.

Section 5.18. Mandamus. The duties and obligations of the City under this Agreement that are clearly defined and non-discretionary and for which there is no other remedy available at law are enforceable by mandamus in any court of competent jurisdiction.

Section 5.19. ERISA. The City is not required to maintain or contribute to, does not maintain or contribute to, and has not maintained or contributed to, any employee pension benefit plan that is subject to Title IV of ERISA.

ARTICLE VI

COVENANTS

From the Effective Date and so long as the Bank is obligated to purchase Notes hereunder and under the Loan Note and until the payment in full of all of the obligations of the City under this Agreement and the Loan Note, the City shall unless the Bank otherwise consents in writing:

Section 6.1. Reporting Requirements. The City will deliver to the Bank:

(a) as soon as available, a copy of the management-prepared financial forecast report (prepared using the budget basis of accounting, not GAAP) for each fiscal quarter of the City, which report shall include with respect to the City's general and proprietary funds: (i) revenues and expenditures to date, (ii) fiscal year budgeted revenues and expenditures and (iii) fiscal year-end forecasts and variances from budget represented by such forecasts;

(b) as soon as available, but not later than nine (9) months after the close of each fiscal year of the City, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of and for the year ended for the City certified by an independent accountant selected by the City. Such certificate shall not be qualified or limited;

(c) concurrently with the delivery of the financial statements referred to in Section 6.1(b) above, a certificate of an Authorized Officer stating that, to the best of such officer's knowledge, the City, during such period, has observed and performed all of its covenants and other agreements, and satisfied every condition contained in this

Agreement to be observed, performed or satisfied by it, and that such officer has obtained no knowledge of any Default or Event of Default except as specified (by applicable Section reference) in such certificate;

(d) promptly upon the availability thereof, a copy of any official statement, offering memorandum or other disclosure documents relating to the offering of any general obligation Debt;

(e) as soon as available, but not later than ninety (90) days after adoption by the City, the City's budget and a copy of the capital budget, and any amendments thereto;

(f) such other statements, lists of property and accounts, budgets, forecasts or reports with respect to the City as the Bank may reasonably request;

(g) at the request of the Bank, a statement of the amount of Notes outstanding and the interest rates on such Notes; and

(h) from time to time such additional information regarding the financial position, operations, business or prospects of the City as the Bank may reasonably request.

As and to the extent the information required by this Section 6.1 has been properly and timely filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access System, the City will be deemed to have complied with the provisions of this Section.

Section 6.2. Accounting Records. The City shall maintain adequate books, accounts and records and permit employees or agents of the Bank at any reasonable time to examine or audit the books, accounts and records of the City and make copies and memoranda.

Section 6.3. Note Payment Fund. (a) The City will create and establish with the Paying Agent/Registrar a separate and special account to be designated as the City of Dallas Note Payment Account, Series B (the "*Note Payment Fund*"). The Note Payment Fund shall contain the following accounts: (i) Interest Payment Account; and (ii) Principal Payment Account (which may contain within it one or more subaccounts for the Term Loan). Moneys on deposit in the Note Payment Fund shall be used to pay principal of and interest on Notes and the Loan Note as the same shall become due and payable as provided herein and in the Ordinance and to repay any borrowings or other amounts payable pursuant to this Agreement and under the Fee Letter.

(b) All proceeds of borrowings under this Agreement, all proceeds received by the City with respect to any Notes and Refunding Notes, and all other available funds of the City that the City may elect at its sole option to deposit therein, shall be deposited into the Note Payment Fund and used to pay the principal of and interest on the Notes and the Loan Note.

(c) Moneys deposited in said Note Payment Fund may be invested by the Paying Agent/Registrar at the direction of the City in investments as are permitted by the laws of the

State of Texas and are within the City's Investment Policy; *provided, however*, that such investment does not inhibit the punctual payment of the principal and interest on the Notes and the Loan Note; and *provided, further*, that no funds derived from the purchase of Notes pursuant to this Agreement may be invested by or on behalf of the City and all said funds shall be held segregated from all other accounts and funds of the Paying Agent/Registrar.

Section 6.4. Payments. The Notes and the Loan Note are general obligations of the City payable from and secured by the funds pledged therefor pursuant to the Ordinance. The City agrees to make payments into the Note Payment Fund at such times and in such amounts as are necessary to provide for the full payment of the principal of and the interest on the Notes and the Loan Note when due.

Section 6.5. Security and Pledge. To provide security for the payment of the principal of and interest on the Notes, the Loan Note and any other amounts due under this Agreement as the same shall become due and payable, the City has granted a lien on and pledge of (subject only to the provisions of the Ordinance permitting the application thereof for purposes and on the terms and conditions set forth therein) the Pledged Collateral. The City shall at all times keep the Pledged Collateral and every part thereof free and clear of all pledges and security interests except the pledges granted in the Ordinance or permitted under the Related Documents, and shall maintain the pledge of the Pledged Collateral to the Bank as a fully perfected pledge and all rights of the City to receive any amount of the Pledged Collateral, subject only to the rights of the owners of Series A Notes pursuant to the Ordinance.

Section 6.6. Compliance with the Ordinance. The covenants and agreements contained in the Ordinance are hereby incorporated herein and shall be deemed to be for the benefit and protection of the Bank and its rights under and pursuant to this Agreement and the Fee Letter.

Section 6.7. Punctual Payment. The City will punctually pay or cause to be paid (i) the principal and interest due on the Notes and the Loan Note and (ii) the fees owed to the Bank under this Agreement and under the Fee Letter, in strict conformity with the terms hereof, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Agreement.

Section 6.8. Proceeds of Notes. The proceeds of the Notes will be used by the City solely for the purposes described in the Ordinance.

Section 6.9. Other Bank Facilities. The City shall not enter into or become liable under any other bank facilities in connection with the City's general obligation Debt unless the obligations of the City under such other bank facility are *pari passu* with the Notes and the Loan Note and all other obligations to the Bank under this Agreement and under the Fee Letter, both in right of payment and with respect to any lien on or pledge of a levy of ad valorem tax on taxable property of the City; *provided* that the City shall not grant or suffer to exist any lien on or pledge of any security provided to the Bank as described in Section 6.5 (other than that tax levy), except for a lien or pledge in favor of the holders of the Notes or otherwise in favor of the Bank.

Section 6.10. Notices to Rating Agencies. The City will notify the Rating Agencies in a timely manner of any matter with respect to which the City has separately agreed with any of the Rating Agencies to provide such notice, and the City shall promptly provide the Bank with a copy of such notice.

Section 6.11. Performance by City. The City shall punctually pay or cause to be paid all amounts payable under this Agreement, the Loan Note, the Fee Letter and the other Related Documents and observe and perform all of the conditions, covenants and requirements of this Agreement, the Loan Note, the Fee Letter and the other Related Documents. In addition, the City covenants that it will comply with the requirements of all applicable law of any Governmental Authority having jurisdiction over the City, non-compliance with which could reasonably be expected to have a Material Adverse Effect on its ability to perform its obligations under this Agreement, the Loan Note, the Fee Letter or the other Related Documents to which it is a party, unless the same is being contested in good faith and by appropriate proceedings and such contest shall operate to stay the Material Adverse Effect of any such non-compliance. The City will perform all of its obligations under each of the Note Agreements.

Section 6.12. Notice of Certain Events. The City will:

(a) Promptly, and in any event within five (5) Business Days of the City becoming aware thereof, notify the Bank in writing of the occurrence of any Default or Event of Default, describing the nature thereof and the action the City proposes to take with respect thereto.

(b) Promptly, and in any event within fifteen (15) Business Days of the City becoming aware thereof, any litigation or administrative proceedings against the City of which the City has received actual notice and in which there is a reasonable possibility of an adverse determination and which could reasonably be expected to have a Material Adverse Effect on (A) the financial condition of the City or (B) the City's ability to perform its obligations under this Agreement, the Loan Note or any Note Agreement.

Section 6.13. Maintenance of Paying Agent/Registrar. The City will maintain in place a Paying Agent/Registrar for the Notes, and obtain the prior written consent of the Bank (which consent shall not be unreasonably withheld) to any change in the Persons acting as Paying Agent/Registrar.

Section 6.14. No Conflicting Agreements. The City will not enter into any agreement containing any provision which would be violated or breached by the performance of its obligations hereunder, under the Loan Note or under the Note Agreements.

Section 6.15. Amendments to Note Agreements. The City will not amend or modify any provision of, or give any consent or grant any waiver under, any Note Agreement without first obtaining the Bank's written consent.

Section 6.16. Total Outstanding. At no time during the Purchase Period shall the City permit (i) the Available Commitment to be less than zero and (ii) the aggregate outstanding

principal amount of Notes held by the Bank to be less than one percent (1.00%) of the aggregate Commitment then in effect.

Section 6.17. Further Assurance. The City will execute and deliver to the Bank all such documents and instruments as may be necessary or reasonably required by the Bank to enable the Bank to exercise and enforce its rights under this Agreement, the Loan Note and the Note Agreements or to maintain any rights, revenues and other funds and Pledged Collateral hereby pledged or assigned for the payment of the Notes, Loan Note or other amount due and owing to the Bank hereunder, under the Fee Letter or any of the other Related Documents.

Section 6.18. Investments Guidelines. The City will:

(a) Promptly notify the Bank in writing of any changes proposed to the City's written investment policies or guidelines (the "*Investment Policy*"), a copy of which has been delivered by the City to the Bank prior to the Effective Date, if the proposed change would increase the types of investments permitted by such Investment Policy.

(b) Promptly notify the Bank in writing, after the adoption thereof by the City, of any change in the Investment Policy, which change increases the types of investments permitted by the Investment Policy and of which change the Bank was not previously notified pursuant to clause (a) above.

(c) Promptly notify the Bank in writing after the adoption by the City of any amendments to the City's Financial Management Performance Criteria, a copy of which has been delivered by the City to the Bank prior to the Effective Date.

Section 6.19. Tax Levy. So long as any Note or Term Loan remains outstanding, the City hereby covenants to cause the ad valorem taxes levied for the payment of the principal thereof and the interest thereon as and when the same become due to be assessed at a rate sufficient to pay the principal thereof and the interest thereon in full as and when the same become due.

Section 6.20. Fiscal Year. The City will not adopt, permit or consent to any change in its established fiscal year without giving the Bank written notice thereof.

Section 6.21. Swap Contracts. The City shall at all times require that any termination fees or settlement amounts payable in connection with any Swap Contract entered into by the City on or after the Effective Date shall be subordinate to the payment of principal of, and interest on, the Notes and the Loan Note; *provided, however*, that the foregoing shall not operate to prevent amendments and supplements to Swap Contracts entered into prior to the date hereof as long as such amendments or supplements do not operate to modify the priority of payment of any related termination fees or settlement amounts.

Section 6.22. Provisions to Facilitate Payments. The City shall cause to be included in each annual budget of the City reasonable provisions for the payment of all amounts due and estimated to become due with respect to the Notes and obligations payable to the Bank under this Agreement, the Fee Letter, the Loan Note and the other Related Documents during the Fiscal

Year covered by such budget. To the extent that amounts actually due and payable to the Bank under this Agreement, the Fee Letter, the Loan Note and the other Related Documents in any fiscal year exceed the amounts estimated and/or available therefrom in an annual budget of the City for such fiscal year, the City shall take, or cause to be taken, as promptly as possible, all such actions (including, without limitation, amendments of such annual budget) as may be required to permit and facilitate the expenditure of additional moneys from all sources legally available for the payment of such amounts.

Section 6.23. Waiver of Sovereign Immunity. To the extent allowed by Texas law, including particularly Chapter 1371, Texas Government Code, the City waives immunity from suit or liability for the purpose of adjudicating a claim to enforce the City's contractual obligations under this Agreement and the Loan Notes.

Section 6.24. Ratings. The City shall at all times maintain a long-term unenhanced credit rating on its general obligation Debt from at least one Rating Agencies. The City covenants and agrees that it shall not at any time withdraw any long-term unenhanced credit rating on its general obligation Debt from any of Fitch, Moody's or S&P if the effect of such withdrawal would be to cure a Default or an Event of Default under this Agreement or reduce the Commitment Fee.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.1. Events of Default. Each of the following shall constitute an "Event of Default" under this Agreement:

(a) The City fails to pay (i) the principal of or interest on any Note or the Term Loan when due, or (ii) within five (5) days after receipt of an invoice therefor, any fees, expenses or other amounts (other than principal of or interest on any Note or the Term Loan) payable hereunder or under the Fee Letter; or

(b) A breach or failure of performance by the City of any covenant contained in Section 6.5, 6.6, 6.7, 6.8, 6.12, 6.16, 6.17, 6.19 or 6.24 hereof; or

(c) A breach or failure of performance by the City of any covenant, condition, or agreement on its part to be observed or performed contained herein (other than a breach or failure covered by another paragraph in this Section 7.1) and any such breach or failure (if capable of remedy) continues for a period of sixty (60) days after notice thereof from the Bank to the City; or

(d) Any of the City's representations or warranties made or deemed made herein or in any statement or certificate at any time given pursuant hereto or in connection herewith proves at any time to have been false or misleading in any material respect when made and any such false or misleading statement or certificate (if capable of

remedy) continues for a period of sixty (60) days after notice thereof from the Bank to the City; or

(e) The City (i) applies for or consents to the appointment of or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or of a substantial part of its property or assets, (ii) admits in writing its inability, or is generally unable, to pay its general obligation Debt as such Debt becomes due, (iii) makes a general assignment for the benefit of creditors or declares a moratorium with respect to its general obligation Debt, (iv) commences a voluntary case under the Bankruptcy Code, (v) files a petition seeking to take advantage of any other laws relating to bankruptcy, insolvency, reorganization, liquidation, winding-up, or composition or adjustment of general obligation Debts, or (vi) acquiesces in writing to, or fails to controvert in a timely and appropriate manner, any petition filed against it in an involuntary case filed under the Bankruptcy Code (as now or hereafter in effect) seeking liquidation or reorganization with respect to a substantial part of its assets, and such case or proceeding is not stayed, discharged or dismissed within sixty (60) days of the filing of such petition; or

(f) (i) Without the application or consent of the City, a case or other proceeding is commenced in any court of competent jurisdiction seeking (y) the reorganization, dissolution, winding-up, liquidation, or composition or readjustment of general obligation Debt of the City or (z) the appointment of a trustee, receiver, custodian, liquidator or the like of the City or any substantial part of the assets thereof and such case or proceeding continues undismissed, or an order, judgment or decree approving or ordering any of the foregoing is entered and continues unstayed and in effect, in either case, for a period of sixty (60) consecutive days, or (ii) an order for relief in respect of the City is entered in an involuntary case under the Bankruptcy Code (as now or hereafter in effect); or

(g) The State of Texas or any other Governmental Authority having jurisdiction over the City imposes a debt moratorium, debt restructuring or comparable restriction on repayment when due and payable of the principal of or interest on the Notes, the Loan Note (and the Term Loan evidenced thereby) or on the City's other general obligation Debt; or

(h) The rating (without regard to credit enhancement) assigned to any of the long-term general obligation Debt of the City by Moody's, Fitch or S&P shall be withdrawn, suspended or fall below "Baa1" by Moody's, "BBB+" by Fitch or "BBB+" by S&P (in each case to the extent such Rating Agency then maintains a rating on the long-term general obligation Debt of the City), unless such Rating Agency states, in the case of a withdrawal or suspension, that such withdrawal or suspension is for reasons that are not credit-related; or

(i) Entry or filing of any judgment, order, writ or warrant of attachment in an amount in excess of \$20,000,000 against the City or against any of its property and failure of the City to vacate, bond, stay or contest in good faith such judgment, writ, warrant of attachment or other process for a period of sixty (60) days or a failure to pay

or satisfy such judgment within sixty (60) days or as otherwise required by such judgment, writ or warrant of attachment; or

(j) (i) The City fails to pay when due and payable, after giving effect to any applicable grace period, the principal of or interest on any Debt in excess of \$25,000,000 in the aggregate or (ii) any event shall occur with respect to any Debt of the City in excess of \$25,000,000 or any general obligation Debt of the City that results in such Debt becoming due, or permits the holder of such Debt to cause such Debt to become due, in each case prior to its stated maturity date; or

(k) The City fails to pay when due and payable, after giving effect to any applicable grace period, the principal of and interest on any of its general obligation Debt (other than such Debt consisting of the obligation of another Person guaranteed by the City or any of the Notes); or

(l) Any provision of this Agreement, the Notes, the Loan Note, the Act, or the Ordinance relating to (x) the ability or the obligation of the City to pay, when due, the principal of or interest on the Notes or the Loan Note, (y) the Pledged Collateral or (z) the general obligation and full faith and credit pledge of the City securing the Notes and the Loan Note shall at any time, and for any reason, cease to be valid and binding on the City, or shall be declared to be null and void, invalid or unenforceable as the result of a final nonappealable judgment by any federal or state court or as a result of any legislative or administrative action by any Governmental Authority having jurisdiction over the City; or

(m) The City contests in an administrative or judicial proceeding, repudiates or otherwise denies (including, without limitation, authorizing the filing of a claim to such effect in an administrative or judicial proceeding) that it has any further liability or obligation under or with respect to any provision of this Agreement, the Notes, the Loan Note, any general obligation Debt, the Act, or the Ordinance relating to (x) the ability or the obligation of the City to pay, when due, the principal of or interest on the Notes, any general obligation Debt or the Loan Note, (y) the Pledged Collateral or (z) the general obligation and the full faith and credit pledge of the City securing, in each case, the Notes, any general obligation Debt and the Loan Note; or

(n) The City contests in an administrative or judicial proceeding, repudiates or otherwise denies (including, without limitation, authorizing the filing of a claim to such effect in an administrative or judicial proceeding) the legality, validity or enforceability of any provision of this Agreement (with the exception of any indemnification provision herein), the Notes, the Loan Note, any general obligation Debt, the Act, or the Ordinance relating to (x) the ability or the obligation of the City to pay, when due, the principal of or interest on the Notes, any general obligation Debt or the Loan Note, (y) the Pledged Collateral or (z) the general obligation and the full faith and credit pledge of the City securing, in each case, the Notes, any general obligation Debt and the Loan Note; or

(o) The City shall have taken or permitted to be taken any official action (including enactment of a statute or adoption of an ordinance) which would materially adversely affect the legality, validity or enforceability of any provision of this Agreement, the Notes, the Loan Note, any general obligation Debt, or the Ordinance relating to (x) the ability or the obligation of the City to pay, when due, the principal of or interest on the Notes or the Loan Note, (y) the Pledged Collateral or (z) the general obligation and the full faith and credit pledge of the City securing, in each case, the Notes, any general obligation Debt and the Loan Note; or

(p) Any Governmental Authority with jurisdiction to rule on the legality, validity or enforceability of this Agreement, the Notes, the Loan Note, the Act, or the Ordinance shall find or rule, in a judicial or administrative proceeding, that any provision of this Agreement, the Notes, the Loan Note, the Act, or the Ordinance relating to (x) the ability or the obligation of the City to pay, when due, the principal of or interest on the Notes or the Loan Note, (y) the Pledged Collateral, or (z) the general obligation and the full faith and credit pledge of the City securing, in each case, the Notes and the Loan Note, is not valid or not binding on, or not enforceable against, the City; or

(q) an "event of default" under the JPMorgan Credit Agreement or any Related Document shall have occurred.

Section 7.2. Actions Taken in Respect of Events of Default. Upon the occurrence and during the continuance of any Event of Default, the Bank may take one or more of the following actions: (i) by written notice delivered to the City and the Paying Agent/Registrar, (A) terminate the Commitment in whole and (B) to the extent permitted by law, declare all amounts payable by the City to the Bank hereunder and under any Note, the Fee Letter and the Loan Note, to be forthwith due and payable without presentment, demand, protest, all of which are expressly waived by the City; *provided, however,* that to the extent that the Bank pursues the rights granted to it under Section 7.2(i)(B) above, the City shall pay to the Bank such amounts from any unrestricted funds lawfully available, and following such Event of Default, appropriated by the City for such purpose as described above, and to the extent that the City's lawfully available and appropriated funds are insufficient to pay such amounts upon demand, the amount of such deficiency shall not become due and payable prior to the earlier to occur of (x) the date on which the City has appropriated unrestricted lawfully available funds to pay all or a portion of the deficiency or (y) February 1 of the calendar year immediately following the date the City takes action to levy or assess ad valorem taxes on tangible property within the limits of the City; *provided further, however,* that interest on any unpaid amounts during the continuance of an Event of Default shall bear interest at the Default Rate until such amounts are paid in full; or (ii) either personally or by attorney or agent without bringing any action or proceeding, or by a receiver to be appointed by a court in any appropriate action or proceeding, take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable hereunder or under the Related Documents or to enforce performance or observance of any obligation, agreement or covenant of the City under the Related Documents, whether for specific performance of any agreement or covenant of the City or in aid of the execution of any power granted to the Bank herein or in the Related Documents.

Section 7.3. Suits at Law or in Equity and Mandamus. In case one or more Events of Default shall occur, then and in every such case the Bank shall be entitled to proceed to protect and enforce its rights by (i) way of mandamus to require the City to perform its obligations under this Agreement, or (ii) enforcement by writ of mandamus of any provision of the Ordinance and this Agreement in any court of competent jurisdiction.

Section 7.4. No Remedy Exclusive. The rights and remedies of the Bank under this Agreement shall be cumulative and not exclusive of any rights or remedies which it would otherwise have, and no failure or delay by the Bank in exercising any right shall operate as a waiver of it, nor shall any single or partial exercise of any power or right preclude its other or further exercise or the exercise of any other power or right.

ARTICLE VIII

GENERAL

Section 8.1. Notices. All notices and other communications provided for hereunder shall be in writing (including required copies) and sent by receipted hand delivery (including Federal Express or other receipted courier service), facsimile transmission, or regular mail, as follows:

- (a) if to the City:

City of Dallas, Texas
1500 Marilla Street
Dallas, Texas 75201
Attention: Chief Financial Officer
Telephone: (214) 670-5631
Facsimile: (214) 670-4653
E-Mail: elizabeth.reich@dallascityhall.com

- (b) if to the Bank:

JPMorgan Chase Bank, National Association
383 Madison Ave, 8th Floor
New York, New York 10179
Mail Code NY1-M076
Attention: David Bayer
Telephone: (212) 270-4186
Telecopy: (917) 546-2657
E-Mail: david.m.bayer@jpmorgan.com

- (c) if to the Paying Agent/Registrar:

JPMorgan Chase Bank, National Association
383 Madison Ave, 8th Floor
New York, New York 10179
Mail Code NY1-M076
Attention: David Bayer
Telephone: (212) 270-4186
Telecopy: (917) 546-2657
E-Mail: david.m.bayer@jpmorgan.com

With a copy to:

JPMorgan Chase Bank, National Association
500 Stanton Christiana Road, NCC5, 1st Floor
Newark, Delaware 19713-2107
Attention: George Ionas
Telephone: (302) 634-1651
Telecopy: (302) 634-4733
E-Mail: 12012443628@tls.ldsprod.com

or, as to each Person named above, at such other address as shall be designated by such Person in a written notice to the parties hereto. All such notices and communications shall, when delivered or sent by facsimile transmission or mailed, be effective when deposited with the courier, sent by facsimile transmission or mailed respectively, addressed as aforesaid, except that Requests for Purchases submitted to the Bank shall not be effective until received by the Bank.

Section 8.2. Survival of Covenants; Successors and Assigns. All covenants, agreements, representations, and warranties made herein and in the certificates delivered pursuant hereto shall survive the purchase of any Note or making of any Term Loan hereunder and shall continue in full force and effect so long as the Commitment is in effect and until all obligations of the City hereunder and any Note or under the Loan Note shall have been paid in full. Whenever in this Agreement any of the parties hereto is referred to, such reference shall, subject to the last sentence of this Section, be deemed to include the successors and assigns of such party, and all covenants, promises and agreements by or on behalf of the City which are contained in this Agreement and the Loan Note shall inure to the benefit of the successors and assigns of the Bank.

(a) *Successors and Assigns Generally.* This Agreement is a continuing obligation and shall be binding upon the City and the Bank, their respective successors, transferees and assigns and shall inure to the benefit of the City, the Bank and the Holders and their respective permitted successors, transferees and assigns. The City may not assign or otherwise transfer any of its rights or obligations hereunder or under the Loan Note without the prior written consent of the Bank. The Bank may not at any time assign to one or more assignees all or a portion of its obligations under this Agreement relating to the Commitment without the consent of the City (such consent not to be unreasonably withheld, conditioned or delayed) unless such assignment is to an Affiliate of the Bank or an Approved Fund; *provided* that the City shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Bank

within twenty (20) Business Days after having received notice thereof. Each Holder may, in its sole discretion and in accordance with applicable law, from time to time assign, sell or transfer in whole or in part, its interest in the Notes, this Agreement and the other Related Documents in accordance with the provisions of paragraph (b) or (c) of this Section. Each Holder may at any time and from time to time enter into participation agreements in accordance with the provisions of paragraph (d) of this Section. Each Holder may at any time pledge or assign a security interest subject to the restrictions of paragraph (e) of this Section.

(b) *Sales and Transfers by Holder to a Bank Transferee.* Without limitation of the foregoing generality, a Holder may at any time sell or otherwise transfer to one or more transferees all or a portion of the Notes or the Loan Note (and the Term Loan evidenced thereby) to a Person that is (i) an Affiliate of the Bank or (ii) a trust or other custodial arrangement established by the Bank or an Affiliate of the Bank, the owners of any beneficial interest in which are limited to "qualified institutional buyers" as defined in Rule 144A promulgated under the 1933 Act, or "institutional accredited investors" as defined in Rule 501 of Regulation D under the 1933 Act (each, a "*Bank Transferee*"). From and after the date of such sale or transfer, JPMorgan Chase Bank, National Association (and its successors) shall continue to have all of the rights of the Bank hereunder and under the other Related Documents as if no such transfer or sale had occurred; *provided, however,* that (A) no such sale or transfer referred to in clause (b)(i) or (b)(ii) hereof shall in any way affect the obligations of the Bank hereunder, (B) the City and the Paying Agent/Registrar shall be required to deal only with the Bank with respect to any matters under this Agreement and (C) in the case of a sale or transfer referred to in clause (b)(i) or (b)(ii) hereof, only the Bank shall be entitled to enforce the provisions of this Agreement against the City.

(c) *Sales and Transfers by Holder to a Non-Bank Transferee.* Without limitation of the foregoing generality, a Holder may at any time sell or otherwise transfer to one or more transferees which are not Bank Transferees but each of which constitutes a "qualified institutional buyer" as defined in Rule 144A promulgated under the 1933 Act or an "institutional accredited investor" as defined in Rule 501 of Regulation D under the 1933 Act (each a "*Non-Bank Transferee*") all or a portion of the Notes or the Loan Note (and the Term Loan evidenced thereby) if (A) written notice of such sale or transfer, including that such sale or transfer is to a Non-Bank Transferee, together with addresses and related information with respect to the Non-Bank Transferee, shall have been given to the City, the Paying Agent/Registrar and the Bank (if different than the Holder) by such selling Holder and Non-Bank Transferee, and (B) the Non-Bank Transferee shall have delivered to the City, the Paying Agent/Registrar and the selling Holder, an investment letter in substantially the form attached as Exhibit E to this Agreement (the "*Investor Letter*").

From and after the date the City, the Paying Agent/Registrar and the selling Holder have received written notice and an executed Investor Letter, (A) the Non-Bank Transferee thereunder shall have the rights and obligations of a Holder hereunder and under the other Related Documents, and this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to effect the addition of the Non-Bank Transferee, and any reference to the transferring Holder hereunder and under the other Related Documents shall thereafter refer to such transferring Holder and to the Non-Bank Transferee to the extent of their respective

interests, and (B) if the transferring Holder (other than the Bank) no longer owns any Notes or any portion of the Term Loan, then it shall relinquish its rights and be released from its obligations hereunder and under the Related Documents.

(d) Notwithstanding the foregoing, the Bank shall be permitted to grant to one or more financial institutions (each a "*Participant*") a participation or participations in all or any part of the Bank's rights and benefits under this Agreement, the Notes and the Loan Note on a participating basis but not as a party to this Agreement (a "*Participation*"), without the consent of the City; *provided* that the Bank agrees to give the City notice of the grant of any Participation upon the effectiveness thereof. In the event of any such grant by the Bank of a Participation to a Participant, whether or not upon notice to the City, the Bank shall remain responsible for the performance of its obligations hereunder, and the City shall continue to deal solely and directly with the Bank in connection with the Bank's rights and obligations under this Agreement, the Notes and the Loan Note. The City agrees that each Participant shall, to the extent of its Participation, be entitled to the benefits of this Agreement, the Notes and the Loan Note as if such Participant were the Bank; *provided* that no Participant shall have the right to declare, or to take actions in response to, an Event of Default under Sections 7.1 hereof.

(e) The Bank may assign and pledge all or any portion of the obligations owing to it to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operation Circular issued by such Federal Reserve Bank; *provided* that any payment in respect of such assigned obligations made by the City to the Bank in accordance with the terms of this Agreement shall satisfy the City's obligations hereunder in respect of such assigned obligation to the extent of such payment. No such assignment shall release the Bank from its obligations hereunder.

Section 8.3. Unconditional Obligations. The obligations of the City under this Agreement, the Note Agreements, the Fee Letter and the Loan Note shall be absolute, unconditional, irrevocable and payable strictly in accordance with the terms of this Agreement, the Note Agreements and the Loan Note, under all circumstances whatsoever, including, without limitation, the following:

(a) any lack of validity or enforceability of this Agreement, the Loan Note or, to the extent permitted by law, the Notes or any other Note Agreement;

(b) any amendment or waiver of or any consent to departure from the terms of all or any of the Note Agreements to which the Bank has not consented in writing;

(c) the existence of any claim, counterclaim, set-off, recoupment, defense, or other right which any Person may have at any time against the Bank, the City, the Paying Agent/Registrar or any other Person, whether in connection with this Agreement, the Loan Note, the Note Agreements or any other transaction;

(d) any statement or any other document presented pursuant hereto proves to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever; and

(e) purchase of Notes by the Bank against presentation of a Request for Purchase which does not comply with the terms of this Agreement; *provided* that such payment shall not have constituted negligence of the Bank.

Section 8.4. Liability of Bank; Indemnification. (a) TO THE EXTENT PERMITTED BY THE LAWS OF THE STATE OF TEXAS, THE CITY ASSUMES ALL RISKS OF THE ACTS OR OMISSIONS OF THE PAYING AGENT/REGISTRAR WITH RESPECT TO THE USE OF THE COMMITMENT AND THE PURCHASES MADE PURSUANT THERETO; *PROVIDED* THAT THIS ASSUMPTION WITH RESPECT TO THE BANK IS NOT INTENDED TO AND SHALL NOT PRECLUDE THE CITY FROM PURSUING SUCH RIGHT AND REMEDIES AS IT MAY HAVE AGAINST THE PAYING AGENT/REGISTRAR UNDER ANY OTHER AGREEMENTS. NEITHER THE BANK NOR ITS OFFICERS OR DIRECTORS SHALL BE LIABLE OR RESPONSIBLE FOR (I) THE USE OF THE PROCEEDS OF NOTES OR TERM LOAN OR THE TRANSACTIONS CONTEMPLATED HEREBY AND BY THE NOTE AGREEMENTS OR FOR ANY ACTS OR OMISSIONS OF THE PAYING AGENT/REGISTRAR, (II) THE VALIDITY, SUFFICIENCY, OR GENUINENESS OF ANY DOCUMENTS, EVEN IF SUCH DOCUMENTS SHALL, IN FACT, PROVE TO BE IN ANY OR ALL RESPECTS INVALID, FRAUDULENT, FORGED OR INSUFFICIENT, (III) PAYMENTS BY THE BANK AGAINST PRESENTATION OF DOCUMENTS WHICH DO NOT COMPLY WITH THE TERMS OF THIS AGREEMENT, OR (IV) ANY OTHER CIRCUMSTANCES WHATSOEVER IN MAKING OR FAILING TO MAKE PAYMENT HEREUNDER; *PROVIDED* THAT THE CITY SHALL HAVE A CLAIM AGAINST THE BANK TO THE EXTENT OF ANY DIRECT, AS OPPOSED TO CONSEQUENTIAL DAMAGES, BUT ONLY TO THE EXTENT CAUSED BY THE WILLFUL FAILURE OR NEGLIGENCE OF THE BANK (AS DETERMINED BY A COURT OF COMPETENT JURISDICTION) IN FAILING TO MAKE A PURCHASE REQUIRED TO BE MADE BY THE BANK HEREUNDER AFTER STRICT COMPLIANCE BY THE CITY WITH ALL CONDITIONS PRECEDENT TO SUCH PURCHASE, UNLESS THE MAKING OF SUCH PURCHASE WAS NOT OTHERWISE PERMITTED BY LAW.

(b) TO THE EXTENT PERMITTED BY THE LAWS OF THE STATE OF TEXAS, THE CITY HEREBY INDEMNIFIES AND HOLDS HARMLESS EACH INDEMNITEE FROM AND AGAINST ANY AND ALL CLAIMS, DAMAGES, LOSSES, CONSEQUENTIAL DAMAGES, LIABILITIES, REASONABLE COSTS OR EXPENSES (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES OF COUNSEL FOR THE INDEMNIFIED PARTIES THAT IS NOT AN EMPLOYEE OF AN INDEMNIFIED PARTY OR AN AFFILIATE THEREOF AND EXPENSES) WHATSOEVER WHICH SUCH INDEMNITEE MAY INCUR (OR WHICH MAY BE CLAIMED AGAINST SUCH INDEMNITEE BY ANY PERSON WHATSOEVER) BY REASON OF OR IN CONNECTION WITH (I) THE EXECUTION OR DELIVERY OF THIS AGREEMENT, ANY OTHER RELATED DOCUMENT OR ANY AGREEMENT OR INSTRUMENT CONTEMPLATED HEREBY OR THEREBY, THE PERFORMANCE BY THE PARTIES HERETO OF THEIR RESPECTIVE OBLIGATIONS HEREUNDER OR THEREUNDER, THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, (II) ANY PURCHASE OF NOTES OR THE USE OR PROPOSED USE OF THE PROCEEDS THEREFROM, OR (III) ANY ACTUAL OR PROSPECTIVE CLAIM, LITIGATION, INVESTIGATION OR PROCEEDING RELATING TO ANY OF THE FOREGOING, WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY, WHETHER BROUGHT BY A THIRD PARTY OR BY THE CITY, AND REGARDLESS OF WHETHER ANY INDEMNITEE IS A PARTY THERETO, IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF THE

INDEMNITEE; *PROVIDED* THAT THE CITY SHALL NOT BE REQUIRED TO INDEMNIFY THE BANK OR ANY PARTICIPANT FOR ANY LOSSES, CLAIMS, DAMAGES, LIABILITIES, COSTS OR EXPENSES (OTHER THAN THOSE DESCRIBED IN CLAUSE (I)) TO THE EXTENT, BUT ONLY TO THE EXTENT, CAUSED BY THE WILLFUL MISCONDUCT OR NEGLIGENCE OF THE BANK OR SUCH PARTICIPANT (AS DETERMINED BY A COURT OF COMPETENT JURISDICTION). THE PROVISIONS OF THIS SECTION 8.4(B) SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

Section 8.5. Expenses and Taxes. The City will promptly pay (i) the reasonable costs and expenses of the Bank in connection with the negotiation, preparation, execution, and delivery of this Agreement, the Fee Letter and any other documents which may be delivered in connection with this Agreement, plus the reasonable fees and disbursements of counsel to the Bank subject to any limitations or caps set forth in the Fee Letter, (ii) the fees and disbursements of counsel to the Bank with respect to advising the Bank as to the rights and responsibilities under this Agreement after the occurrence of a Default or an Event of Default, and (iii) all costs and expenses, if any, in connection with the enforcement of this Agreement, the Fee Letter and any other documents which may be delivered in connection herewith or therewith, including in each case the fees and disbursements of counsel to the Bank. In addition, the City shall pay any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing, and recording of this Agreement and the security contemplated by the Loan Note, the Note Agreements and any related documents and agrees to save the Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees. In addition, the City agrees to pay, after the occurrence of a Default or an Event of Default, all costs and expenses (including attorneys' fees and costs of settlement) incurred by the Bank in enforcing any obligations or in collecting any payments due from the City hereunder or under the Notes, the Fee Letter or the Loan Note by reason of such Default or Event of Default or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "workout" or of any insolvency or bankruptcy proceedings.

Section 8.6. No Waiver; Conflict. Neither any failure nor any delay on the part of the Bank in exercising any right, power or privilege hereunder, nor any course of dealing with respect to any of the same, shall operate as a waiver thereof, preclude any other or further exercise thereof nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The remedies herein provided are cumulative, and not exclusive of any remedies provided by law. To the extent of any conflict between this Agreement and the Note Agreements, this Agreement shall control as between the City and the Bank.

Section 8.7. Modification, Amendment, Waiver, Etc. No modification, amendment or waiver of any provision of this Agreement or the Loan Note shall be effective unless the same shall be in writing and signed by the party against whom such amendment, modification or waiver is to be enforced.

Section 8.8. Dealing with the City and/or the Paying Agent/Registrar. The Bank and its affiliates may accept deposits from, extend credit to and generally engage in any kind of

banking, trust or other business with the City and the Paying Agent/Registrar, regardless of the capacity of the Bank hereunder.

Section 8.9. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction, and all other remaining provisions hereof will be construed to render them enforceable to the extent permitted by law.

Section 8.10. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but when taken together shall constitute but one agreement and any of the parties hereto may execute this Agreement by signing any such counterpart. Delivery of an executed counterpart of a signature page of this Agreement or any other Related Document, or any certificate delivered thereunder, by fax transmission or e-mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement or such other Related Document or certificate. Without limiting the foregoing, to the extent a manually executed counterpart is not specifically required to be delivered under the terms of any Related Document, upon the request of any party, such fax transmission or e-mail transmission shall be promptly followed by such manually executed counterpart.

Section 8.11. Table of Contents; Headings. The table of contents and the Section and subsection headings used herein have been inserted for convenience of reference only and do not constitute matters to be considered in interpreting this Agreement.

Section 8.12. Beneficiaries. This Agreement is made solely for the benefit of the City and the Bank, their successors and assigns, and no other Person (including, without limitation, any owners of the Notes) shall have any right, benefit or interest under or because of the existence of this Agreement.

Section 8.13. Waiver of Jury Trial. TO THE EXTENT PERMITTED BY LAW, BOTH THE CITY AND THE BANK HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE LOAN NOTE, ANY OF THE NOTE AGREEMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER RELATED DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 8.14. Entire Agreement. THIS AGREEMENT TOGETHER WITH THE OTHER RELATED DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES HERETO AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES HERETO.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES HERETO.

Section 8.15. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS; PROVIDED, HOWEVER, THAT THE RIGHTS, DUTIES AND OBLIGATIONS OF THE BANK UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO CONFLICT OF LAW PROVISIONS (OTHER THAN NEW YORK GENERAL OBLIGATIONS LAWS 5-1401 AND 5-1402).

Section 8.16. Venue. With respect to any suit, action or proceedings relating to this Agreement, each party agrees to bring any such suit, action or proceeding in, and irrevocably submits, to the extent permitted by applicable law, to the exclusive jurisdiction of, the courts of the United States District Court located in the Northern District of Texas.

Section 8.17. Patriot Act. The Bank is subject to the Patriot Act (as hereinafter defined) and hereby notifies the City that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Bank is required to obtain, verify, and record information that identifies the City which information includes the name and address of the City and other information that will allow the Bank to identify the City in accordance with the Patriot Act.

Section 8.18. No Advisory or Fiduciary Responsibility. In connection with all aspects of the transactions contemplated by this Agreement and the Related Documents (including in connection with any amendment, waiver or other modification of this Agreement or of any Related Document), the City acknowledges and agrees that: (a)(i) any arranging, structuring and other services regarding this Agreement and the Related Documents provided by the Bank or any affiliate of the Bank are arm's length commercial transactions between the City on the one hand, and the Bank and any affiliate of the Bank on the other hand, (ii) the City has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the City is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated by this Agreement and the Related Documents; (b)(i) the Bank and each affiliate of the Bank is and has been acting solely as a principal and has not been, is not, and will not be acting as an advisor, agent or fiduciary for the City or any other Person and (ii) neither the Bank nor any affiliate of the Bank has any obligation to the City with respect to the transactions contemplated by this Agreement and the Related Documents, except those obligations expressly set forth herein; and (c) the Bank and each affiliate of the Bank may be engaged in a broad range of transactions that involve interests that differ from those of the City, and neither the Bank nor any affiliate of the Bank has any obligation to disclose any of such interests to the City. To the extent permitted by applicable laws, the City hereby waives and releases any claims that it may have against the Bank and each affiliate of the Bank with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of the transactions contemplated by this Agreement and the Related Documents.

Section 8.19. Paying Agent/Registrar. The Bank hereby acknowledges and accepts its appointment as Paying Agent/Registrar for the Notes during the term of this Agreement. The Paying Agent/Registrar's sole duties in connection with the issuance of the Notes in physical

form when the City delivers Notes from time to time to the Paying Agent/Registrar pursuant to the terms of the Ordinance shall be as follows:

(i) to hold the Notes in safekeeping, pending receipt of the City's submission of a Request for Purchase to the Bank;

(ii) to cause a duly authorized officer or duly authorized employee of the Paying Agent/Registrar to countersign each Note to be delivered to the Bank for purposes of authentication of the Note only; and

(iii) to deliver the Notes in accordance with the instructions (A) by hand, against receipt for payment, (B) by overnight mail to the address provided in the Instructions, or (C) as otherwise provided in the instructions and as agreed to between the Paying Agent/Registrar, the Bank and the City.

The Paying Agent/Registrar shall not be obligated to authenticate and deliver any Notes to the extent prohibited by the terms of this Agreement or the Ordinance.

Section 8.20. No Israel Boycott. Pursuant to Section 2270.002, Texas Government Code, the Bank hereby represents that it does not Boycott Israel and, subject to or as otherwise required by applicable Federal law, including, without limitation, 50 U.S.C. Section 4607, the Bank agrees not to Boycott Israel during the term of this Agreement. For purposes of this Section 8.20, "Boycott Israel" shall have the meaning given such term in Section 2270.002, Texas Government Code.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the City and the Bank have duly executed this Note Purchase Agreement as of the date first above written.

CITY OF DALLAS, TEXAS

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

[_____]
City Attorney
City of Dallas, Texas

By: _____
Name: _____
Title: _____

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION

By: _____
Name: _____
Title: _____

EXHIBIT A

FORM OF
CITY OF DALLAS
CREDIT AGREEMENT LOAN NOTE, SERIES B

November 28, 2017
\$350,000,000 Initial Maximum Amount

The CITY OF DALLAS, TEXAS, acknowledges itself indebted and for value received promises to pay to the order of JPMorgan Chase Bank, National Association (the "*Bank*"), at the address provided in the Agreement (hereinafter defined), the aggregate unpaid principal amount of the Term Loan hereunder and under the Agreement, not to exceed Three Hundred Fifty Million and no/100 (\$350,000,000) in principal amount at any one time outstanding, made by the Bank to the City hereunder, in lawful money of the United States of America, in federal or other immediately available funds, and to pay interest at the rates set forth in the Agreement on the actual unpaid principal amount hereof for each day outstanding from the date hereof until this Loan Note is paid in full, in like money and funds at such office. Interest shall be payable on the dates and manner set forth in the Agreement. Principal on this Loan Note shall be payable on the dates and manner set forth in the Agreement.

This Loan Note is subject to prepayment all pursuant to the terms and under the conditions of the Note Purchase Agreement, dated as of November 28, 2017, between the City and the Bank (as amended, restated, supplemented or otherwise modified from time to time, the "*Agreement*"), the terms of which are hereby incorporated by reference in this Loan Note). All terms used herein and not defined shall have the same meaning as in the Agreement. Reference is also made to the Agreement for provisions providing for additional interest and other amounts to be payable under certain circumstances.

Provision has been made for the payment of principal of this Loan Note sufficient to provide for the payment of principal hereof, as such principal matures, and such security interests have been irrevocably pledged for such payment. It is hereby certified that every requirement of law relating to the issue hereof has been duly complied with and that this Loan Note is within every applicable debt or other limit.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, THE CITY OF DALLAS, TEXAS has caused this Loan Note to be signed in its name by its City Manager and attested to by its City Secretary, and be sealed with the seal of the City, and this Loan Note to be dated the date and year first written above.

CITY OF DALLAS, TEXAS

By: _____

Name: _____

Title: _____

(SEAL)

ATTEST:

By: _____

EXHIBIT B

REQUEST FOR PURCHASE

JPMorgan Chase Bank, National Association.
as the Bank
383 Madison Ave, 8th Floor
Mail Code NY1-M076
New York, New York 10179
Attention: David Bayer
Facsimile: (917) 546-2657
Telephone: (212) 270-4186
Email: david.m.bayer@jpmorgan.com

Re: The City of Dallas
General Obligation Commercial Paper Notes, Series B (the "Notes")

Date: _____

Ladies and Gentlemen:

The City refers to the Note Purchase Agreement dated as of November 28, 2017 (together with any amendments or supplements thereto, the "Agreement"), between the City of Dallas (the "City") and JPMorgan Chase Bank, National Association (the "Bank") (the terms defined therein being used herein as therein defined) and hereby requests, pursuant to Section 2.1 of the Agreement, that the Bank make a purchase of Notes under the Agreement, and in that connection sets forth below the following information relating to such purchase (the "Proposed Purchase"):

1. The Business Day of the Proposed Purchase is _____, 20__ (the "Purchase Date"), which is at least three Business Days after the date hereof.
2. The principal amount of the Proposed Purchase of a Note is \$_____, which is not greater than the Available Commitment as of the Purchase Date set forth in 1 above.
3. The aggregate amount of the Proposed Purchase shall be used solely for the purposes permitted in the Ordinance and the Agreement.
4. The Maturity Date shall be _____ (such date is not later than the earlier of (i) the Expiration Date and (ii) 270 days from the Purchase Date).
5. The interest period selected is **[one] [three] [six]** month LIBOR Index. **[At the end of the Interest Period elected by the City, the City desires that the**

related Note continue in the same Interest Period until otherwise directed by the City or until its Maturity Date.]

6. The Paying Agent/Registrar is directed to issue and deliver a Note to the Bank, consistent with the instructions herein, pursuant to the Ordinance and the Agreement.

The submission of this Request for Purchase constitutes a representation and warranty that the conditions specified in subsection 4.2 of the Agreement have been satisfied on and as of the date hereof.

The Proposed Purchase shall be made by the Bank by wire transfer of immediately available funds to the undersigned in accordance with the instructions set forth below:

[Insert wire instructions]

CITY OF DALLAS, TEXAS

By: _____
Name: _____
Title: _____

EXHIBIT C

[FORM OF NOTICE OF CONTINUATION]

NOTICE OF CONTINUATION

JPMorgan Chase Bank, National Association.
as the Bank
383 Madison Ave, 8th Floor
Mail Code NY1-M076
New York, New York 10179
Attention: David Bayer
Facsimile: (917) 546-2657
Telephone: (212) 364-4186
Email: david.m.bayer@jpmorgan.com

Ladies and Gentlemen:

The City refers to the Note Purchase Agreement dated as of November 28, 2017 (together with any amendments or supplements thereto, the "*Agreement*"), between the City of Dallas (the "*City*") and JPMorgan Chase Bank, National Association (the "*Bank*") (the terms defined therein being used herein as therein defined) and hereby gives the Bank notice irrevocably, pursuant to Section 2.1(c) of the Agreement, of the continuation of the interest rate on the Note(s) specified herein, that:

1. The Business Day of the proposed continuation is _____, 20__ (the "*Continuation Date*"), which is at least three (3) [London Banking Days] following the date hereof.
2. The aggregate amount of the Note(s) to be continued is \$_____.
3. (i) The duration of the Interest Period for the Note(s) to be continued shall be [one] [three] [six] months.

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the proposed continuation date, before and after giving effect thereto and to the application of the proceeds therefrom:

- (a) the representations and warranties of the City set forth in Article V of the Agreement and in each Related Document are true and correct in all material respects on the date hereof, as if made on the date hereof, except to the extent the same expressly relate to an earlier date, in which case they shall be true and correct as of such earlier date; and

(b) no Default or Event of Default shall have occurred and be continuing as of such date.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Notice of Continuation as of the _____ day of _____, _____.

CITY OF DALLAS, TEXAS

By: _____
Name: _____
Title: _____

4. The Bank is either a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act, or an “institutional accredited investor” as defined in Rule 501 of Regulation D under the 1933 Act, and is able to bear the economic risks of such investment.

5. The Bank understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to the Notes. The Bank has made its own inquiry and analysis with respect to the City, the Notes and the security therefor, and other material factors affecting the security for and payment of the Notes.

6. The Bank acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, regarding the City, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Notes and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase the Notes.

7. The Notes are being acquired by the Bank for investment for its own account and not with a present view toward resale or distribution; *provided, however*, that the Bank reserves the right to sell, transfer or redistribute the Notes, but agrees that any such sale, transfer or distribution by the Bank shall be to a Person:

(a) that is an affiliate of the Bank;

(b) that is a trust or other custodial arrangement established by the Bank or one of its affiliates, the owners of any beneficial interest in which are limited to qualified institutional buyers or institutional accredited investors;

(c) that is a secured party, custodian or other entity in connection with a pledge by the Bank to secure public deposits or other obligations of the Bank or one of its affiliates to state or local governmental entities; or

(d) that the Bank reasonably believes to be a qualified institutional buyer or institutional accredited investor and who executes an investor letter substantially in the form of this letter.

Very truly yours,

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION

By: _____
Name: _____
Title: _____

EXHIBIT F

FORM OF OPINIONS OF CO-BOND COUNSEL

November 28, 2017

WE HAVE ACTED AS BOND COUNSEL for the City of Dallas, Texas, a municipal corporation and political subdivision of the State of Texas (the "City"), in connection with the issuance of commercial paper notes (the "Notes") described as follows:

CITY OF DALLAS GENERAL OBLIGATION COMMERCIAL PAPER NOTES, SERIES B, in an aggregate principal amount not to exceed \$350,000,000 at any one time outstanding; dated the dates, bearing interest, maturing on the dates and principal amounts, and transferable and exchangeable as set out in the Notes and in the ordinance adopted by the City Council of the City (the "City") on October 25, 2017, authorizing the issuance of the Notes from time to time (the "Ordinance").

WE HAVE ACTED as bond counsel for the sole purpose of rendering an opinion with respect to the legality and validity of the Notes under the Constitution and laws of the State of Texas and with respect to the status of the interest on the Notes under federal income tax law. We have not investigated or verified original proceedings, records, data or other materials, but have relied solely upon the transcript of certified proceedings described in the following paragraph. We have not assumed any responsibility with respect to the financial condition or capabilities of the City or the disclosure thereof in connection with the sale of the Notes. We express no opinion and make no comment with respect to the sufficiency of the security for or the marketability of the Notes. Capitalized terms used herein and not otherwise defined shall have the meaning assigned in the Ordinance.

IN OUR CAPACITY AS BOND COUNSEL, we have examined (a) the applicable provisions of the Constitution and laws of the State of Texas; (b) a transcript of certified proceedings of the City relating to the issuance of the Notes, including the Ordinance and the Note Purchase Agreement dated November 28, 2017 between the City and JPMorgan Chase Bank, National Association as the purchaser of the Notes; (c) customary certificates of officers and representatives of the City and City's financial advisor; (d) other pertinent instruments relating to the authorization of the Notes and the security for the payment thereof; and (e) such other materials and matters of law as we deemed relevant. We have further examined such applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), court decisions, Treasury regulations and published rulings of the Internal Revenue Service (the "Service") as we have deemed relevant. We have also examined the opinion of the Attorney General of the State of Texas approving the proceedings relating to the Notes.

BASED ON SUCH EXAMINATION, it is our opinion that:

November 28, 2017

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(i) the transcript of certified proceedings evidences complete legal authority for the issuance and sale of the Notes from time to time by the City, pursuant and subject to the provisions, terms and conditions of the Ordinance, in full compliance with the Constitution and laws of the State of Texas presently in effect;

(ii) under the Constitution and laws of the State of Texas presently in effect, upon due execution, authentication and delivery and upon compliance by the City with the terms, conditions and covenants of the Ordinance, the Notes will constitute valid and legally binding obligations of the City enforceable in accordance with the terms and conditions thereof, except to the extent that the rights and remedies of the owners of the Notes may be limited by laws heretofore or hereafter enacted relating to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors of political subdivisions and the exercise of judicial discretion in appropriate cases; and

(iii) the Notes are secured by and payable from (a) the proceeds from the sale of other Notes issued pursuant to the Ordinance for such purpose and the proceeds from the sale of a series or issue of Bonds issued by the City for such purpose, (b) the proceeds of an annual ad valorem tax levied, within the limits prescribed by law, by the City upon all taxable property within the City, and (c) amounts in certain funds established pursuant to the Ordinance.

IT IS FURTHER OUR OPINION that, under existing law:

(iv) interest on Notes issued in accordance with the Ordinance will be excludable from gross income for federal income tax purposes; and

(v) Notes issued in accordance with the Ordinance will not be "private activity bonds" under the Code and, as such, interest on the Notes will not be subject to the alternative minimum tax on individuals and corporations, except that interest on the Notes will be included in the "adjusted current earnings" of a corporation (other than an S corporation, regulated investment company, REIT or REMIC) for purposes of computing its alternative minimum tax liability.

IN PROVIDING SUCH OPINIONS, we have relied on representations of the City with respect to matters solely within the knowledge of the City, which we have not independently verified, and have assumed continuing compliance with the covenants in the Ordinance pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Notes for federal income tax purposes. If such representations are determined to be inaccurate or incomplete or the City fails to comply with the foregoing provisions of the Ordinance, interest on the Notes could become includable in gross income from the date of original delivery, regardless of the date on which the event causing such inclusion occurs.

Except as stated above, we express no opinion as to any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership, or disposition of the Notes.

Owners of the Notes should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, S corporations with Subchapter C earnings and profits, individual recipients

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of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers otherwise qualifying for the health insurance premium assistance credit and individuals otherwise qualifying for the earned income tax credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively-connected earnings and profits (including tax-exempt interest such as interest on the Notes).

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

This opinion speaks only as of its date and only in connection with the Notes and may not be applied to any other transaction. Further, this opinion is specifically limited to the laws of the State of Texas and, to the extent applicable, the laws of the United States of America.

#5565957.1

EXHIBIT G

FORM OF OPINION OF CITY ATTORNEY

[LETTERHEAD OF CITY]

November 28, 2017

JPMorgan Chase Bank, National Association

Re: City of Dallas, Texas, General Obligation Commercial Paper Notes, Series B (the "Notes")

Ladies and Gentlemen:

In connection with the issuance of the Notes, the City of Dallas, Texas (the "City") has entered into a Note Purchase Agreement dated as of November 28, 2017 with JP Morgan Chase Bank, National Association, relating to the Notes (the "Note Purchase Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Note Purchase Agreement. I am the duly appointed City Attorney of the City, and this opinion is rendered on behalf of the City pursuant to and in connection with the authorization of the Notes and the execution and delivery of the Note Purchase Agreement and the related Fee Letter and Loan Note. I, or my designated attorneys, have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates of public officials, and other instruments, and we have conducted such other investigation of fact and law as I have found necessary or advisable for the purpose of this opinion.

Under Ordinance No. _____, adopted by the City on October 25, 2017 (the "Ordinance"), authorizing the issuance of the Notes and the Note Purchase Agreement, the proceeds of Term Loans made under the Note Purchase Agreement are to be applied to the payment of the principal of and interest on the Notes.

I have also made such further investigation of the law and facts as I have deemed necessary or advisable for purposes of the opinions herein expressed.

Based upon the foregoing I am of the opinion that:

1. The City (a) is an incorporated city operating under a home-rule charter adopted pursuant to Article XI, Section 5 of the Texas Constitution; (b) has full power and authority to execute, deliver, and perform the Note Purchase Agreement, the Loan Note, the Fee Letter, the Ordinance, and the Related Documents and to borrow under the Notes, the Loan Note and the Note Purchase Agreement; (c) has all the requisite power and authority to levy and assess ad valorem taxes to pay the Advances and Term Loans; and (d) has all the requisite power and authority to pledge and grant a lien on the Pledged Collateral to each Bank to secure payment of the Loan Note under the Note Purchase Agreement and has lawfully exercised such power.

2. All authorizations, consents, approvals, licenses, permissions, and registrations, if any, of or with any Person, including any governmental authority, required in connection with (a) the execution, delivery, and performance of the Note Purchase Agreement, the Fee Letter, the Loan Note, the Note Authorization and the Notes and (b) the City's authorization of the execution,

delivery and performance of the Note Purchase Agreement, the Fee Letter, the Loan Note, the Note Authorization and the Related Documents have, in each case, been obtained.

3. The City is a party to various lawsuits in the normal course of business; however, except as disclosed in the Offering Memorandum, there is no litigation or legal or administrative proceeding pending, or to my knowledge, threatened against, or any outstanding judgment, order, writ, injunction, decree, or award affecting the City before any court, governmental authority, or arbitral body (a) which prohibits or affects, or if adversely determined might prohibit or affect, the ability or authority of the City to execute, deliver, or perform any part of the Note Purchase Agreement, the Fee Letter, the Loan Note or the Related Documents or (b) which in the aggregate have, or if adversely determined would have, a material adverse effect on the financial condition of the City. To my knowledge, the City is not in default with respect to any order, writ, injunction, or decree of any court or other governmental authority which would adversely affect the City's ability to execute, deliver, or perform any part of the Note Purchase Agreement, the Fee Letter, the Loan Note, the Ordinance or the Related Documents.

4. The Note Purchase Agreement, the Fee Letter, the Loan Note and the Related Documents have been duly authorized, executed and delivered by the City, and, assuming the due authorization, execution and delivery by the parties thereto, if applicable, constitutes a legal, valid and binding agreement of the City enforceable in accordance with its terms.

5. The adoption of the Ordinance by the City Council of the City authorizing the preparation and delivery of the Offering Memorandum and the execution and delivery of the Note Purchase Agreement, the Fee Letter and the Loan Note by the City and the performance by the City of its obligations under the Note Purchase Agreement, the Fee Letter and the Loan Note will not conflict with or result in a breach of any of the terms, conditions or provisions of any agreement or instrument to which the City is a party or by which it is bound or constitute a default thereunder and all consents, approvals, authorizations and orders of a governmental or regulatory authority, if any, which are required to be obtained by the City for the consummation of the transactions contemplated by the Note Purchase Agreement or as conditions precedent to the execution and delivery of the Notes have been obtained; provided, however, that no opinion is expressed as to any action required under state securities or blue sky laws.

The opinions expressed above are qualified to the extent that the enforceability of the rights and remedies set forth in the Ordinance, the Note Purchase Agreement, the Fee Letter, the Loan Note and the Related Documents may be limited by bankruptcy, reorganization, or other similar laws of general application relating to or affecting the enforcement of creditors' rights. I express no opinion as to the extent to which any indemnification provision contained in the Note Purchase Agreement or any other document used in connection with the issuance of the Notes is enforceable under Texas law or as to the specific remedy that any court, governmental authority, or board of arbitration may grant, impose, or render in connection with the above-described instruments. I express no opinion as to the validity or enforceability of Sections 3.2(b) and 8.4 of the Note Purchase Agreement.

The opinions herein expressed and the statements herein made are limited in all respects to the laws of the State of Texas and applicable federal law. This opinion is solely for the benefit of and may be relied upon by the addressee. This opinion may not be relied upon by any other person, without my written consent.

Very truly yours,

Larry E. Castro, City Attorney

By: _____
_____, Assistant City Attorney

EXHIBIT B

FORM OF ISSUING AND PAYING AGENCY AGREEMENT

ISSUING AND PAYING AGENCY AGREEMENT

This Issuing and Paying Agency Agreement is entered into as of November 28, 2017 (together with any amendments thereto, this "Agreement"), by and between the City of Dallas, Texas, a municipal corporation duly organized and existing under the laws of the State of Texas (the "City") and U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States of America (the "Bank"). Capitalized terms used but not defined herein shall have the meaning given to such terms as set forth in the Ordinance (as defined herein).

RECITALS

WHEREAS, the City has duly authorized and provided for the issuance and sale of the "City of Dallas, Texas, General Obligation Commercial Paper Notes, Series A" (the "Commercial Paper Notes"), in an aggregate principal amount not to exceed \$350,000,000, pursuant to an ordinance adopted by the City Council on October 25, 2017, together with any amendments thereto (together, the "Ordinance"), and in conjunction with the issuance and sale of such securities for and on behalf of the City by Jefferies & Company, Inc. (the "Dealer"), the Bank has agreed to act (i) as depository for the safekeeping of such Commercial Paper Notes, (ii) as issuing agent on behalf of the City in connection with the issuance of such Commercial Paper Notes and (iii) as paying agent to undertake certain obligations to make payments in respect of the Commercial Paper Notes and in respect of the repayment of "Loans" made to the City by a Credit Provider (as defined in the Ordinance), including the credit agreement between JPMorgan Chase Bank, N.A., as a Credit Provider for the Commercial Paper Notes pursuant to a credit agreement between the City and JPMorgan Chase Bank, N.A., dated as of November 28, 2017, as amended from time to time (the "Initial Credit Agreement" and together with any other credit agreements entered into pursuant to the Ordinance, a "Credit Agreement"), each as approved and authorized to be executed by the Ordinance. As used herein, the term "Credit Provider" shall mean the "Bank" as defined in the Ordinance.

Now, therefore, the City and the Bank hereby mutually agree as follows:

Section 1. Appointment of Agent. The City hereby appoints the Bank and the Bank hereby agrees to act, on the terms and conditions specified herein and in the Ordinance, as custodian and issuing and paying agent for the Commercial Paper Notes. The Commercial Paper Notes will initially be issued in book-entry form (the "Book-entry Notes") with the aggregate of all such obligations of each series evidenced by one or more Master Notes ("Master Notes") for each series in substantially the form set forth in the Ordinance and hereto. The City may elect to terminate issuing the Commercial Paper Notes in book-entry form, in which case they shall be issued in certificated form evidenced by individual certificates (the "Certificated Notes"). The Commercial Paper Notes will be sold through the Dealer, and the City shall provide concurrent notification to the Bank when additional or substitute Dealers are appointed by the City.

Section 2. Book-Entry Only System. The City has determined initially to issue the Commercial Paper Notes in book-entry only form through the Depository Trust Company ("DTC") for delivery and settlement of the Commercial Paper Notes. The City shall provide the Bank and DTC an executed "Letter of Representations" for each series of the Commercial Paper

Notes, or other appropriate agreements, that establish or will establish, among other things, the procedures to be followed by the Bank in connection with the issuance and custody of the Commercial Paper Notes in book-entry form.

Section 3. Supply of Commercial Paper Notes. Upon discontinuance of DTC's services the City will from time to time furnish the Bank with an adequate supply of Commercial Paper Notes which shall be the Master Note and/or Certificated Notes as the City in its sole and absolute discretion considers appropriate. The City's obligation under Commercial Paper Notes issued in book-entry form shall be represented by the Master Note which shall be executed by manual or facsimile signatures in accordance with the Letter of Representations. Certificated Notes shall be serially numbered and shall be executed by manual or facsimile signatures (as hereafter defined), with the series, principal amount, payee, date of issue, maturity date, number of days, rate and amount of interest and maturity value left blank. The Certificated Notes shall be on a manifold that will produce one original and three non-negotiable copies. The Bank will hold the Commercial Paper Notes in safekeeping for the account of DTC in accordance with the requirements of DTC and the Bank's customary practices.

Section 4. Authorized Signatories; Authorized Representatives. With the delivery of this Agreement, the City is furnishing to the Bank: (i) a General and No Litigation Certificate of the City, dated as of November 28, 2017, certifying the incumbency and specimen signatures of (a) the City Manager (who is authorized to execute Commercial Paper Notes on behalf of the City) and the City Secretary (who is authorized to execute Commercial Paper Notes on behalf of the City) by manual or facsimile signature and (b) the Chief Financial Officer of the City, who is authorized to take other action hereunder on behalf of the City, as provided in the Ordinance (each an "Authorized Representative") (the City Manager and the City Secretary, together, the "Authorized Signatories") and (ii) a certificate, substantially in the form attached hereto as Exhibit A, designating certain other officers and agents of the City as Authorized Representatives authorized to take other action hereunder on behalf of the City, as provided in the Ordinance, and certifying the incumbency and specimen signatures of such officers and agents. From time to time after the delivery of this Agreement, the City may furnish to the Bank, and shall furnish to the Bank on the Bank's request, a certificate in a form satisfactory to the Bank certifying the incumbency and specimen signatures of the Authorized Signatories and the Authorized Representatives. Until the Bank receives subsequent incumbency certificates of the City, it shall be entitled to rely on the last such certificates delivered to the Bank for purposes of determining the Authorized Signatories and/or the Authorized Representatives. The Bank shall not have any responsibility to the City to determine by whom or by what means a facsimile signature may have been affixed on the Commercial Paper Notes, or to determine whether any facsimile or manual signature resembles the specimen signature(s) filed with the Bank by a duly authorized officer of the City. Any Commercial Paper Notes bearing the manual or facsimile signatures of persons who are Authorized Signatories on the date such signature is affixed shall be binding on the City after the authentication thereof by the Bank notwithstanding that such person shall have died or shall have otherwise ceased to hold his office on the date such Commercial Paper Note is countersigned or delivered to the Bank.

Section 5. Completion; Authentication and Delivery of Commercial Paper Notes.

(a) Instructions for the issuance of Commercial Paper Notes will be given via an issuance system (the "SPANS Online" as defined in Section 21 hereof), if available, either by an Authorized Representative, or by any officer or employee of the Dealer who has been designated by an Authorized Representative in writing to the Bank as a person authorized to give such instructions hereunder (each an "Authorized Dealer Representative"), provided that instructions may be given in writing if SPANS Online is unavailable or is inoperative. Upon receipt of instructions as described in the preceding sentence, the Bank shall, (i) cause the issuance of such Book-Entry Notes in the manner set forth in, and take such other actions as are required by, the applicable Letter of Representations, or other such agreement provided by DTC, or (ii) in the case of Certificated Notes:

(i) complete each Certificated Note as to series, principal amount (which shall not be less than \$100,000 and which, collectively with the outstanding Commercial Paper Notes of such series will not exceed the Commitment relating to the Commercial Paper Notes, as defined in the Ordinance), payee, date of issue, maturity date (which shall not be more than 270 days from the date of issue or 3 Business Days prior to the termination date or substitution date of a Credit Agreement relating to the Commercial Paper Notes, whichever date is earlier), number of days, rate and amount of interest, and maturity value; and

(ii) manually countersign each Certificated Note by any one of the Bank's officers or employees who are duly authorized and designated for such purpose; and

(iii) deliver the Certificated Note(s) to the Dealer or its agent within the Borough of Manhattan, City and State of New York, which delivery shall be against receipt for payment as herein provided or as otherwise provided in such instructions. (If such instructions do not provide for such receipt, the Dealer shall nevertheless pay the purchase price for the Certificated Note(s) (in accordance with Paragraph 6 hereof). Of the three nonnegotiable copies of each Commercial Paper Note, two shall be retained by the Bank and one shall be sent promptly to the City.

(b) The instructions for the issuance of Commercial Paper Notes shall include the following information with respect to each Commercial Paper Note:

(i) the date of issuance of each such Book Entry Commercial Paper Note (which shall be a Business Day);

(ii) the maturity date of each such Book Entry Commercial Paper Note (provided that the Authorized Representative or Authorized Dealer Representative shall ensure that such date is a Business Day and that it shall not be more than 270 days from the date of issue or 3 Business Days prior to the termination date or substitution date of a Credit Agreement relating to the Commercial Paper Notes, whichever date is earlier);

(iii) the face amount (provided that the Authorized Representative shall ensure that such face amount is \$100,000 or integral multiples of \$1,000 in excess thereof) in figures; and

(iv) the interest rate and applicable discount or interest amount.

(c) Bank shall have no liability to the City for any failure or inability on the part of the Dealer to make payment for Commercial Paper Notes or if any DTC participant purchasing a Book-Entry Note fails to settle or delays in settling its balance with DTC or if DTC or any DTC participant fails to perform in any respect. Nothing in this Agreement shall require Bank to purchase any Commercial Paper Note or expend Bank's own funds for the purchase price of a Commercial Paper Note or Commercial Paper Notes.

(d) Instructions given via the SPANS Online must be entered by 11:00 a.m., New York City time, and instructions delivered in writing (which may include facsimile or electronic mail) must be received by the Bank by 1:00 p.m., New York City time, if the Commercial Paper Note(s) are to be delivered the same day.

(e) Certificated Notes will be made before receipt of payment in immediately available funds. Therefore, once the Bank has delivered a Certificated Note to the Dealer or its agent as provided in Paragraph 5(a)(3) hereof, the City shall bear the risk that the Dealer or its agent fails to remit payment for the Certificated Notes to the Bank. It is understood that each delivery of Commercial Paper Notes hereunder shall be subject to the rules of the New York Clearing House in effect at the time of such delivery.

(f) If the Bank receives a written instruction identified by a Credit Provider to be a No-Issuance Instruction pursuant to a Credit Agreement then in effect (a "No-Issuance Instruction"), the Bank shall not thereafter issue, authenticate or deliver any Commercial Paper Notes, notwithstanding any contrary instructions received by the Bank from an Authorized Representative of the City or a Dealer. The Bank shall promptly give notice to the City and the Dealer of the receipt of a No-Issuance Instruction. A No-Issuance Instruction shall not be effective until received by the Bank. No further authentication or delivery of Commercial Paper Notes shall be made after the Bank's receipt of the No-Issuance Instruction until such time as the applicable Credit Provider shall have rescinded such instructions by a notice in writing to the Bank. The Bank shall not be responsible for determining the existence of any event or condition pursuant to which a No-Issuance Instruction may be given by a Credit Provider and shall be entitled conclusively to rely upon any such No-Issuance Instruction and shall have no obligation or responsibility to make any investigation into the validity of the facts or matters stated or asserted in any such notice. Subject to the foregoing, the Bank may request Loans under the applicable Credit Agreement as the related series of Commercial Paper Notes that were issued prior to the date of the No-Issuance Instruction mature.

Section 6. Proceeds of Sale of the Commercial Paper Notes. Contemporaneously with the execution and delivery of this Agreement, for the purposes of this Agreement, the Bank hereby confirms the establishment of clearing accounts designated as the "City of Dallas, Texas, General Obligation Commercial Paper Notes, Note Clearing Account" (the "Note Clearing Account"), the Interest Payment Account and Principal Payment Accounts for the payment of the Commercial Paper Notes and the repayment of "Loans" due under a Credit Agreement. On each day on which the Dealer or its agent receives Commercial Paper Notes through the facilities of DTC in the manner set forth in the Letter of Representations applicable to the Commercial Paper Notes, the Bank, upon receipt of funds from the Dealer, shall deposit the proceeds of sale of the Commercial

Paper Notes in immediately available funds to the credit of the Note Clearing Account. From time to time upon telephonic or written instructions received by the Bank from an Authorized Representative, the Bank agrees to transfer immediately available funds from the Note Clearing Fund (i) to the Interest Payment Account, (ii) the Principal Payment Account or (iii) to the City's concentration account for deposit by the City to the Note Construction Fund (defined in the Ordinance) pursuant to the City's written direction.

Section 7. Payment of Matured Commercial Paper Notes.

(a) By 11:00 a.m., New York City time, on the date that any Commercial Paper Notes are scheduled to mature, there shall have been transferred to the Bank for deposit in the Note Clearing Account for such series of Commercial Paper Notes, in immediately available funds, an amount together with the anticipated proceeds from the sale of Commercial Paper Notes on such date at least equal to the amount of Commercial Paper Notes maturing on such date. When any matured Commercial Paper Note is presented to the Bank for payment by DTC or a nominee of DTC (i) the principal thereof shall be paid from and charged to the Principal Payment Account of the Note Payment Fund for such series of Commercial Paper Notes (or the "Loan Principal Payment Account" therein, a sub-account to be maintained on the books of the Bank for the receipt of the principal portion of "Loans" under and pursuant to a Credit Agreement relating to the Commercial Paper Notes) to the extent funds sufficient to effect such payment are available in said account and (ii) the interest thereon shall be paid from and charged to the Interest Payment Account of the Notes Payment Fund for the Commercial Paper Notes (or the "Loan Interest Payment Account" therein, a sub-account to be maintained on the books of the Bank for the receipt of the interest portion of "Loans" under and pursuant to a Credit Agreement relating to such series of Commercial Paper Notes) to the extent funds sufficient to effect such payment are available in said account.

(b) While the Commercial Paper Notes of a series are secured by a Credit Agreement, the Bank shall make timely payments of the principal of and interest on the Commercial Paper Notes of such series, to the extent that other funds are not available for such purposes in the Principal Payment Account or the Interest Payment Account, as appropriate, relating to the Commercial Paper Notes, from "Loans" under a Credit Agreement for the Commercial Paper Notes, and in connection therewith, from demands for payment by the Bank under a Credit Agreement on behalf of the City, on each date any Commercial Paper Notes are to mature (the "Payment Date") to enable the applicable Credit Provider to make payment by 12:00 p.m., New York City time, on such Payment Date. All Loans received under a Credit Agreement pursuant to demands thereunder shall be deposited into the Principal Payment Account (or the Loan Principal Payment Account) or the Interest Payment Sub-Account of the Note Payment Account (or the Loan Interest Payment Account) relating to the Commercial Paper Notes, and applied solely to the payment of the principal amount of or interest on such Commercial Paper Notes. Notwithstanding the foregoing, all Loans received under a Credit Agreement shall be held uninvested and the Bank shall ensure that such funds are not commingled with any other funds held by the Bank. The Bank shall have no obligation to make a payment pursuant to this Section 7(b) unless it has received from the Credit Provider sufficient immediately available funds not later than 2:00 p.m. on such scheduled maturity date.

(c) The City is obligated to deposit to the Interest Payment Account for the Commercial Paper Notes amounts sufficient, taking into account funds currently on deposit in such Interest Payment Account, and at such times as are necessary, to pay all interest on the Commercial Paper Notes when due and all interest on the Loan Notes when due which amounts shall be used for the purpose of paying interest on maturing Commercial Paper Notes and interest on the Loan Notes.

(d) Amounts deposited by the City in the Note Payment Fund shall be invested pending their disbursement at the written direction of an Authorized Official of the City either in (1) money market mutual funds (investing in U.S. Treasury obligations or tax exempt obligations) which funds are rated in one of the two highest categories by a rating agency that has a current rating on the Commercial Paper Notes or (2) other legally authorized short term direct obligations of the United States of America which are scheduled to mature on or before the date or dates on which proceeds of such other investments are required to pay interest and/or principal on maturing Commercial Paper Notes; provided, however, that if for any reason such funds are not disbursed on a scheduled payment date (e.g. as a result of an owner's failure to present a Commercial Paper Note for payment at maturity), any continued investment of such funds pending disbursement shall be limited to short term direct obligations of the United States of America.

(e) The Bank may elect, but shall not be obligated, to credit the any account established hereunder with funds representing income or principal payments due on, or sales proceeds due in respect of, assets in such account, or to credit to such account assets intended to be purchased with such funds, in each case before actually receiving the requisite funds from the payment source, or to otherwise advance funds for transactions hereunder. Notwithstanding anything else in this Agreement, (i) any such crediting of funds or assets shall be provisional in nature, and the Bank shall be authorized to reverse or offset any such transactions or advances of funds in the event that it does not receive good funds with respect thereto, and (ii) nothing in this Agreement shall constitute a waiver of any of U.S. Bank National Association's rights as a securities intermediary under Uniform Commercial Code §9-206. The Bank may also set-off and deduct funds in any account with respect to checks or other deposits that have been credited to such account but are subsequently returned unpaid or reversed.

Section 8. Representations and Warranties of the City. The City hereby warrants and represents to the Bank, and, each request to issue Commercial Paper Notes shall constitute the City's continuing warranty and representation, as follows:

(a) This Agreement is, and all Commercial Paper Notes delivered to the Bank pursuant to this Agreement will be, duly authorized, executed and delivered by the City.

(b) This Agreement constitutes, and the Commercial Paper Notes, when completed, countersigned, and delivered pursuant hereto, will constitute, the City's legal, valid and binding obligations enforceable against the City in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and by general principles of equity and governmental immunity.

(c) The City is duly organized and validly existing under the laws of the State of Texas and no liquidation, dissolution, bankruptcy, windup or similar proceedings have been instituted with respect to the City.

(d) The City has, and at all relevant times has had, all necessary power and authority to execute, deliver and perform this Agreement and to issue the Commercial Paper Notes.

(e) All actions on the part of the City which are required for the authorization of the issuance of the Commercial Paper Notes, and for the authorization, execution, delivery and performance of this Agreement, do not require the approval or consent of any holder or trustee of any indebtedness or obligations of the City.

(f) The issuance of Commercial Paper Notes by the City (i) does not and will not contravene any provision of any governmental law, regulation or rule applicable to the City, and (ii) does not and will not conflict with, breach or contravene the provisions of any contract or other instrument binding upon the City.

Section 9. Reliance on Instructions. The Bank shall incur no liability to the City in acting hereunder upon written instructions contemplated hereby which the recipient thereof reasonably believed in good faith to have been given by an Authorized Representative or an Authorized Dealer Representative, as the case may be.

Section 10. Cancellation of Commercial Paper Notes. After payment of any matured Book-Entry Note, the Bank shall annotate its records to reflect the face amount of Book-Entry Notes of each series outstanding in accordance with the Letter of Representations. In the event Certificated Notes are issued, the Bank will in due course cancel and destroy Certificated Note(s) presented for payment and furnish the City with an affidavit of cancellation and destruction. Promptly upon the written request of the City, the Bank agrees to cancel and return to the City all unissued Commercial Paper Notes in its possession at the time of such request.

Section 11. Notices; Addresses

(a) All communications by or on behalf of the City or Dealer, relating to the completion, delivery or payment of the Commercial Paper Note(s) must be in writing (which may be by facsimile or electronic mail) and directed as follows (or such other department or division which the Bank shall specify in writing to the City and the Dealer) or delivered to the Bank via SPANS Online.

U.S. Bank National Association
100 Wall Street
16th Floor
New York, New York 10005
Attention: Commercial Paper Operations
Telephone: (212) 951-8508
Telefax: (212) 509-4529
Email: mmi.operations@usbank.com

(b) The City will send all Commercial Paper Notes to be completed and delivered by the Bank to its Commercial Paper Issuance Unit of the Corporate Trust Division (or such other department or division the Bank shall specify in writing to the City). The Bank will advise the City and the Dealer from time to time in writing of the individuals generally responsible for the administration of this Agreement and will from time to time certify incumbency and specimen signatures of officers or employees authorized to countersign Commercial Paper Notes.

(c) The City shall give the Bank at least fifteen (15) days' prior written notice of any proposed substitution or replacement of a Credit Agreement and, if applicable, the identity of any substitute or replacement Credit Provider thereunder. The City shall cause the Bank, following its receipt of such notice, to promptly give a copy of such notice to DTC.

(d) Notices and other communications hereunder shall (except to the extent otherwise expressly provided) be in writing (which may be by facsimile or electronic mail) and shall be addressed as follows, or to such other address as the party receiving such notice shall have previously specified to the party sending such notice:

To the City: City of Dallas, Texas,
1500 Marilla
Dallas, TX 75201
Attention: Chief Financial Officer
Telephone: (214) 670-5631
Facsimile: (214) 670-4653

To the Bank: U.S. Bank National Association
100 Wall Street, Suite 1600
New York, New York 10005
Attention: Judith Hyppolite
Telephone: (212) 361-6151
Facsimile: (212) 361-6153

To the rating agencies: Moody's Investors Services, Inc.
Plaza of the Americas
600 N. Pearl St., Suite 2165
Dallas, TX 75201
Attention: Kristin Button
Telephone: (214) 220-4383
Facsimile: (214) 220-4355

Standard & Poor's Public Finance Ratings
Lincoln Plaza
500 N. Akard
Dallas, TX 75201
Attention: Ted Chapman
Telephone: (214) 871-1401
Facsimile: (214) 871-1409

If to the Credit Provider: JPMorgan Chase Bank, National Association
383 Madison Avenue, 8th Floor
Mail Code: NY1-M076
New York, New York 10179
Attention: David Bayer
Telephone: (212) 270-4186
Telecopy: (917) 546-2657

Notices shall be deemed delivered when received at the address specified above. For purposes of this paragraph, "when received" shall mean actual receipt (i) of an electronic communication by electronic mail, facsimile transmission or SPANS Online; or (ii) of a written communication hand-delivered by national overnight courier service, or by first class, certified or registered mail, return receipt requested, at the office specified in or pursuant to this Agreement.

Section 12. Additional Information. Upon the request of the City given at the time and from time to time, the Bank shall promptly provide the City with information with respect to the Commercial Paper Note(s) issued and paid hereunder. Such request shall be in written form and, to the extent known by the City, shall include the series, serial number, principal amount, date of issuance, maturity date and amount of interest, if any, of each Commercial Paper Note which has been issued or paid by the Bank and for which the request is being made.

Section 13. Liability. (a) The Bank shall not be liable for any act or omission hereunder, except in the case of negligence or willful misconduct. The Bank's duties and obligations shall be determined by the express provisions of this Agreement and the Letter of Representations (or other agreement executed in connection with the book-entry only system, including the documents referred to in such agreements), and the Bank shall not be liable except for the performance of such duties and obligations as are specifically set forth herein and therein, and no implied covenants shall be read into any such documents against them. The Bank shall have no liability under and no duty to inquire as to the provisions of any agreement (including but not limited to a Credit Agreement) other than this Agreement. The Bank shall not be required to ascertain whether any issuance or sale of Commercial Paper Note(s) (or any amendment or termination of this Agreement) has been duly authorized or is in compliance with any other agreement to which the City is a party (whether or not the Bank is a party to such other agreement). The Bank has no fiduciary or discretionary duties of any kind.

(b) In no event shall the Bank be liable for incidental, indirect, special, consequential or punitive damages or penalties (including, but not limited to lost profits), even if the Bank has been advised of the likelihood of such damages or penalty and regardless of the form of action. The Bank shall not be responsible for delays or failures in performance resulting from acts beyond its control, including without limitation acts of God, strikes, lockouts, riots, acts of war or terror, epidemics, governmental regulations, fire, communication line failures, computer viruses, intrusions or attacks, power failures, earthquakes or other disasters.

(c) The Bank shall not be obligated to take any legal action or commence any proceeding in connection with this Agreement, any funds in the Note Payment Fund, prosecute or defend any such legal action or proceeding or to take any other action that the Bank determines, in its sole judgment, may expose it to liability or expense.

(d) If, at any time, the Bank is unable to determine, to the Bank's sole satisfaction, the proper disposition of all or any portion of the Note Payment Fund or the Bank's proper actions with respect to its obligations hereunder, then the Bank may, in its sole discretion, take either or both of the following actions:

(i) suspend the performance of any of its obligations (including without limitation any disbursement obligations) under this Agreement until such uncertainty shall be resolved to the good faith satisfaction of the Bank.

(ii) petition (by means of an interpleader action or any other appropriate method) any court of competent jurisdiction, in any venue convenient to the Bank, for instructions with respect to such dispute or uncertainty, and to the extent required or permitted by law, pay into such court, for holding and disposition in accordance with the instructions of such court, all funds held by it hereunder, after deduction and payment to the Bank of all fees and expenses (including court costs and attorneys' fees) payable to, incurred by, or expected to be incurred by the Bank in connection with the performance of its duties and the exercise of its rights hereunder.

Section 14. INDEMNIFICATION. TO THE EXTENT PERMITTED BY TEXAS LAW, THE CITY AGREES TO INDEMNIFY AND HOLD THE BANK AND ITS DIRECTORS, OFFICERS AND EMPLOYEES HARMLESS FROM AND AGAINST ALL LIABILITIES, CLAIMS, DAMAGES, COST AND EXPENSES (INCLUDING REASONABLE LEGAL FEES AND EXPENSES) RESULTING FROM THEIR ACTIONS OR INACTIONS IN CONNECTION WITH THIS AGREEMENT, EXCEPT TO THE EXTENT A COURT OF COMPETENT JURISDICTION DETERMINES THAT THEY ARE CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF THE BANK OR ITS OFFICERS OR EMPLOYEES. THIS INDEMNITY SHALL SURVIVE RESIGNATION OR REMOVAL OF THE BANK AS ISSUING AND PAYING AGENT AND TERMINATION OF THIS AGREEMENT.

Section 15. Benefit of Agreement. Except as otherwise provided in Section 14, this Agreement is solely for the benefit of the Issuer and the Bank, and no other person shall acquire or have any right under or by virtue hereof. For the avoidance of doubt, the Credit Provider has no right, benefit or remedy of any kind under or by reason of this Agreement.

Section 16. Termination. This Agreement may be terminated at any time by either the Bank or the City by sixty (60) days' prior written notice to the other, provided that so long as the City continues to pay the fees and expenses of the Bank as set forth herein, the Bank agrees to continue acting as issuing and paying agent hereunder until such time as a successor has been selected and has entered into an agreement with the City to that effect. Such termination shall not affect the respective liabilities of the parties hereunder arising prior to such termination. If no successor issuing and paying agent shall have been appointed and have accepted the appointment within 30 days of giving notice of resignation, the Bank may petition any court of competent jurisdiction to appoint a successor under this Agreement.

Section 17. Defined Terms. Except as otherwise indicated herein, the capitalized terms used herein have the meanings assigned in the Ordinance.

Section 18. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS; HOWEVER, THE DUTIES, OBLIGATIONS AND IMMUNITIES OF THE ISSUING AND PAYING AGENT UNDER THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

Section 19. Fees. The Bank shall receive fees from the City for acting as issuing and paying agent hereunder in such amounts as the Bank and the City shall agree from time to time in writing in accordance with Exhibit __ attached hereto and incorporated by relevance. Payment of such fees shall be made by the City upon receipt of an invoice therefor from the Bank. The City shall reimburse the Bank upon the Bank's request for all expenses, disbursements and advances incurred or made by the Bank in accordance with any provision of this Agreement (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

Section 20. Patriot Act. The Bank hereby notifies the City that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the City, which information includes the name and address of the City and other information that will allow the Bank to identify the City in accordance with the Patriot Act, and the City hereby agrees to take any action necessary to enable the Bank to comply with the requirements of the Patriot Act.

Section 21. Anti-Boycott Verification. The Bank represents that, to the extent this Agreement constitutes a contract for goods or services within the meaning of Section 2270.002 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2270 of the Texas Government Code, and subject to applicable Federal law, neither the Bank nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Bank (i) boycotts Israel or (ii) will boycott Israel through the term of this Agreement. The terms "boycotts Israel" and "boycott Israel" as used in this paragraph have the meanings assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended.

Section 22. Iran, Sudan and Foreign Terrorist Organizations. The Bank represents that, to the extent this Agreement constitutes a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, neither the Bank nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Bank (i) engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

Section 23. SPANS Online.

(a) The Issuer and each Authorized Representative may use the U.S. Bank Securities Processing Automated Notes System Online ("SPANS Online") instruction and reporting communication service to transmit instructions to the Bank or obtain reports with respect to the

Commercial Paper Notes. The Issuer may, by separate agreement between the Issuer and one or more of its Authorized Persons, authorize the Authorized Person to directly access SPANS Online for the purposes of transmitting instructions to the Bank or obtaining reports with respect to the Commercial Paper Notes. The Issuer acknowledges that (i) some or all of the services utilized in connection with SPANS Online are furnished by SS&C Technologies, Inc. ("SS&C"), (ii) SPANS Online is provided to the Issuer "AS IS" without warranties or representations of any kind whatsoever, and (iii) SPANS Online is proprietary and confidential property disclosed to the Issuer in confidence and may be utilized only on the SPANS Online Terms and Conditions as set forth in the SPANS Online website and for purposes set forth in this Agreement.

(b) To permit the use of SPANS Online to transmit instructions and/or obtain reports with respect to the Commercial Paper Notes, the Bank will supply the Issuer with a customer identification number and initial passwords. The Issuer may thereafter change its passwords directly through SPANS Online. The Issuer will keep all information relating to its identification number and passwords strictly confidential and will be responsible for the maintenance of adequate security over its customer identification number and passwords. Instructions transmitted over SPANS Online and received by the pursuant to this Agreement shall be deemed conclusive evidence that such instructions are correct and complete and that the issuance or redemption of the Commercial Paper Notes directed thereby has been duly authorized by the Issuer.

Section 24. Entire Agreement, No Third Party Beneficiaries. This Agreement, together with the Letter of Representations, constitutes the entire agreement between the parties relating to the Bank's issuing agent, paying agent and depository duties and obligations to the Issuer.

Section 25. Dealings. The Bank and any stockholder, director, officer or employee of the Bank may buy, sell, and deal in any of the securities of the Issuer, any Dealer or any purchaser of Commercial Paper Notes and become financially interested in any transaction in which the Issuer, any Dealer or any such purchaser may be interested, and contract and lend money to the Issuer, any Dealer or any such purchaser and otherwise act as fully and freely as though it were not a depository, issuing or paying agent under this Agreement. Nothing herein shall preclude the Bank from acting in any other capacity for the Issuer, any Dealer or any such purchaser or for any other person or entity.

Section 26. Tax Reporting. The Bank shall have no responsibility for the tax consequences of this Agreement and the Issuer shall consult with independent counsel concerning any and all tax matters. The Issuer shall provide IRS Form W-9 or Form W-8, as applicable, for each payee, together with any other documentation and information requested by the Bank in connection with the Bank's reporting obligations under applicable U.S. law or regulation. If such tax documentation is not so provided, the Bank is authorized to withhold taxes as required by applicable U.S. law or regulation.

Section 27. WAIVER OF TRIAL BY JURY. EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ANY RIGHT THAT IT MAY HAVE TO A TRIAL BY JURY ON ANY CLAIM, COUNTERCLAIM, SETOFF, DEMAND, ACTION OR CAUSE OF ACTION ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT.

Section 28. Publicity. No party will (a) use any other party's proprietary indicia, trademarks, service marks, trade names, logos, symbols, or brand names, or (b) otherwise refer to or identify any other party in advertising, publicity releases, or promotional or marketing publications, or correspondence to third parties without, in each case, securing the prior written consent of such other party.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

U.S. BANK NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

Signature Page to Issuing and Paying Agency Agreement

CITY OF DALLAS, TEXAS

T.C. Broadnax
City Manager

APPROVED AS TO FORM:

Larry Castro
City Attorney
City of Dallas, Texas

Signature Page to Issuing and Paying Agency Agreement

EXHIBIT A

CERTIFICATE DESIGNATING AUTHORIZED REPRESENTATIVES

TO: U.S. BANK NATIONAL ASSOCIATION, as Issuing Paying and Agent

I am the _____ of the City of Dallas, Texas (the "City"), and an Authorized Representative of the City, appointed pursuant to Ordinance No. _____ (the "Ordinance"), adopted October 25, 2017, authorizing the City of Dallas, Texas, General Obligation Commercial Paper Notes, Series A (the "Notes") in the maximum principal amount of \$350,000,000. I am duly authorized pursuant to the Ordinance to appoint Authorized Representatives of the Issuer in connection with the issuance, from time to time, of the Notes. For the purpose of fulfilling obligations as Authorized Representatives pursuant to the Ordinance, as well as for fulfilling obligations under the Issuing and Paying Agency Agreement and the Dealer Agreement (as such terms are defined in the Ordinance), I have designated the following persons to act as Authorized Representatives pursuant to the Ordinance, specimen signatures of whom are set forth beside their names.

Designated Person and Title

Specimen Signature

[NAME, TITLE]

[NAME, TITLE]

EXECUTED THIS _____, 2017.

CITY OF DALLAS, TEXAS

[NAME, TITLE]

STATE OF TEXAS §

§

COUNTY OF DALLAS §

Before me, the undersigned authority, on this day personally appeared _____,
_____ of the City of Dallas, Texas, known to me to be such person who signed the
above and foregoing Agreement in my presence and acknowledged to me that such person
executed the above and foregoing Agreement for the purposes therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS ____ DAY OF
_____, 2017.

Notary Public, State of Texas

[SEAL]

EXHIBIT C
FORM OF DEALER AGREEMENT

DEALER AGREEMENT

Between

CITY OF DALLAS, TEXAS

ISSUER

and

JEFFERIES LLC

COMMERCIAL PAPER DEALER

Dated as of November 28, 2017

Relating to

**CITY OF DALLAS, TEXAS
GENERAL OBLIGATION COMMERCIAL PAPER NOTES
SERIES A**

This COMMERCIAL PAPER DEALER AGREEMENT, dated as of December 2, 2017 (the "Agreement"), between the CITY OF DALLAS, TEXAS (the "Issuer") and Jefferies LLC. (the "Commercial Paper Dealer").

For and in consideration of the mutual covenants made herein and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Background and Definitions. (a) The Issuer has authorized the issuance and reissuance from time-to-time of its City of Dallas, Texas General Obligation Commercial Paper Notes, Series A (the "Notes"), in the aggregate principal amount not to exceed \$350,000,000 outstanding at any time, subject to the limitations and restrictions set forth in the Ordinance.

(b) The Issuer has authorized the issuance of the Notes pursuant to an ordinance adopted by the City Council on October 25, 2017 (the "Ordinance"). Capitalized terms used but not defined herein shall have the meaning given to such terms as set forth in the Ordinance.

(c) JPMorgan Chase Bank, N.A., U.S. Bank National Association (the "Initial Credit Provider" and together with any other credit or liquidity provider that shall hereafter enter into a Credit Agreement (as defined below) with the Issuer, a "Credit Provider") has entered into a credit agreement with the Issuer as of the date hereof, as amended, restated, supplemented or otherwise modified from time to time (the "Initial Credit Agreement" and together with any additional credit agreement entered into by the Issuer with respect to the Notes, including any substitute or alternate liquidity or credit facilities in addition to or in replacement of the Initial Credit Agreement, a "Credit Agreement") relating to the Notes, in accordance with the terms of the Ordinance.

(d) The Ordinance provides for the appointment of one or more commercial paper dealers to perform certain duties, including the offering and sale from time-to-time of the Notes on behalf of the Issuer.

(e) Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Ordinance or the Issuing and Paying Agency Agreement.

Section 2. Appointment of Commercial Paper Dealer. (a) Subject to the terms and conditions contained herein, the Issuer hereby appoints Jefferies & Company, LLC. as a Commercial Paper Dealer for the Notes, and Jefferies & Company, Inc. hereby accepts such appointment.

(b) The Commercial Paper Dealer shall act as exclusive dealer with respect to the Notes.

Section 3. Responsibilities of Commercial Paper Dealer. Subject to the terms and conditions set forth in this Agreement, Commercial Paper Dealer agrees to perform the duties of Commercial Paper Dealer set forth in this Agreement. It is understood that in undertaking to perform such duties, and in the performance thereof, it is the intention of the parties that the Commercial Paper Dealer will act solely as an agent and not as a principal, except as expressly

provided in this Agreement. The Commercial Paper Dealer agrees to use its best efforts to offer and sell the Notes up to and including the Maximum Rate to institutional investors and other entities and individuals who normally purchase commercial paper in the United States commercial paper market. The Commercial Paper Dealer and the Issuer agree that any Notes which the Commercial Paper Dealer may arrange the sale of or which, in the Commercial Paper Dealer's sole discretion, it may elect to purchase, will be purchased or sold on the terms and conditions and in the manner provided in the Ordinance, the Issuing and Paying Agency Agreement and this Agreement. Anything herein to the contrary notwithstanding, to the extent of any conflict between the provisions hereof and of the Ordinance or the Issuing and Paying Agency Agreement, the provisions of the Ordinance and the Issuing and Paying Agency Agreement shall be controlling.

Section 4. Transactions in Notes. All transactions in Notes between the Commercial Paper Dealer and the Issuer shall be in accordance with the Ordinance, the Issuing and Paying Agency Agreement, this Agreement, the Credit Agreement and with the customs and practices in the commercial paper market regarding settlement and delivery formally adopted in writing from time to time by the New York Clearinghouse, to the extent not inconsistent with the Ordinance. As early as possible, but not later than 12:30 p.m. (New York City time) on the day on which any Notes are to be issued, the Commercial Paper Dealer shall notify the Issuer of the proposed final maturities, prices and interest rates (which interest rates shall not exceed 10% per annum) at which the Commercial Paper Dealer will purchase or cause the purchase of the Notes, and provide the Issuer with any other information as required for delivery of such Notes. Except as described below, the Commercial Paper Dealer shall not be obligated to purchase or cause the purchase of any Notes unless and until agreement has been reached in each case on the foregoing points and the Commercial Paper Dealer has agreed to such purchase. Not later than 12:30 p.m. (New York City time), on the date of each transaction the Commercial Paper Dealer shall either (a) confirm each transaction made with or arranged by it or (b) notify the Issuer and the Issuing and Paying Agent of the difference, if any, between the amount of maturing Notes and the amount of Notes which the Commercial Paper Dealer has arranged to sell or has agreed to purchase. Such confirmation or notification shall be given by electronic mail, facsimile or telephone to the Issuer and the Issuing and Paying Agent. If such confirmation or notification is given by telephone, it shall also be given in writing as soon as possible thereafter.

Section 5. Payment for Notes. The Commercial Paper Dealer shall pay for the Notes sold by the Commercial Paper Dealer (or purchased by the Commercial Paper Dealer for its own account) in immediately available funds by 2:15 p.m. (New York City time) on the Business Day such Notes are delivered to the Commercial Paper Dealer (provided that such Notes are so delivered to the Commercial Paper Dealer by 3:00 p.m. on such Business Day). All Notes will be sold at par, and will be evidenced either by (i) a Master Note for each series held with The Depository Trust Company of New York or (ii) if not, will be executed in the manner provided for in the Ordinance.

Section 6. Designated Representative. Note transactions with the Issuer, pursuant to Section 4 hereof, shall be with anyone of the officers or employees of the Issuer who are designated as Authorized Representatives. The initial Authorized Representatives are designated in the Ordinance. The Issuer agrees to provide the Commercial Paper Dealer with revised written designations in the form of Appendix A when and as required by changes in the

Authorized Representatives. The Commercial Paper Dealer may rely upon such designation unless and until otherwise notified in writing by the Issuer.

Section 7. Resignation and Removal of Commercial Paper Dealer. The Commercial Paper Dealer may at any time resign and be discharged of its duties and obligations hereunder upon providing the Issuer and the Issuing and Paying Agent with sixty (60) days prior written notice; provided, that at no time may the position of Commercial Paper Dealer be vacant without the prior written consent of the Credit Providers. The Commercial Paper Dealer may be removed at any time, at the direction of the Issuer upon thirty (30) days prior written notice to the Commercial Paper Dealer and the Issuing and Paying Agent. Upon removal or resignation of the Commercial Paper Dealer, the Issuer shall promptly cause the Issuing and Paying Agent to give notice thereof by mail to all owners of the Notes and to any rating agency which has assigned a rating to the Notes. The Commercial Paper Dealer shall assign and deliver this Agreement to its successor if requested by the Issuer.

Section 8. Furnishing of Disclosure Materials.

(a) The Issuer agrees to prepare an offering memorandum relating to the Notes (the "Offering Memorandum"), and furnish to the Commercial Paper Dealer the Offering Memorandum and such other information with respect to the Issuer and the Notes as the Commercial Paper Dealer shall reasonably request from time to time.

(b) The Issuer agrees to cooperate with the Commercial Paper Dealer in the preparation from time-to-time of a new Offering Memorandum of the Issuer for the Notes in the event the Commercial Paper Dealer determines that the preparation and distribution of such Offering Memorandum is necessary or desirable in connection with offering and sale on behalf of the Issuer of the Notes, and to furnish or to cause to be furnished to the Commercial Paper Dealer such new Offering Memorandum.

(c) If, at any time during the term of this Agreement, any event shall occur or facts become known to either party that might affect the correctness or completeness of any statement of a material fact contained in the then current Offering Memorandum, such party shall promptly notify the other in writing of the circumstances and details of such event. The Issuer agrees to promptly furnish to the Commercial Paper Dealer a copy of each filing or notice made to anyone (whether in connection with the Notes or not) pursuant to any undertaking or other agreement of the Issuer made under any provision of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

(d) The Issuer will prepare and the Dealer will print and distribute, at the Dealer's sole cost and expense, the Offering Memorandum.

Section 9. Fees. The Issuer and the Commercial Paper Dealer agree that the fee for purchase of each Note by the Commercial Paper Dealer, or the sale of each Note arranged by the Commercial Paper Dealer for the benefit of the Issuer, shall be at a rate of 4 basis points (.04%) per annum based on the average daily principal amount of Notes outstanding in accordance with the provisions of the Ordinance, which average daily principal amount shall be computed according to the following formula:

(principal amount of each Note) x (the number of days the Note shall be outstanding)

365/366

The Issuer will pay the fee quarterly in arrears. The Issuer's fiscal quarters commence on the first day of October, January, April and July.

Section 10. Representations. Warranties. Covenants and Agreements of the Issuer. The Issuer, by its acceptance hereof, represents, warrants, covenants, and agrees with the Commercial Paper Dealer that:

(a) it is a public authority and body politic and corporate, duly created, organized and existing under the laws of the State of Texas;

(b) it has full power and authority to take all actions required or permitted to be taken by the Issuer by or under, and to perform and observe the covenants and agreements on its part contained in, this Agreement and any other instrument or agreement relating thereto to which the Issuer is a party;

(c) it has, on or before the date hereof, duly taken all action necessary to be taken by it prior to such date to authorize (i) the execution, delivery and performance of this Agreement, the Ordinance, the Issuing and Paying Agency Agreement, the Credit Agreement and any other instrument or agreement to which the Issuer is a party and which has been or will be executed in connection with the transactions contemplated by the foregoing documents; and (ii) the carrying out, giving effect to, consummation and performance of the transactions and obligations contemplated by the foregoing agreements and by the current Offering Memorandum;

(d) it will provide the Commercial Paper Dealer at its address set forth below, as soon as available, but not later than July 1 after the close of each of fiscal year, with a copy of its annual financial statements for that fiscal year;

(e) it will promptly notify the Commercial Paper Dealer of any material adverse changes that may affect the offering and sale on behalf of the Issuer of the Notes or any fact or circumstance which may constitute, or with the passage of time will constitute, an event of default under the Notes, the Ordinance, the Credit Agreement or the Issuing and Paying Agency Agreement; and

(f) Offering Memoranda and supplements, amendments and updates to any thereof, furnished by the Issuer and used by the Commercial Paper Dealer (including

amendments, supplements and replacements thereof), until such time as they shall have been subsequently amended, updated or replaced, shall not contain any untrue, incorrect or misleading statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Section 11. Term of Agreement. This Agreement shall become effective on the date hereof and shall continue in full force and effect until the cessation of the Notes program, subject to the right of suspension and termination as provided herein.

Section 12. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

Section 13. Dealing in Notes by the Commercial Paper Dealer; No Obligation to Purchase Notes. (a) The Commercial Paper Dealer, in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Notes, including, without limitation, any Notes offered and sold by the Commercial Paper Dealer pursuant to this Agreement, and may join in any action which any Owner may be entitled to take with like effect as if it did not act in any capacity hereunder. The Commercial Paper Dealer, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Issuer and may act as depository, or agent for any committee or body of owners of the Notes or other obligations of the Issuer as freely as if it did not act in any capacity hereunder.

(b) Nothing in this Agreement shall be deemed to constitute the Commercial Paper Dealer an underwriter of the Notes or to obligate the Commercial Paper Dealer to purchase any Notes for its own account at any time.

Section 14. Miscellaneous. (a) Except as otherwise specifically provided in this Agreement, all notices, demands and formal actions under this Agreement shall be in writing and either (i) hand-delivered, (ii) sent by electronic means, or (iii) mailed by registered or certified mail, return receipt requested, postage prepaid, to:

The Commercial Paper Dealer:

Jefferies & Company, Inc.
13355 Noel Road, Suite 1400
Dallas, Texas 75240
Attention: Tilghman Naylor
Telephone: (972) 701-3038
Telecopy: (972) 701-3030
E-Mail: tnaylor@jefferies.com

The Issuer:

To the City:
City of Dallas, Texas,
1500 Marilla
Dallas, TX 75201

Attention: Chief Financial Officer
Telephone: (214) 670-5631
Facsimile: (214) 670-4653
Email: elizabeth.reich@dallascityhall.com

The Issuing and Paying Agent:

U.S. Bank
Attn: Corporate Trust Administration
100 Wall Street, 16th Floor
New York, New York 10005
Telephone: (212) 361-2892
Telefax: (212) 514-6841
E-mail: barbara.nastro@usbank.com

with a copy to:

U.S. Bank
100 Wall Street, 16th Floor
New York, New York 10005
Attn: MMI Operations
Telephone: (212) 361-6140
Telefax: (212) 509-4529

Each party hereto may, by notice given under this Agreement to the other parties described above, designate other addresses to which subsequent notices, requests, reports or other communications shall be directed.

(b) This Agreement shall inure to the benefit of and be binding only upon the parties hereto, the Credit Providers and their respective successors and assigns. The terms "successors" and "assigns" shall not include any purchaser of any of the Notes merely because of such purchase. No owner of the Notes or other third party shall have any rights or privileges hereunder.

(c) All of the representations and warranties of the Issuer and the Commercial Paper Dealer in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Commercial Paper Dealer or the Issuer, (ii) the offering and sale of and any payment for any Notes hereunder, or (iii) suspension, termination or cancellation of this Agreement.

(d) This Agreement and each provision hereof may be amended, changed, waived, discharged or terminated only by an instrument in writing signed by the parties hereto.

(e) Nothing herein shall be construed to make any party an employee of the other or to establish any fiduciary relationship between the parties except as expressly provided herein.

(f) If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable for any reason, such circumstances shall not have the effect of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatsoever.

(g) This Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

(h) The Commercial Paper Dealer represents that, to the extent this Agreement constitutes a contract for goods or services within the meaning of Section 2270.002 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2270 of the Texas Government Code, and subject to applicable Federal law, neither the Commercial Paper Dealer nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Commercial Paper Dealer (i) boycotts Israel or (ii) will boycott Israel through the term of this Agreement. The terms "boycotts Israel" and "boycott Israel" as used in this paragraph have the meanings assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended.

(i) The Commercial Paper Dealer represents that, to the extent this Agreement constitutes a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, neither the Commercial Paper Dealer nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Commercial Paper Dealer (i) engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

CITY OF DALLAS, TEXAS

T.C. Broadnax
City Manager

APPROVED AS TO FORM:

Larry Castro
City Attorney
City of Dallas, Texas

Assistant City Attorney

JEFFERIES LLC

By: _____

Name: _____

Title: _____

CERTIFICATE OF DESIGNATED REPRESENTATIVE

I am the _____ of the City of Dallas (the "Issuer") duly authorized pursuant to a Ordinance adopted by the City Council of the Issuer on October 25, 2017 (the "Ordinance") to appoint Authorized Representatives of the Issuer in connection with the issuance, from time to time, by the Issuer of the commercial paper (the "Notes") in accordance with the Ordinance. I hereby designate the following persons to act on my behalf in accordance with the Ordinance and specimen signatures of such persons are set forth beside their names.

Authorized Representatives

Specimen Signature

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Executed this ____ day of _____, _____.

Name: _____
Title: _____

EXHIBIT D
FORM OF OFFERING MEMORANDUM

OFFERING MEMORANDUM

November __, 2017

BOOK-ENTRY ONLY

On November 28, 2017 Bracewell LLP and West & Associates, L.L.P., Co-Bond Counsel, each delivered an opinion to the effect that as of such date, (i) interest on the Notes was excludable from gross income for federal income tax purposes subject to the matters described under "Tax Exemption" herein, and (ii) the Notes were not "private activity bonds." See "Tax Exemption" herein for a discussion of the prior opinions of Co-Bond Counsel, including a description of alternative minimum tax consequences for corporations.

**\$350,000,000
CITY OF DALLAS, TEXAS
GENERAL OBLIGATION COMMERCIAL PAPER NOTES,
SERIES A**

Commercial Paper Ratings

Fitch: _____

S&P: _____

**For more information see
"Ratings" herein**

Offering

Effective as of November 28, 2017, Jefferies LLC (the "Dealer") is offering for sale the City of Dallas, Texas, General Obligation Commercial Paper Notes, Series A (the "Notes"). The Notes are authorized pursuant to an ordinance approved by the City Council on October 25, 2017 (the "Ordinance") which established a commercial paper program (the "Program") pursuant to which multiple series of commercial paper notes, including the Notes, may be issued in an aggregate principal amount at any one time outstanding under all series not to exceed \$350,000,000. Concurrently with the authorization of the Notes the City has authorized its "General Obligation Commercial Paper Notes, Series B" (the "Series B Notes"), under the Program. The Series B Notes are to be directly purchased by JPMorgan Chase Bank, National Association (the "Bank") from time to time pursuant to the terms of a separate purchase agreement (the "Series B Note Purchase Agreement") and are not currently eligible to be publicly marketed and sold. The City has initially issued, and the City expects the same to remain outstanding for the duration of the term of the Series B Note Purchase Agreement, at least \$3,500,000 in Series B Notes, which the Bank has purchased pursuant to the Note Purchase Agreement. This Offering Memorandum describes only the Notes and not the Series B Notes.

The Notes are authorized pursuant to the Ordinance, various general obligation bond elections held or to be held by the City (together, the "Elections") and Chapter 1371, Texas Government Code, as amended (collectively, the "Authorizing Law"). Pursuant to the Authorizing Law, the City is obligated to levy, assess and collect, within the limits prescribed by law, annual ad valorem taxes sufficient to pay the principal of and the interest on the Notes.

In the opinions of Bracewell LLP and West & Associates, L.L.P., Dallas, Texas, as co-bond counsel to the City with respect to the Notes (together, "Bond Counsel"), as of the date of their opinions, and assuming continuing compliance by the City with certain covenants described in the Ordinance after the date of the opinions, interest on the Notes is excludable from gross income for federal income tax purposes under existing law and the Notes are not private activity bonds. See "Tax Exemption" for a discussion of the opinions of Bond Counsel, including a description of alternative minimum tax consequences for corporations. The Notes are exempt from the registration requirements of the Securities Act of 1933, as amended, pursuant to Section 3(a)(2) thereof.

JEFFERIES

The City has entered into a Credit Agreement (as hereinafter defined) in connection with the issuance of the Notes. The Bank is the Credit Provider (as hereinafter defined) for the Notes. The Credit Agreement constitutes a "credit agreement" within the meaning of Chapter 1371, Texas Government Code, and it has been approved as to legality under Texas law by the Attorney General of the State of Texas (the "State" or "Texas").

Except as otherwise indicated herein, capitalized terms used in this Offering Memorandum have the same meanings assigned to such terms in the Ordinance.

Purposes

The Ordinance provides that the proceeds of the Notes may be used to finance capital improvements and other public purposes approved at the Elections. Proceeds may also be used to pay the costs and expenses of the issuance of the Notes and the principal of maturing Notes.

Additional Obligations

The City expects to issue additional tax-supported obligations payable (in whole or in part) from ad valorem taxes. Such tax-supported obligations may be payable at such time or times and under such other terms, conditions and details as determined and approved by the City Council.

Issuer

The City operates under a Council-Manager form of government. There are fourteen single-district council members and a mayor elected at large. The Mayor and City Council appoint the City Manager, the City Attorney, the City Auditor, the City Secretary, and the Municipal Court Judges. The City Manager appoints all other department directors except two appointed by the Civil Service Board and the Park and Recreation Board. The Mayor is elected to a four-year term and is limited to two consecutive four-year terms. Council members are elected for two-year terms and can serve up to four consecutive two-year terms.

The Mayor and City Council set the public agenda, adopt policy and laws and appoint the City Manager, who acts as chief executive, responsible for implementing council policy. The City Manager oversees City operations with an executive team of assistant city managers, each of whom has responsibility for various departments.

The City provides the full range of municipal services contemplated by statute or charter. This includes public safety (police and fire), streets, sanitation, health and human services, culture and recreation, public improvements, planning and zoning, and general administrative services. In addition to general government activities, the Dallas Water Utilities, Municipal Airport (Love Field), Convention Center, Municipal Radio and several other enterprise and internal service fund activities are a part of the City's legal entity.

Attached hereto as APPENDIX A are the City's audited basic financial statements for its fiscal year ended September 30, 2016. Grant Thornton LLP, the City's independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in this report, nor have they performed any procedures relating to this Offering Memorandum.

Description of Notes

The Notes will mature in not more than 270 days from their respective dates of issue and will pay par plus interest at maturity. Interest will be calculated on an actual/365-day year basis. The interest rate on the Notes may not exceed the lesser of 10% per annum or the maximum rate allowable by law of the State of Texas. The Notes will be issued in registered form in denominations of \$100,000 or integral multiples of \$1,000 thereafter. Subject to the procedures described under "DTC's Book-Entry System," the Notes will be payable at the offices of U.S. Bank National Association, as the Issuing and Paying Agent under the Issuing and Paying Agency Agreement, dated as of November 28, 2017 (the "Issuing and Paying Agency Agreement"), between the City and the Issuing and Paying Agent.

Security for the Notes

To provide security for the payment of the Notes, as the same shall become due and payable, the Ordinance grants a lien on and pledge of the following, subject to the provisions of the Ordinance permitting the application thereof for the purposes and on the terms and conditions set forth therein: (i) the proceeds from the sale of Notes from time to time issued to pay the principal amount of outstanding Notes and the principal amount of the Loan Notes, (ii) proceeds from the sale of ad valorem limited tax bonds issued by the City from time to time hereafter for the purpose of paying the principal amounts of or interest on the Notes, (iii) amounts drawn under the Credit Agreement to pay the principal of and interest on outstanding Notes supported by such Credit Agreement (such draws, the "Advances"; the note evidencing Advances and other loans made under the Credit Agreement, the "Bank Note"), (iv) amounts held in the Note Payment Fund for the Notes established under the Ordinance, and (v) the proceeds of the City's tax levy described in the following paragraph.

The City is obligated to levy, assess and collect, within the limits prescribed by law, annual ad valorem taxes sufficient to pay the principal of and the interest on the Notes. The Texas Constitution establishes a maximum ad valorem tax rate of \$2.50 per \$100 of assessed valuation for home rule cities such as the City. Chapter 1331, Texas Government Code, as amended, provides that total bonded debt payable from ad valorem taxes may not exceed 10% of the City's taxable assessed valuation.

The tax rate for the Tax Year 2018 (Fiscal Year 2018) is \$0.7804 (per \$100 assessed valuation), which consists of approximately \$0.5580 for general purposes and \$0.2224 for debt service purposes.

The City may take into account any other sources of funding that are lawfully available or are to be lawfully available for payment of principal and interest on the Notes and may take into account the Credit Agreement and any legal limitation regarding the maximum rate or amount of interest that the Authorized Representative may be authorized to approve in the issuance and sale of the Notes from time to time.

The Texas Tax Code provides certain limitations on annual tax rate increases based on a complex formula. These limitations are not applicable to tax levy increases to pay debt service on specified debt, including ad valorem tax bonds and commercial paper notes. Generally, these limitations require two public hearings if the proposed annual increase exceeds the lower of the "effective tax rate" or the "rollback tax rate" as such terms are defined in the Tax Code, and an election (upon petition of 7% of the qualified voters of the City) to limit to 8% any proposed increase which would otherwise exceed 8%. In addition, before the City Council can adopt a tax rate that produces tax revenues that exceed the previous year's tax revenues, it must first conduct two public hearings on the proposed tax rate.

If the City is unable to remarket the Notes in amounts sufficient to pay the principal of and interest on maturing Notes, such maturing Notes will, subject to certain conditions under the Credit Agreement, be paid with the proceeds of Advances made under the Credit Agreement. See "**LIQUIDITY SUPPORT.**" The occurrence of an "Immediate Termination Event" or a "Suspension Event," as each such term is defined in the Credit Agreement (and described below), will immediately and automatically terminate or suspend, as applicable, the Bank's obligation to make Advances and "Term Loans" (being Advances made under the Credit Agreement that have been converted to Term Loans thereunder; such Term Loans, together with Advances, the "Loans") under the Credit Agreement to pay the principal of and interest on maturing Notes supported by the Credit Agreement, even if such Notes are already outstanding and sold prior to the occurrence of one of such events. See "**EVENTS OF DEFAULT AND REMEDIES**" herein.

Liquidity Support

The following is a summary of certain provisions of the Credit Agreement and are subject to the actual term of the Credit Agreement. The Credit Agreement should be reviewed in its entirety. The City and the Bank have entered into a Credit Agreement, dated as of November 28, 2017, pursuant to which the Bank (the "Credit Provider"), has committed to establish a revolving line of credit (the "Commitment") for the benefit of the City for the purpose of making advances (each, an "Advance") to fund the payment by the City of the principal of and interest on the Notes at stated maturity for a period extending to December 2, 2020 (the "Expiry Date"), unless extended pursuant to the terms of the Credit Agreement.

The amount available for making Advances under the Commitment is initially \$350,000,000, to pay principal amount of maturing Notes plus accrued interest thereon calculated at a maximum rate of 10% per annum for a period of 270 days; provided, however, that the combined liquidity support for the Program provided by the Bank for the principal amount of both the Notes and the Series B Notes shall not exceed \$350,000,000 (meaning that the amount of Series B Notes issued by the City and purchased by the Bank will reduce by corresponding amount the liquidity support available to the Notes under the Credit Agreement). However, the City may permanently reduce the Commitment in whole or in part upon at least three (3) calendar days' prior written notice to the Credit Provider (a copy of which the City shall provide to the Issuing and Paying Agent, the Dealer and to the Rating Agencies, as defined herein); provided that (i) any partial reduction must be in the amount of \$1,000,000, or any integral multiple of \$100,000 in excess of such amount and (ii) the amount of Commitment may not be reduced below an amount equal, as of the date of the proposed permanent reduction in such Commitment, to the sum of (A) the outstanding Loans plus (B) the outstanding principal amount of and interest on the Notes. Upon any reduction in whole or termination of the Commitment pursuant to the Credit Agreement, all outstanding Loans, accrued interest, fees and other obligations of the City owed under the Credit Agreement and under the Bank Note (as defined in the Credit Agreement) shall be promptly paid or repaid in full to the Credit Provider. For information about the Credit Provider, see **APPENDIX B** attached hereto.

On or after the date which is one hundred twenty (120) days prior to an Expiry Date, the City may submit a written request to the Credit Provider that the Expiry Date be extended for a time mutually acceptable to such Credit Provider and the City. Any such written request may be accompanied by requests to increase or decrease the amount, or otherwise modify the terms and conditions of the Commitment. The Bank has no obligation to agree to extend the Expiry Date or any other request or condition accompanying such request. If the Bank, in its sole discretion following such request by the City, agrees to extend the Expiry Date, the Bank shall give written notice of the election by the Bank to extend to the City, the Issuing and Paying Agent and the Dealer within thirty (30) days from the date of receipt of information necessary, in the Bank's reasonable judgment, to permit the Bank to make an informed credit decision; and such extension shall be subject to preparation, execution and delivery of documentation in form and substance satisfactory to the Bank and the City. If the Bank does not so notify the City, the Expiry Date shall not be so extended. At the time of any extension, the Bank may, in its sole discretion as a condition to such extension, require changes in the terms and conditions of this Agreement, including the Commitment Fee, the Bank Rate or the Default Rate.

Events of Default and Remedies

The following is a summary of certain provisions of the Credit Agreement and are subject to the actual terms of the Credit Agreement. The Credit Agreement should be reviewed in its entirety. Except as otherwise indicated herein, capitalized terms used in this section have the same meanings assigned to such terms in the Credit Agreement. The Credit Agreement provides that the following events constitute Events of Default thereunder:

Events of Default Not Permitting Immediate Termination

- (i) the City fails to pay any fees, expenses or other amounts (other than an Advance or a Term Loan (as described in paragraph (i) under the heading "**Immediate Termination Events and Remedies**") payable under the Credit Agreement or under the Fee Letter (as defined in the Credit Agreement) within five (5) days after receipt of an invoice therefor; or
- (ii) a breach or failure of performance by the City of one or more certain covenants specified in the Credit Agreement; or
- (iii) a breach or failure of performance by the City of any other covenant, condition, or agreement on its part to be observed or performed contained in the Credit Agreement (other than a breach or failure covered by any other covenant, condition or agreement described in another paragraph under the headings "**Events of Default Not Permitting Immediate Termination**" and "**Immediate Termination Events and Remedies**") and any such breach or failure (if capable of remedy) continues for a period of thirty (30) days after notice thereof from the Credit Provider to the City *provided, however*, that if such default cannot be cured in such 30-day period, but can reasonably be cured within ninety (90) days after such notice and the City is diligently working to cure the

same, then such default shall not become an Event of Default until ninety (90) days after such notice;
or

- (iv) any of the City's representations or warranties made or deemed made in the Credit Agreement or in any statement or certificate at any time given pursuant thereto or in connection therewith proves at any time to have been false or misleading in any material respect when made and any such false or misleading statement or certificate (if capable of remedy) continues for a period of sixty (60) days after notice thereof from the Credit Provider to the City; or
- (v) the entry or filing of any judgment, order, writ or warrant of attachment in an amount in excess of \$20,000,000 against the City or against any of its property and failure of the City to vacate, bond, stay or contest in good faith such judgment, writ, warrant of attachment or other process for a period of sixty (60) days or a failure to pay or satisfy such judgment within sixty (60) days or as otherwise require by such judgment, writ or warrant of attachment
- (vi) (A) the principal of or interest on any Debt (as defined in the Credit Agreement) in excess of \$25,000,000 in the aggregate or any Specified Debt has been accelerated or such obligation is otherwise required to be prepaid prior to the stated maturity thereof or (B) any event shall occur that permits the holder of any Debt in excess of \$25,000,000 in the aggregate or any Specified Debt to accelerate such Debt or require repayment thereof prior to the stated maturity thereof, but not including as such an event the exercise by the City of an option to prepay any Debt prior to the stated maturity thereof, in each case for a reason other than as described under the heading "**Events of Default Not Permitting Immediate Termination**" hereunder or under the heading "**Immediate Termination Events and Remedies**" herein; or
- (vii) the rating (without regard to credit enhancement) assigned to any of the long-term general obligation Debt of the City by Moody's, Fitch, or S&P (in each case to the extent such Rating Agency then maintains a rating on the long-term general obligation Debt of the City) shall fall below "A3" by Moody's, "A-" by Fitch, or "A-" by S&P; or
- (viii) the City fails to pay when due and payable, after giving effect to any applicable grace period, the principal on the Notes (other than the principal on the Notes for which an Advance has been requested); or
- (ix) an "event of default" under the Note Purchase Agreement or any Related Document shall have occurred; or
- (x) The City contests in an administrative or judicial proceeding, repudiates or otherwise denies (including, without limitation, authorizing the filing of a claim to such effect in an administrative or judicial proceeding) that it has any further liability or obligation under or with respect to any provision of the Credit Agreement, the Notes, the Bank Note, any general obligation Debt, the Act, the Ordinance or the Issuing and Paying Agency Agreement relating to (x) the ability or the obligation of the City to pay, when due, the principal of or interest on the Notes, any general obligation Debt or the Bank Note, (y) the Pledged Collateral or (z) the general obligation or the full faith and credit pledge of the City securing, in each case, the Notes, the Bank Note or any general obligation Debt of the City; or
- (xi) the City contests in an administrative or judicial proceeding, repudiates or otherwise denies (including, without limitation, authorizing the filing of a claim to such effect in an administrative or judicial proceeding) the legality, validity or enforceability of any provision of the Credit Agreement, the Notes, the Bank Note, any general obligation Debt, the Act, the Ordinance or the Issuing and Paying Agency Agreement relating to (x) the ability or the obligation of the City to pay, when due, the principal of or interest on the Notes, any general obligation Debt or the Bank Note, (y) the Pledged Collateral or (z) the general obligation or the full faith and credit pledge of the City securing, in each case, the Notes, the Bank Note or any general obligation Debt of the City; or

- (xii) the City shall have taken or permitted to be taken any official action (including enactment of a statute or adoption of an ordinance) which would adversely affect the legality, validity or enforceability of any provision of the Credit Agreement, the Notes, the Bank Note, any general obligation Debt, the Ordinance or the Issuing and Paying Agency Agreement relating to (x) the ability or the obligation of the City to pay, when due, the principal of or interest on the Notes or the Bank Note, (y) the Pledged Collateral or (z) the general obligation or the full faith and credit pledge of the City securing, in each case, the Notes, the Bank Note or any general obligation Debt of the City.

Upon the occurrence and during the continuance of an Event of Default, a Credit Provider may take one or more of the following actions: (i) give a Non-Issuance Instruction to the City and the Issuing and Paying Agent and/or, (ii) by written notice delivered to the City and the Issuing and Paying Agent, (A) terminate the Commitment in whole (except for the obligation of a Credit Provider, existing as of the time of the written notice to terminate its Commitment in whole, to make Advances to fund then outstanding respective series of Notes) and (B) to the extent permitted by law, declare all amounts payable by the City to the Credit Provider under its Credit Agreement, under the Fee Letter and under its Bank Note, including, without limitation, all outstanding Advances and Term Loans, to be forthwith due and payable without presentment, demand, protest, all of which are expressly waived by the City; *provided, however*, that to the extent that the Bank pursues the rights granted to it under (ii)(B) above, the City shall pay to the Bank such amounts from any unrestricted funds legally available, and following such Event of Default, appropriated by the City, for such purpose as described above and to the extent that the City's legally available and appropriated funds are insufficient to pay such amounts upon demand, the amount of such deficiency shall not become due and payable prior to the earlier to occur of (x) the date on which the City has appropriated unrestricted legally available funds to pay all or a portion of the deficiency or (y) February 1 of the calendar year immediately following the date the City takes action to levy or assess ad valorem taxes on tangible property within the limits of the City; *provided further, however*, that interest on any unpaid amounts during the continuance of an Event of Default shall bear interest at the Default Rate until such amounts are paid in full; or (iii) either personally or by attorney or agent without bringing any action or proceeding, or by a receiver to be appointed by a court in any appropriate action or proceeding, take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable hereunder or under the Related Documents or to enforce performance or observance of any obligation, agreement or covenant of the City under the Related Documents, whether for specific performance of any agreement or covenant of the City or in aid of the execution of any power granted to the Bank herein or in the Related Documents.

Immediate Termination Events and Remedies

Except as otherwise indicated herein, capitalized terms used in this section have the same meanings assigned to such terms in the Credit Agreement. The Credit Agreement provides that the following Events of Default also constitute "**Immediate Termination Events**" thereunder:

- (i) the City fails to pay the principal amount of any Advance or Term Loan on the scheduled due date or any interest on any Advance or Term Loan when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) other than payments on any Advance or Term Loan due solely as a result of acceleration caused by the Bank as described below under the heading "**Immediate Termination Events and Remedies**"; or
- (ii) the City (A) applies for or consents to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or of a substantial part of its property or assets, (B) admits in writing its inability, or is generally unable, to pay its general obligation Debt as such Debt becomes due, (C) makes a general assignment for the benefit of creditors or declares a moratorium with respect to its general obligation Debt, (D) commences a voluntary case under the Bankruptcy Code, (E) files a petition seeking to take advantage of any other laws relating to bankruptcy, insolvency, reorganization, liquidation, winding-up, or composition or adjustment of general obligation Debts, or (F) acquiesces in writing to, or fails to controvert in a timely and appropriate manner, any petition filed against it in an involuntary case filed under the Bankruptcy Code (as now or hereafter in effect) seeking liquidation or reorganization with respect to a substantial part of its assets, and such case or proceeding is not stayed, discharged or dismissed within sixty (60) days of the filing of such petition; or

- (iii) (A) without the application or consent of the City, a case or other proceeding is commenced in any court of competent jurisdiction seeking (y) the reorganization, dissolution, winding-up, liquidation, or composition or readjustment of general obligation Debt of the City or (z) the appointment of a trustee, receiver, custodian, liquidator or the like of the City or any substantial part of the assets thereof, and such case or proceeding continues undismissed, or an order, judgment or decree approving or ordering any of the foregoing is entered and continues unstayed and in effect, in either case, for a period of sixty (60) consecutive days, or (B) an order for relief in respect of the City is entered in an involuntary case under the Bankruptcy Code (as now or hereafter in effect); or
- (iv) (i) the City shall impose, declare or announce (whether or not in writing) a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on any Specified Debt (including, without limitation, the Notes, the Bank Note or the Loans) or (ii) any Governmental Authority having appropriate jurisdiction over the City shall impose, declare or announce (whether or not in writing) as a result of a finding, ruling or other determination or shall enact or adopt legislation or issue an executive order or enter a judgment or decree which results in a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on (A) the Notes, the Loans or the Bank Note, (B) all of the City's general obligation Debt, or (C) all of the City's Debt; or
- (v) the rating (without regard to credit enhancement) assigned to any of the long-term general obligation Debt of the City by Moody's, Fitch and S&P shall be withdrawn, suspended or fall below "Baa3" by Moody's, "BBB-" by Fitch and "BBB-" by S&P (in each case to the extent such Rating Agency then maintains a rating on the long-term general obligation Debt of the City), unless such Rating Agency states, in the case of a withdrawal or suspension that, such withdrawal or suspension is for reasons that are not credit-related; or
- (vi) one or more final unappealable judgments or orders, issued or rendered by a Governmental Authority of competent jurisdiction, for the payment of money in excess of \$25,000,000, individually or in the aggregate, shall be issued or rendered against the City, and such judgment or order shall continue unsatisfied, unbonded, undismissed and unstayed for a period of sixty (60) days; or
- (vii) the City shall fail to pay when due any principal of or interest on any Specified Debt (including, in each case, without limitation, any principal or sinking fund installments, but excluding, in each case, (i) payments due on Specified Debt owing to a liquidity provider under a liquidity facility solely as a result of acceleration caused by such liquidity provider with respect to such Specified Debt and (ii) any Specified Debt which is in the form of commercial paper notes which are supported as to the payment of principal and/or interest thereof by a credit enhancement or liquidity facility if such failure to make such payment is due solely to the failure of the related credit enhancement or liquidity facility provider to make such payment), and such failure shall continue beyond any applicable period of grace specified in any underlying indenture, contract or instrument providing for the creation of or concerning such Specified Debt; or
- (viii) any provision of this Agreement, the Notes, the Bank Note, the Act, the Ordinance or the Issuing and Paying Agency Agreement relating to (x) the ability or the obligation of the City to pay, when due, the principal of or interest on the Notes or the Bank Note (including the Loans evidenced thereby), (y) the Pledged Collateral or (z) the general obligation or full faith and credit pledge of the City securing the Notes and the Bank Note shall at any time, and for any reason, cease to be valid and binding on the City, or shall be declared to be null and void, invalid or unenforceable as determined by any Governmental Authority of competent jurisdiction in a final nonappealable judgment or as a result of any legislative or administrative action by any Governmental Authority having jurisdiction over the City.

Upon the occurrence and continuance of an Immediate Termination Event (except as otherwise provided under the heading "**Suspension Events and Remedies**"), the Commitment shall immediately and automatically

terminate without notice from the Credit Provider, and thereafter that Credit Provider shall be under no obligation to make Loans under the Credit Agreement; provided that the Event of Default described in paragraph (i) above will not qualify as an Immediate Termination Event if the failure to pay the principal of, or interest due on, the Bank Note is due solely to an acceleration of the Bank Note by the Credit Provider for any reason other than nonpayment as described in paragraph (i) above. Promptly after the occurrence of an Immediate Termination Event, the Credit Provider shall notify the City, the Issuing and Paying Agent and the Dealer of such termination and the effective date of such termination in writing by facsimile, promptly confirmed by regular mail; provided, that the Credit Provider shall incur no liability of any kind by reason of its failure to give such notice and such failure shall in no way affect the termination of the Commitment and of its obligation to make Advances pursuant to the Credit Agreement.

Suspension Events and Remedies

In the case of a Default (i.e., any occurrence, circumstance or event, or any combination thereof which, with the lapse of time and/or giving of notice, would constitute an Event of Default) described in paragraph (iii)(A) under the heading “**Immediate Termination Events and Remedies**” above, or in the case of an Event of Default described in paragraph (x) under the heading “**Events of Default Not Permitting Immediate Termination**” above, the obligation of the Credit Provider to make Advances under the Credit Agreement shall be immediately suspended without notice or demand and, thereafter, the Credit Provider shall be under no obligation to make Advances until the Commitment is reinstated as described below. Promptly upon the occurrence of any such Suspension Event, the Credit Provider shall notify the City, the Issuing and Paying Agent and the Dealer of such suspension and the effective date of such suspension in writing by facsimile, and confirmed by telephone; provided, that the Credit Provider shall incur no liability of any kind by reason of its failure to give such notice and such failure shall in no way affect the suspension of the Commitment or the suspension of its obligation to make Advances pursuant to the Credit Agreement.

- (i) In the event that a Default described in paragraph (iii)(A) under the heading “**Immediate Termination Events and Remedies**” above is cured prior to becoming an Event of Default (and thereby becoming an Immediate Termination Event), the Credit Provider’s obligation to make Advances shall be automatically reinstated and the terms of the Credit Agreement will continue in full force and effect (unless the Commitment shall otherwise have been terminated, suspended or expired as provided in the Credit Agreement).
- (ii) Upon the occurrence of an Event of Default described in paragraph (xiii) under the heading “**Events of Default Not Permitting Immediate Termination**” above, if a Governmental Authority with jurisdiction to rule on the legality, validity or enforceability of any document described therein shall find or rule by entry of a final and nonappealable judgment that the material provision is legal, valid and binding on, or enforceable against, the City, then the Commitment and the obligations of the Credit Provider under the Credit Agreement shall, thereupon, be reinstated (unless the Commitment shall otherwise have been terminated, suspended or expired as provided in the Credit Agreement). Notwithstanding the foregoing, if the suspension of the obligations of the Credit Provider pursuant to any Event of Default described in paragraph (x) under the heading “**Events of Default Not Permitting Immediate Termination**” above remains in effect and litigation is still pending and a determination regarding the same shall not have been dismissed or otherwise made pursuant to a final and nonappealable judgment, as the case may be, within one (1) year of the commencement of the action or proceeding giving rise to the Event of Default described therein, then the Commitment and the obligation of the Credit Provider to make Advances under its Credit Agreement shall terminate without notice or demand and, thereafter, such Credit Provider shall be under no obligation to make Advances.

Other Remedies

For the avoidance of doubt, in addition to the remedies set forth under the headings “**Immediate Termination Events and Remedies**” and “**Suspension Events and Remedies**,” upon the occurrence of an Immediate Termination Event or if a Suspension Event has not been cured as required by the terms described above under the heading “**Suspension Events and Remedies**” above, thereby resulting in the termination of the Commitment and the obligation of the Credit Provider to make Advances under the Credit Agreement, the Credit Provider may take one or more of the actions set forth under the heading “**Events of Default Not Permitting Immediate Termination**” above.

In case one or more Events of Default shall occur, then and in every such case the Bank shall be entitled to proceed to protect and enforce its rights by (i) way of mandamus to require the City to perform its obligations under this Agreement, or (ii) enforcement by writ of mandamus of any provision of the Ordinance and this Agreement in any court of competent jurisdiction.

The rights and remedies of the Credit Provider under the Credit Agreement shall be cumulative and not exclusive of any rights or remedies which it would otherwise have, and no failure or delay by the Credit Provider in exercising any right shall operate as a waiver of it, nor shall any single or partial exercise of any power or right preclude its other or further exercise or the exercise of any other power or right.

Substitution of a Credit Agreement

In the Ordinance, the City has reserved the right to substitute the initial Credit Agreement or any other credit agreement entered into pursuant to the Ordinance with a credit agreement provided by one or more other credit providers, so long as:

- (i) either (a) such substitution (or any assignment of all or any part of the Credit Agreement) does not cause any rating agency then rating the Notes to withdraw, lower or suspend its short term rating assigned to any Notes then Outstanding, as evidenced by written notice to the City, or (b) takes effect on a Business Day on which all of the outstanding Notes of the related series are scheduled to mature;
- (ii) the substitute credit agreement shall have a term of at least 270 days or until at least three Business Days after the last maturing Note;
- (iii) the substitute credit agreement shall not cause the City to violate its covenant to maintain a credit agreement in full force and effect providing essentially the same level of liquidity to the City as provided by the Credit Agreement with the Bank in a commitment amount sufficient to pay the Principal Amount of and interest to come due on all such Notes; and
- (iv) the substitute Credit Agreement shall be approved by the Attorney General of Texas to the extent required by law.

The City will give the Issuing and Paying Agent at least fifteen (15) days' written notice of any proposed substitution or replacement by the City of the Credit Agreement, and, if applicable, the identity of the provider of any substituted amount or replacement credit agreement. The City will cause the Issuing and Paying Agent, following its receipt of such notice, to promptly give a copy of such notice to DTC.

Notices and Consents

The Dealer Agreement provides that the City will immediately notify the Dealer by telephone (which shall be promptly confirmed in writing) of any substitution of credit or liquidity providers under the Credit Agreement or their failure to perform.

The Ordinance provides that the City shall give to each credit rating agency that has issued a rating on the Notes notice of each proposed amendment to the Ordinance, and each increase or decrease in the relevant Commitment under or other amendment to the Credit Agreement. The City has further agreed in the Ordinance to provide any other notices to and obtain any consents from the Credit Provider, Dealer, Issuing and Paying Agent or others to the extent required by the Credit Agreement, Dealer Agreement and Issuing and Paying Agency Agreement, provided such parties are not in default under their respective agreements.

DTC's Book-Entry System

The information in this section describes the securities clearance procedures of The Depository Trust Company ("DTC"). The information in this section concerning DTC has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy of such information.

The Depository Trust Company

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

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

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

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

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

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

Tax Exemption

The opinions of Bond Counsel (the "*Tax Opinion*") provide that (i) interest on the Notes is excludable from gross income for federal income tax purposes under existing law and (ii) the Notes were not "private activity bonds" under the Internal Revenue Code of 1986, as amended (the "*Code*"), and, as such, interest on the Notes is not subject to the alternative minimum tax on individuals and corporations, except as described below in the discussion regarding the adjusted current earnings adjustment for corporations.

The Code imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Notes, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of bond proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service (the "*Service*"). The City has covenanted in the Ordinance that it will comply with these requirements.

The Tax Opinion assumed continuing compliance with the covenants of the Ordinance pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Notes for federal income tax purposes and, in addition, relied on representations by the City with respect to matters solely within the knowledge of the City. If the City failed or fails to comply with the covenants in the Ordinance or if the foregoing representations should be determined to be inaccurate or incomplete, interest on the Notes could become ineluctable in gross income from the date of delivery of the Notes, regardless of the date on which the event causing such inclusion occurs.

The Code also imposes a 20% alternative minimum tax on the "alternative minimum taxable income" of a corporation if the amount of such alternative minimum tax is greater than the amount of the corporation's regular

income tax. Generally, the alternative minimum taxable income of a corporation (other than any S corporation, regulated investment company, REIT or REMIC), includes 75% of the amount by which its "adjusted current earnings" exceeds its other "alternative minimum taxable income." Because interest on certain tax-exempt obligations, such as the Notes, is included in a corporation's "adjusted current earnings," ownership of the Notes may subject a corporation to alternative minimum tax consequences.

Except as stated above, Bond Counsel has expressed in the Tax Opinion, no opinion as to any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of, the Notes.

The Tax Opinion is based on existing law, which is subject to change. Such opinion is further based on Bond Counsel's knowledge of facts as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, the Tax Opinion is not a guarantee of result and is not binding on the Service; rather, such opinion represents Bond Counsel's legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinion. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is ineluctable in gross income for federal income tax purposes. No assurance can be given regarding whether or not the Service will commence an audit of the Notes. If an audit is commenced, in accordance with its current published procedures, the Service is likely to treat the City as the taxpayer and the owners may not have a right to participate in such audit. Public awareness of any future audit of the Notes could adversely affect the value and liquidity of the Notes regardless of the ultimate outcome of the audit.

Prospective purchasers of the Notes should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax exempt obligations, and individuals otherwise qualifying for the earned income credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively connected earnings and profits, including tax exempt interest such as interest on the Notes. These categories of prospective purchasers should consult their own tax advisors as to the applicability of these consequences. Prospective purchasers of the Notes should also be aware that, under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Notes, received or accrued during the year.

Investment Policy

Investment Policy

The City invests its investable funds in investments authorized by Texas law and in accordance with its written investment policy approved by the City Council of the City. Both State law and the City's investment policy are subject to change.

Legal Investments

Under State law, the City is authorized to invest in (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, (2) direct obligations of the State or its agencies and instrumentalities, (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States, (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent, (6) bonds issued, assumed, or guaranteed by the State of Israel, (7) interest-bearing banking deposits that are (A) guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National credit Union Share Insurance Fund or

its successor or (B) are invested through (i) a broker with a main office or branch office in this state that the investing entity selects from a list the governing body or designated investment committee of the City adopts or (ii) a depository institution with a main office or branch office in this state that the City selects; and (a) the broker or depository institution selected arranges for the deposit of the funds in the banking deposits in one or more federal insured depository institutions, regardless of where located, for the City's account; and (b) the full amount of the principal and accrued interest of the banking deposits is insurance by the United States or an instrumentality of the United States; and (c) the City appoints as the City's custodian of the banking deposits issued for the City's account: (1) the depository institution selected pursuant to (ii) above or (2) an entity described by Section 2256.041(d); or (iii) a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-3, (8) certificates of deposit or share certificates that are issued by a depository institution that has its main office or a branch office in this state and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or are secured as to principal by obligations described in clauses (1) through (6) or in any other manner and amount provided by law for City deposits, a) where the funds are invested by an investing entity through; (i) a broker that has its main office or a branch office in this state and is selected from a list adopted by the City; or (ii) a depository institution that has its main office or a branch office in this state and that is selected by the investing entity; (b) where the broker or the depository institution selected by the investing entity under (a) arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City; (iii) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and (iv) the investing entity appoints the depository institution selected by the investing entity under (a), an entity described by Section 2257.041(d), or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the investing entity with respect to the certificates of deposit issued for the account of the City, (9) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1), and are placed through a primary government securities dealer or a financial institution doing business in the State, (10) bankers' acceptances with a stated maturity of 270 days or less from the date of its issuance, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency, (11) commercial paper that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank, (12) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that have a dollar weighted average stated maturity of 90 days or less and include in their investment objectives the maintenance of a stable net asset value of \$1 for each share, (13) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, invest exclusively in obligations described in the preceding clauses, and are continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than AAA or its equivalent, and (14) public funds investment pools that have an advisory board which includes participants in the pool and are continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than AAA or its equivalent. State law also permits the City to invest bond proceeds in a guaranteed investment contract, subject to limitations as set forth in the Public Funds Investment Act, Texas Government Code, Chapter 2256 (the "PFIA").

Effective September 1, 2003, a political subdivision such as the City may enter into securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (6) above, clauses (10) through (12) above, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City's name and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

The PFIA specifically prohibits the City from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest; (3) collateralized mortgage obligations that have a stated

final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index. In addition, the City is prohibited from investing any portion of bond proceeds, reserves and funds held for debt service in no-load mutual funds.

Additional Provisions

Under State law, the City is required to invest its funds through an investment officer, underwritten investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for City funds, maximum allowable stated maturity of any individual investment and the maximum average dollar-weighted maturity allowed for pooled fund groups. All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio and (6) yield.

Under State law, City investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly, the investment officers of the City shall submit an investment report detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, and the ending value of each pooled fund group, (4) the book value and market value of each separately listed asset at the beginning and end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) State law. The investment officers responsible for the investment of City funds must be designated by the City Council, and no person may invest City funds without express written authority from the City Council.

Under State law the City is additionally required to: (1) annually review its adopted policies and strategies; (2) require any investment officers' with personal business relationships or relatives with firms seeking to sell securities to the entity to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (3) require a qualified representative of firms seeking to sell securities to the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude imprudent investment activities, and (c) deliver a written statement attesting to these requirements; (4) perform an annual audit of the management controls on investments and adherence to the City's investment policy; (5) provide specific investment training for the Chief Financial Officer and investment officers; (6) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement; (7) restrict its investment in non-money-market mutual funds in the aggregate to no more than 15 percent of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, and to invest no portion of bond proceeds, reserves and funds held for debt service, in no-load mutual funds; (8) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; (9) adopt an ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the said ordinance or resolution; and (10) at least annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

Under State law, the City may contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution.

Ratings

Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") has assigned a short-term rating of "____" to the Notes and long-term rating of "____" to the City's general obligation

debt; Fitch Ratings, Inc. (“Fitch” and together with S&P, the “Rating Agencies”) has assigned a short-term rating of “___” to the Notes and a long-term rating of “___” to the City’s general obligation debt. The short-term rating for the Notes is based in part upon the long-term and short-term ratings of the Credit Provider of “A-1+” and “AA-,” respectively, from S&P and “P-1” and “Aal,” respectively, from Moody’s. The ratings reflect only the views of the rating agencies, from whom an explanation of the significance of such ratings may be obtained. There is no assurance that the ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely if, in the judgment of the respective rating agency, circumstances so warrant. Any such downward revision or withdrawal could have an adverse effect on the market price of the Notes. The City will undertake no responsibility to oppose revision or withdrawal of such ratings.

Independent Auditors

The basic financial statements of the City of Dallas, Texas as of and for the year ended September 30, 2016, included in this Offering Memorandum in **APPENDIX A**, have been audited by Grant Thornton, LLP, Independent Auditors, as stated in their report appearing herein, which is based on their audit and the reports of other auditors.

LEGAL MATTERS

Litigation

The City is a party to various lawsuits in the normal course of business. It is the opinion of the City Attorney and City Management that, except as described herein below, there is no pending litigation against the City that if decided adversely to the City, would have a material adverse financial impact upon the City or its operations.

The City is a defendant in six lawsuits, including two class actions, arising from City Ordinance No. 16084, adopted on January 22, 1979. All of the lawsuits allege that current and past police and fire pay schedules were adopted in violation of a referendum approved by the voters in 1979. All Plaintiffs claim that the City failed to maintain percentage pay differentials between grades in the sworn ranks as required by the referendum, and seek compensation for alleged underpayments of salaries and loss of value of retirement benefits.

It is the City’s position that the 1979 referendum only mandated that pay raises be made in fiscal year 1978-1979 and that there was no continuing obligation of the City to maintain pay scale differentials, as alleged by the plaintiffs. The City has asserted its governmental immunity and various special exceptions and affirmative defenses, and disputes the Plaintiffs’ allegations in all of the lawsuits.

The Plaintiffs in Albert, et al. v. City of Dallas (Cause No. 199-697-94) (“*Albert*”) are 808 members of the Dallas Fire Department. The Plaintiffs in Arredondo, et al. v. City of Dallas (Cause No. 199-1743-99) are 16 members of the Dallas Fire Department who were originally plaintiffs in *Albert* but whose claims were severed in October 1999. The Plaintiffs in Barber, et al. v. City of Dallas (Cause No. 199-624-95) are 71 members of the Dallas Fire Department. The Plaintiffs in Willis, et al. v. City of Dallas (Cause No. 199-200-95) are 772 members of the Dallas Police Department. Parker et al. v. City of Dallas (Cause No. 1-95-107) is a class action lawsuit. The Parker Plaintiff class consists of all current, past or future members of the sworn ranks of the Dallas Police Department, as well as their spouses, heirs or estates. Martin, et al. v. City of Dallas (Cause No. 1-95-506) is the other class action lawsuit. The Martin Plaintiff class consists of current, past and future members of the sworn ranks of the Dallas Fire Department, as well as their spouses, heirs or estates. Both of the class action lawsuits have been certified. In addition, in September 1999, the Dallas Police and Fire Pension System intervened in the lawsuits seeking contributions from both its members (Plaintiffs) and the City of Dallas in the event of a final judgment awarding back pay to Plaintiffs.

In the two class action lawsuits, Parker and Martin, the Plaintiffs have alleged damages of approximately \$94,000,000. The amount of alleged damages has not been specified in the other lawsuits. The Plaintiffs also seek an award of attorney fees in an unspecified amount in connection with their breach of contract and declaratory relief claims. Although the City has stated that the total recovery in the cases could exceed \$1 billion if the plaintiffs prevailed on liability and damage issues, any estimate of damage at this stage in the litigation is speculative. Unless the current Court of Appeals decision, as described below, is reversed, the City is not liable for back pay damages to the Plaintiffs and any damages would be significantly more limited.

In August 1997, the trial court in Albert, the oldest of the cases, issued an order holding that the City had not maintained the percentage pay differentials between grades; however, the Court also held that the remedy was within the City's discretion and that salaries could be either raised or lowered to conform to the appropriate percentage differentials. The City adopted a resolution implementing a remedy which was submitted to the Court for approval. In May 1999, the Court determined that the City's remedy was not adequate and, upon motion of 16 of the 824 Albert Plaintiffs, entered an Order Granting Partial Summary Judgment in favor of those 16 Plaintiffs, awarding damages of \$1.7 million to the 16 Plaintiffs. Plaintiffs requested that the Court sever that portion of the case as to the 16 Plaintiffs and enter a final order in their favor. On October 20, 1999, the Court granted the Plaintiffs' motion for severance, making the Partial Summary Judgment final with respect to the 16 Plaintiffs, whose claims are now styled, Arredondo, et al v. City of Dallas (Cause No. 199-1743-99). On October 28, 1999, the 16 Plaintiffs appealed the Court's Final Summary Judgment order based on the measure of damages issue and on January 4, 2000, the City appealed the Final Summary Judgment as to both liability and damages issues. The Arredondo appeal (No. 05-99-01819-CV) was fully briefed and oral argument was held on November 28, 2000. On June 4, 2002, the Court of Appeals reversed the trial court's judgment and remanded the case to the trial court, holding that the ordinance is patently ambiguous and that resolution of the ambiguity (regarding whether the word "maintain" applies only to the one-time raise provided in the ordinance or also to all future pay scales) would be a question for the finder of fact based on contemporaneous evidence of the voters' intent in passing the referendum. The Arredondo plaintiffs filed a petition for review in the Texas Supreme Court. That petition was denied.

On December 21, 2006, the Court of Appeals reversed the trial courts in all six cases and upheld the City's governmental immunity from Plaintiffs' breach-of-contract claims, including claims for declaratory relief to recover damages. However, the Court of Appeals affirmed the trial courts' denial of the City's pleas regarding the Plaintiffs' claims for prospective declaratory relief, and found it appropriate to allow Plaintiffs the opportunity to argue to the trial court that the legislature has waived immunity from suit for breach of contract under Texas Local Government Code sections 271.151 to 271.160, which were enacted during the pendency of the appeals.

In opinions on August 26, 2011, and December 16, 2011, the Texas Supreme Court reversed the Court of Appeals. The Court held that the City has immunity from Plaintiffs' requests for a declaratory judgment and that the adoption of an ordinance by referendum did not result in waiver or abrogation of the City's immunity. The Court remanded the cases to the trial court to consider whether, by adding sections 271.151 through 271.160 to the Texas Local Government Code, the legislature waived the City's immunity.

On remand in Albert, Arredondo, Barber, and Willis, the City filed pleas to the jurisdiction, asserting that Plaintiffs have not pleaded a written contract to invoke the waiver of the City's governmental immunity in the Local Government Code. The district court denied the pleas, and the City filed interlocutory appeals to the Court of Appeals for review of whether the City's immunity is waived under the Local Government Code. On August 13, 2013, the Court of Appeals reversed the denials in part and dismissed all Plaintiffs' claims for declaratory relief and attorney fees, and affirmed the denials in part as to Plaintiffs' breach-of-contract claims under section 271.152. The City filed a petition for review with the Texas Supreme Court. The Court denied the petition on February 27, 2015. The City filed a motion for rehearing on April 15, 2015. The Court denied rehearing on September 11, 2015.

The Dallas Police and Fire Pension System (the "*Pension System*") filed a petition in intervention in Arredondo on March 15, 2016. The Arredondo Plaintiffs moved to strike the intervention, and the trial judge denied the motion. The Plaintiffs filed a mandamus petition in the Dallas Court of Appeals, which denied the petition on May 17, 2016. The Plaintiffs filed a mandamus petition in the Texas Supreme Court. In June 2016, the City filed, in all six cases, a plea to the jurisdiction of the Pension System's intervention and a motion for summary judgment on all claims by Plaintiffs and the Pension System. The motions and pleas were heard in the four Collin County cases on July 22 and July 25, 2016. On July 26, 2016, the trial court reconsidered its previous denial of Plaintiffs' motion to strike or sever the Pension System's intervention and severed the Pension System's claims in all four cases against the councilmembers and the city manager into a new cause number cause no. (199-03434-2016). The court also treated the pleas to the jurisdiction as motions for summary judgment, which it granted. As a result, the Supreme Court dismissed as moot the Plaintiffs' petition for mandamus. The trial court also deferred ruling on the City's motion for summary judgment against the Arredondo plaintiffs until the trial on the merits. The Pension System filed a motion for new trial from the summary judgment on August 25, 2016, and appealed from the summary judgment in cause no. 199-03434-2016 on October 19, 2016. On September 15, 2017, the Pension System moved to dismiss its appeal

because of the passage of House Bill 3158, effective September 1, 2017, *see* Act of May 25, 2017, 85th Leg., R.S., ch. 318. The court of appeals dismissed the appeal on October 5, 2017.

Some of the Arredondo plaintiffs, including Joe Bob Betzel (the “*Betzel plaintiffs*”), have filed a motion for partial summary judgment, seeking the following declarations: (1) they have written contracts with the City that fall within the waiver of immunity in chapter 271; and (2) the chiefs and assistant chiefs are included within the set of salaries for which differentials must be maintained forever. On November 9, 2016, Judge Tucker heard but did not rule on the City and City officials’ motion to reconsider her order deferring a ruling on their motion for summary judgment and the Betzel plaintiffs’ motion for partial summary judgment. On November 22, 2016, the City filed in the Dallas Court of Appeals a petition for writ of mandamus requiring Judge Tucker to decide the jurisdictional ground in the motion for summary judgment. The court of appeals denied the petition on February 22, 2017, and the City filed a petition for mandamus in the Texas Supreme Court on March 7, 2017. The Supreme Court denied the petition on May 1, 2017.

On August 18, 2016, the City filed in Martin and Parker a second plea to the jurisdiction asserting Plaintiffs had not pled a contract within a waiver of immunity from suit. The City’s second pleas were heard in the two Rockwall County cases on September 1, 2016, and the court ordered Plaintiffs to replead. After Plaintiffs replead, the City filed supplemental pleas on September 22, 2016, asserting Plaintiffs had not filed a contract claim within the waiver for any claims on or after April 1, 2002, because the alleged written contract could not include personnel rules after that date. The City’s motions for summary judgment and pleas and second pleas were heard in the Rockwall cases on September 27, 2016, and the court denied all of them on that date. The City appealed to the Fifth Court of Appeals from those denials on October 14, 2016. The court of appeals consolidated the appeals under the Martin docket number. On July 20, 2017, the court of appeals affirmed the trial court’s orders denying the City’s motion for summary judgment and pleas to the jurisdiction. The City filed a motion for rehearing and a motion for reconsideration en banc, which were denied. The City’s petition for review in the Texas Supreme Court is due on November 20, 2017.

The Arredondo case is scheduled for trial on December 4, 2017. The City will continue to vigorously assert its arguments regarding ambiguity, constitutionality, and other defenses. The City has retained outside trial and appellate counsel in all six cases.

The City is a defendant in United States ex rel. Lockey et al. v. City of Dallas, et al., a *qui tam* False Claims Act lawsuit against the City, the Dallas Housing Authority, Dallas County, and the Dallas County Housing Agency. Curtis Lockey and Craig MacKenzie are the relators, claiming that each defendant falsely certified that it was affirmatively furthering fair housing when submitting applications for federal funds from the U.S. Department of Housing and Urban Development (“HUD”). Under their “false certification” legal theory, the relators contend that each defendant falsely obtained all HUD affordable housing funding received over the past six years. Thus, on behalf of the United States, relators claim that the City received more than \$320 million based on the false claims and seek triple recovery of that sum and additional civil penalties against the City. They seek comparable dollar amounts based on the same formula from the other defendants. If the relators were to recover, the United States would receive the vast majority of the proceeds and the relators would receive the remainder. On February 3, 2010, the relators also filed a complaint with HUD that contains many of the same allegations that they have made in this lawsuit. In response to HUD’s inquiries, the City provided information to HUD in March and May 2010 and has not received any further communication from HUD. The suit was originally filed under seal in February 2011. After receiving information from the City and the other defendants, the United States elected not to intervene. The Court unsealed the case on November 14, 2011 and entered a partial scheduling order.

Relators served the City on February 28, 2012. The City moved to dismiss for lack of jurisdiction because of prior litigation and administrative proceedings. On January 23, 2013, the district court granted the City’s motion to dismiss. Relators filed a notice of appeal. On December 5, 2013, Relators filed a motion in district court seeking an “indicative ruling” based on HUD’s November 22, 2013 letter of non-compliance. The district court denied the motion. Relators also appealed the denial of their “indicative” motion. The Fifth Circuit affirmed the trial court’s judgment on August 4, 2014, and issued the mandate on August 24, 2014. However, on October 3, 2014, Relator filed a motion to amend complaint or to file new action. On April 22, 2015, the trial court denied the motion. Relators did not appeal. On October 8, 2014, Relators filed another lawsuit under seal using a complaint identical to the one denied in Lockey I. The complaint was unsealed on April 15, 2015 and the City was served. The City filed motions to dismiss. On December 16, 2015, the district court dismissed with prejudice the second lawsuit. Relators appealed.

On October 4, 2016, the Fifth Circuit affirmed the trial court's judgment that the Relators' action is barred by issue preclusion. Related proceedings involving the Relators and HUD continue to be litigated; however, the City is not a party to these proceedings. The City believes that the risk of liability is remote in these proceedings.

The City Attorney recently publicly reported to the City Council that Dallas Fire-Rescue has misplaced approximately 14 laptops that may contain certain patient health information subject to privacy restrictions under the Health Insurance Portability and Accountability Act ("HIPAA"). Preliminary information has been conveyed to the U.S. Department of Health and Human Services ("HHS") Office of Civil Rights ("OCR"), the agency that enforces HIPAA. By letter dated April 21, 2015, OCR notified the Dallas Fire-Rescue Department that it is investigating whether Dallas Fire-Rescue is in compliance with the applicable federal standards for Privacy of Individually Identifiable Health Information and the Security Standards for the Protection of Electronic Protected Health Information and the Breach Notification Rule. OCR directed Dallas Fire-Rescue to respond to 13 requests for information to determine its compliance status. Dallas Fire-Rescue responded on May 27, 2015. Since the City entered into several contracts with third party vendors as part of its plan to comply with the regulations, the City is investigating whether it may have claims against those third party vendors and, if so, the amount of damages that may be recoverable to the City. If the City is fined by HHS, it is undetermined: (1) when the HHS determination as to the imposition of a fine against the City will be made; (2) whether the City would appeal the HHS determination; and (3) if, or when, the City would pay the fine amount. Based on the limited facts known to the City at this stage of the investigation, the City does not believe the amount of any fine would have a material adverse financial impact on the City or its operations.

On October 30, 2014, the City filed a petition with the Public Utility Commission ("PUC") that challenged the SRA's new rate, asserting that the SRA violated the existing agreement and/or the law in several ways, including: (1) adopting the rate unilaterally, (2) adopting a rate that does not take into account like contract sales of water of similar quality, quantity, and contract period, (3) adopting a rate that is not based on any appropriate cost considerations or any cost-of-service analysis, and (4) adopting a rate that exceeds the rates charged by the SRA to other customers for raw water from Lake Fork. The City requested the PUC to: (1) after a hearing, set a final rate that is just, fair, reasonable and non-discriminatory, and (2) immediately set an interim rate effective November 1, 2014, at the rate in effect prior to November 1, 2014, subject to a refund or surcharge depending on the final rate set by the PUC.

On April 2, 2015, an administrative law judge ("ALJ") ruled that the City would pay an interim rate of \$24.1 million per year until the dispute is resolved. The rate did not include the cost escalator at that SRA had requested and was retroactive to November 2, 2014. Neither the City nor SRA can access the interest-bearing escrow account until the dispute is resolved. The City is passing on this increase in water rates to all its retail and wholesale customers. If the City partially or totally prevails in the rate case, some or all of the funds in the escrow account will be returned to the City and its customers at the end of the case.

Subsequent to the April 2, 2015 ruling, the ALJ abated the case so the parties could obtain a ruling from a proper court on whether SRA's purported rate was set "pursuant to contract." The City filed a lawsuit in state district court in Travis County, asserting that SRA's rate was not set "pursuant to contract." SRA filed a plea to the jurisdiction, asserting government immunity. The court granted the plea on May 14, 2015. The City appealed to the Austin Court of Appeals. The Austin Court of Appeals affirmed the trial court's order granting SRA's plea to the jurisdiction and dismissal of the City's claim on June 7, 2017.

In addition, the City filed a lawsuit in state district court in Orange County, asserting that the members of the board of directors of the SRA acted ultra vires (exceeded their lawful authority) when they established the rate. SRA intervened and sued the City for breach of contract. The City filed a plea to the jurisdiction on the contract claim, which was denied by the trial court. The City appealed and the appeal has been pending. On October 12, 2017, the parties settled all matters in controversy between them.

Fair Housing Lawsuit. . . The City is a defendant in United States ex rel. Lockey et al. v. City of Dallas, et al., a *qui tam* False Claims Act lawsuit against the City, the Dallas Housing Authority, Dallas County, and the Dallas County Housing Agency. Curtis Lockey and Craig MacKenzie are the relators, claiming that each defendant falsely certified that it was affirmatively furthering fair housing when submitting applications for federal funds from the U.S. Department of Housing and Urban Development (HUD). Under their "false certification" legal theory, the relators

contend that each defendant falsely obtained all HUD affordable housing funding received over the past six years. Thus, on behalf of the United States, relators claim that the City received more than \$320 million based on the false claims and seek triple recovery of that sum and additional civil penalties against the City. They seek comparable dollar amounts based on the same formula from the other defendants. If the relators were to recover, the United States would receive the vast majority of the proceeds and the relators would receive the remainder. On February 3, 2010, the relators also filed a complaint with HUD that contains many of the same allegations that they have made in this lawsuit. In response to HUD's inquiries, the City provided information to HUD in March and May 2010 and has not received any further communication from HUD. The suit was originally filed under seal in February 2011. After receiving information from the City and the other defendants, the United States elected not to intervene. The court unsealed the case on November 14, 2011 and entered a partial scheduling order.

Relators served the City on February 28, 2012. The City moved to dismiss for lack of jurisdiction because of prior litigation and administrative proceedings. On January 23, 2013, the district court granted the City's motion to dismiss. Relators filed a notice of appeal. On December 5, 2013, Relators filed a motion in district court seeking an "indicative ruling" based on HUD's November 22, 2013 letter of non-compliance. The district court denied the motion. Relators also appealed the denial of their "indicative" motion. The Fifth Circuit affirmed the trial court's judgment on August 4, 2014, and issued the mandate on August 24, 2014. However, on October 3, 2014, Relator filed a motion to amend complaint or to file new action. On April 22, 2015, the trial court denied the motion. Relators did not appeal. On October 8, 2014, Relators filed another lawsuit under seal using a complaint identical to the one denied in Lockey I. The complaint was unsealed on April 15, 2015 and the City was served. The City filed motions to dismiss. On December 16, 2015, the district court dismissed with prejudice the second lawsuit. Relators appealed. On October 4, 2016, the Fifth Circuit affirmed the trial court's judgment that the Relators' action is barred by issue preclusion. Related proceedings involving the Relators and HUD continue to be litigated; however, the City is not a party to these proceedings. The City believes that the risk of liability is remote in these proceedings.

Pending Consent Decree Relating to Stormwater . . . In December 2003, the Environmental Conservation Organization ("ECO") brought a "citizens' suit," Environmental Conservation Organization v. City of Dallas; United States v. City of Dallas, under Section 505 of the Federal Water Pollution Control Act ("Clean Water Act"), 33 U.S.C. Section 1251 *et seq.*, alleging violations of the Clean Water Act's stormwater provisions and violations of the City's Municipal Separate Storm Sewer System ("MS4") permit. ECO requested injunctive relief and civil penalties of \$27,500 per day for each alleged violation. After ECO filed suit, the USEPA issued an administrative order to the City concerning these matters. Thereafter, the United States filed a lawsuit against the City. The City reached a settlement with the United States in May 2006 and, pursuant thereto, paid a fine of \$800,000 and agreed to construct two supplemental environmental projects ("SEPs") at a minimum cost of \$1.2 million under a Consent Decree. The City paid an additional \$80,000 in penalties to the USEPA to settle alleged violations of the Consent Decree in early 2007. The City has largely completed the Pavaho SEP and Zoo SEPs and is using liability reserve funds to pay for part of the costs of these projects. It is anticipated that a motion to terminate the Consent Decree will be filed by December 2017. In the ECO lawsuit, the City filed a motion for summary judgment based on its settlement with the United States, which was granted on March 30, 2007.

Clean Air Act Amendments of 1990

The USEPA has established certain air quality standards for the North Texas Region consisting of Dallas, Collin, Denton and Tarrant counties (the "Region"). In 1993, the USEPA classified the Region as a non-attainment area under the USEPA's one-hour ozone standard. In 1998, the USEPA downgraded the Region from an area of moderate non-attainment to an area of serious non-attainment. The Region was required to meet the one-hour ozone standards by a June 15, 2005 attainment date. A Texas State Implementation Plan (SIP), developed under the one-hour ozone standard, proposed emission reduction strategies necessary to meet the air quality standards.

Concurrently, USEPA developed its newer 8-hour clean air standards (based upon a different testing methodology). On April 15, 2004, the USEPA promulgated the new 8-hour standard, which also had the effect of enlarging the non-attainment Region by adding Ellis, Johnson, Kaufman, Parker and Rockwall counties (such counties, together with the Region, being the "North Texas Region"), as well as revoking the previous one-hour standard. The new "8-hour standard" required the TCEQ to develop a new SIP by June 2007 that would show attainment of the standard by 2010. The 8-hour rule also established new guidelines for areas that had not met their legal obligations under the previous one-hour standard. The option chosen by TCEQ was to propose a "5% Rate of

Progress SIP" by June 2005, that would establish a schedule of at least a 5% decrease in levels of NOx, thereby leading the way for compliance of the new standard. The TCEQ approved this "5% Rate of Progress SIP" and submitted it to USEPA in June 2005. As a result of this submission, the area has now complied with its previous one-hour standard requirements.

The finalization of the 8-hour standard and revocation of the one-hour standard also contributed to the resolution of a lawsuit brought by environmental groups against USEPA for its failure to either approve or disapprove a SIP under the previous one-hour standard. On or about October 6, 2004, a case styled Blue Skies Alliance, et al. v. Leavitt was filed by four citizens groups in the United States District Court in Dallas, Texas. The suit sought to require the USEPA to either approve or disapprove the SIP submitted under the one-hour standard. The practical effect of the suit could have required the DFW area to a higher "severe" classification and cause disruption of all planning for federally funded highway projects in the region. However, the suit was settled and USEPA agreed to a consent decree that proposed to approve some additional air quality measures submitted by the State, as well as additional studies on point source controls to be conducted by TCEQ.

The TCEQ has also identified new control measures for consideration for the nine county area as well as certain regional controls. On December 13, 2006, the TCEQ presented a proposed plan to its Commissioners. That plan was formally adopted by the TCEQ Commissioners on May 26, 2007.

On March 12, 2008, USEPA revised the 8-hour ozone national ambient air quality standard. The new standard was established at 75 parts per billion ("ppb"). Due to the revision, new designations of ozone nonattainment were required by the Clean Air Act. States are to recommend to USEPA nonattainment areas and boundaries by March 2009, and USEPA was required by the Clean Air Act to finalize the designations by March 2010. On May 21, 2012, EPA designated the 10-county DFW area as "moderate nonattainment" with respect to the 8-hour ozone standard. In response, TCEQ proposed SIP revisions that were accepted in part and denied in part by EPA. Communication between TCEQ and EPA regarding these issues is ongoing. The attainment deadline for the 8-hour ozone standard is December 31, 2018.

On July 14, 2008, USEPA proposed conditional approval of the 1997 8-hour ozone attainment demonstration SIP revisions for the Dallas/Fort Worth area submitted to USEPA by the State of Texas on May 30, 2007 and supplemented on April 23, 2008. USEPA's action was published in the Federal Register on July 14, 2008 at 73 FR 40203. USEPA also proposed on July 11, 2008 a finding that the DFW area is currently attaining the 1-hour ozone standard. Details of this action are found in the Federal Register of July 11, 2008 at 73 FR 39897.

In February 2009, USEPA approved the 1997 8-hour ozone attainment demonstration SIP revisions for the Dallas/Fort Worth area. Details of this action are found in the Federal Register of January 14, 2009 at 74 FR 1927. However, in January 2010, USEPA proposed to further strengthen the national ambient air quality standards for ground level ozone from the current standard of 75 ppb. USEPA has proposed to change the standard to a level between 60 ppb and 70 ppb. On October 1, 2015, USEPA lowered the standard to 70 ppb, at the high end of the proposed scale. USEPA is expected to issue attainment designations for this new standard by October, 2017, with deadlines for achieving the standards ranging from 2020 to 2037, depending on the severity of the ozone problem.

Miscellaneous

NO DEALER, BROKER, SALESMAN, OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN AS CONTAINED IN THE COMMERCIAL PAPER MEMORANDUM IN CONNECTION WITH THE OFFERING DESCRIBED HEREIN AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THIS COMMERCIAL PAPER MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE NOTES OFFERED HEREBY, NOR SHALL THERE BE ANY OFFER OR SOLICITATION OF SUCH OFFER OR SALE OF NOTES IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION, OR SALE. NEITHER THE DELIVERY OF THIS COMMERCIAL PAPER MEMORANDUM NOR THE SALE OF ANY OF THE NOTES IMPLIES THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF. THE INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED FROM THE CITY, PUBLISHED SOURCES,

AND OTHER DATA FURNISHED BY THE CITY. THE DEALER MAKES NO REPRESENTATION AS TO EITHER THE ACCURACY OR COMPLETENESS OF THE INFORMATION HEREIN.

For Information and Additional Copies of this Offering Memorandum - Please Contact:

Municipal Short Term Desk Jefferies LLC
520 Madison Avenue - 8th Floor
New York, NY 10022
Phone: 212-336-7148

APPENDIX A
AUDITED BASIC FINANCIAL STATEMENTS OF THE CITY

APPENDIX B

CERTAIN INFORMATION CONCERNING THE CREDIT PROVIDER

The information in this Appendix has been provided solely by the Credit Providers and is believed to be reliable. This information has not been verified independently by the City or the Dealer. The City and the Dealer make no representation whatsoever as to the accuracy, adequacy or completeness of such information.

SERIES A CREDIT PROVIDER

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION

[ADD FROM APPENDIX B OF COMMENTS]

The information contained in this Appendix under the heading "SERIES A CREDIT PROVIDER JPMORGAN CHASE BANK, NATIONAL ASSOCIATION" above relates to and has been obtained from JPMorgan Chase Bank, N.A. The delivery of the Offering Memorandum shall not create any implication that there has been no change in the affairs of JPMorgan Chase Bank, N.A. since the date hereof, or that the information contained or referred to in this Appendix is correct as of any time subsequent to its date.

EXHIBIT E

FORM OF SERIES A MASTER NOTE

The Depository Trust Company
A subsidiary of The Depository Trust & Clearing Corporation

MUNICIPAL COMMERCIAL PAPER – TECP MASTER NOTE

November 28, 2017

(Date of Issuance)

City of Dallas, Texas

("Issuer"), for value received, hereby promises to pay to Cede & Co., as nominee of the Depository Trust Company, or to registered assigns (i) the principal amount, together with unpaid accrued interest thereon, if any, on the maturity date of each obligation identified on the records of Issuer (the "Underlying Records") as being evidenced by this Master Note, which Underlying Records are maintained by U.S. Bank National Association ("Paying Agent"); (ii) interest on the principal amount of each such obligation that is payable in installments, if any, on the due date of each installment, as specified on the Underlying Records; and (iii) the principal amount of each such obligation that is payable in installments, if any, on the due date of each installment, as specified on the Underlying Records. Interest shall be calculated at the rate and according to the calculation convention specified on the Underlying Records. Payments shall be made solely from the sources stated on the Underlying Records by wire transfer to the registered owner from Paying Agent without the necessity of presentation and surrender of this Master Note.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS MASTER NOTE SET FORTH ON THE REVERSE HEREOF.

This Master Note is a valid and binding obligation of Issuer.

Not Valid Unless Countersigned for Authentication by Paying Agent.

U.S. Bank National Association

(Paying Agent)

City of Dallas, Texas

(Issuer)

By: _____
(Authorized Countersignature)

By: _____
(Authorized Signature)



The Depository Trust &
Clearing Corporation

(Reverse Side of Note)

At the request of the registered owner, Issuer shall promptly issue and deliver one or more separate note certificates evidencing each obligation evidenced by this Master Note. As of the date any such note certificate or certificates are issued, the obligations which are evidenced thereby shall no longer be evidenced by this Master Note.

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

(Name, Address, and Taxpayer Identification Number of Assignee)

the Master Note and all rights thereunder, hereby irrevocably constituting and appointing _____ attorney to transfer said Master Note on the books of issuer with full power of substitution in the premises.

Dated:
Signature(s) Guaranteed

(Signature)

Notice: The signature on this assignment must correspond with the name as written upon the face of this Master Note, in every particular, without alteration or enlargement or any change whatsoever.

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

The Depository Trust Company
A subsidiary of The Depository Trust & Clearing Corporation

**Book-Entry-Only Municipal Tax-Exempt Commercial Paper (TECP)
(Master Note) Program**

Letter of Representations

[To be completed by Issuer, Issuing Agent, and Paying Agent]

City of Dallas, Texas

[Name of Issuer]

U.S. Bank National Association 1510

[Name and DTC Participant Number of Issuing Agent and Transfer Agent]

November 1, 2017

[Date]

Attention: Underwriting Department
The Depository Trust Company
18301 Bermuda Green Dr
Tampa, FL 33647

Re: City of Dallas, Texas General Obligation Commercial Paper Notes, Series A

[Description of Program, including reference to the provision of the Securities Act of 1933, as amended,
pursuant to which Program is exempt from registration.]

Ladies and Gentlemen:

This letter sets forth our understanding with respect to certain matters relating to the issuance by Issuer from time to time of notes under its Municipal Commercial Paper--TECP program described above (the "Securities"). Issuing Agent shall act as issuing agent with respect to the Securities. Paying Agent shall act as paying agent or other such agent of Issuer with respect to the Securities. Issuance of the Securities has been authorized pursuant to a prospectus supplement, offering circular, or other such document dated _____.

Paying Agent has entered into a Money Market Instrument Certificate Agreement with The Depository Trust Company ("DTC") dated as of _____, pursuant to which Paying Agent shall act as custodian of a Master Note Certificate evidencing the Securities, when issued. Paying Agent shall amend Exhibit A to such Certificate Agreement to include the program described above, prior to issuance of the Securities.

To induce DTC to accept the Securities as eligible for deposit at DTC and to act in

DTCC

21807-06/2013

accordance with its Rules with respect to the Securities, Issuer, Issuing Agent, and Paying Agent make the following representations to DTC:

1. The Securities shall be evidenced by a Master Note Certificate in registered form registered in the name of DTC's nominee, Cede & Co., and such Master Note Certificate shall represent 100% of the principal amount of the Securities. The Master Note Certificate shall include the substance of all material provisions set forth in the DTC model Municipal Commercial Paper -- TECP Master Note, a copy of which previously has been furnished to Issuing Agent and Paying Agent, and may include additional provisions as long as they do not conflict with the material provisions set forth in the DTC model.

2. Issuer: (a) understands that DTC has no obligation to, and will not, communicate to its participants ("Participants") or to any person having an interest in the Securities any information contained in the Master Note Certificate; and (b) acknowledges that neither DTC's Participants nor any person having an interest in the Securities shall be deemed to have notice of the provisions of the Master Note Certificate by virtue of submission of such Certificate to DTC.

3. Issuer or Issuing Agent has obtained from the CUSIP Service Bureau a written list of approximately 900 nine-character numbers (the basic first six characters of which are the same and uniquely identify Issuer and the Securities to be issued under its Municipal Commercial Paper - TECP program described above). The CUSIP numbers on such list have been reserved for future assignment to issues of the Securities. At any time when fewer than 100 of the CUSIP numbers on such list remain unassigned, Issuer or Issuing Agent shall promptly obtain from the CUSIP Service Bureau an additional written list of approximately 900 such numbers.

4. When Securities are to be issued through DTC, Issuing Agent shall notify Paying Agent and shall give issuance instructions to DTC in accordance with DTC's Procedures, including Operational Arrangements and the Issuing/Paying Agent General Operating Procedures (the "MMI Procedures"), a copy of which previously has been furnished to Issuing Agent and Paying Agent. The giving of such issuance instructions, which include delivery instructions, to DTC shall constitute: (a) a representation that the Securities are issued in accordance with applicable law; and (b) a confirmation that the Master Note Certificate evidencing such Securities, in the form described in paragraph 1, has been issued and authenticated.

5. All notices and payment advises sent to DTC shall contain the CUSIP number of the Securities.

6. Issuer recognizes that DTC does not in any way undertake to, and shall not have any responsibility to, monitor or ascertain the compliance of any transactions in the Securities with the following, as amended from time to time: (a) any exemptions from registration under the Securities Act of 1933; (b) the Investment Company Act of 1940; (c) the Employee Retirement Income Security Act of 1974; (d) the Internal Revenue Code of 1986; (e) any rules of any self-regulatory organizations (as defined under the Securities Exchange Act of 1934); or (f) any other local, state, federal, or foreign laws or regulations thereunder.

7. If issuance of Securities through DTC is scheduled to take place one or more days after Issuing Agent has given issuance instructions to DTC, Issuing Agent may cancel such issuance by giving a cancellation instruction to DTC in accordance with the MMI Procedures.

8. At any time that Paying Agent has Securities in its DTC accounts, it may request withdrawal of such Securities from DTC by giving a withdrawal instruction to DTC in accordance with the MMI Procedures. Upon DTC's acceptance of such withdrawal instruction, Paying Agent shall reduce the principal amount of the Securities evidenced by the Master Note Certificate accordingly.

9. In the event of any solicitation of consents from or voting by holders of the Securities, Issuer, Issuing Agent, or Paying Agent shall establish a record date for such purposes (with no provision for revocation of consents or votes by subsequent holders) and shall send notice of such record date to DTC's Reorganization Department, Proxy Unit no fewer than 15 calendar days in advance of such record date. If sent by telecopy, such notice shall be directed to (212) 855-5181 or (212) 855-5182. If the party sending the notice does not receive a telecopy receipt from DTC such party shall confirm DTC's receipt of such telecopy by telephoning (212) 855-5187. For information regarding such notices, telephone The Depository Trust and Clearing Corporation's Proxy hotline at (212) 855-5191.

10. Paying Agent may override DTC's determination of interest and principal payment dates, in accordance with the MMI Procedures.

11. Notice regarding the amount of variable interest and principal payments on the Securities shall be given to DTC by Paying Agent in accordance with the MMI Procedures.

12. Paying Agent shall confirm with DTC daily, by CUSIP number, the face value of the Securities outstanding, and Paying Agent's corresponding interest and principal payment obligation, in accordance with the MMI Procedures.

13. DTC may direct Issuer, Issuing Agent, or Paying Agent to use any other telephone number or address as the number or address to which notices may be sent.

14. Payments on the Securities, including payments in currencies other than the U.S. Dollar, shall be made by Paying Agent in accordance with the MMI Procedures.

15. In the event that Issuer determines that beneficial owners of Securities shall be able to obtain certificated Securities, Issuer or Paying Agent shall notify DTC of the availability of certificates. In such event, Issuer or Paying Agent shall issue, transfer, and exchange certificates in appropriate amounts, as required by DTC and others.

16. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer, Issuing Agent or Paying Agent (at which time DTC will confirm with Issuer or Paying Agent the aggregate amount of Securities outstanding by CUSIP number). Under such circumstances, at DTC's request Issuer, Issuing Agent and Paying Agent shall cooperate fully with DTC by taking appropriate action to make available one or more separate certificates evidencing Securities to any Participant having Securities credited to its DTC accounts.

17. Nothing herein shall be deemed to require Issuing Agent or Paying Agent to advance funds on behalf of Issuer.

18. This Letter of Representations may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all such counterparts together shall constitute but one and the same instrument.

19. This Letter of Representations shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to principles of conflicts of law.

20. The sender of each notice delivered to DTC pursuant to this Letter of Representations is responsible for confirming that such notice was properly received by DTC.

21. Issuing and/or Paying Agent represent to DTC that the Issuing and/or Paying Agent screened the name of the party in whose name a deposited Security certificate is registered against the U.S. Department of the Treasury's Office of the Office of Foreign Asset Control's ("OFAC") Specially Designated Nationals Blocked Persons List ("SDN List") and against OFAC's regulations and that there were no matches identified by such comparison. Issuer is prohibited from submitting Securities for DTC eligibility if the issuer of the securities is listed on the OFAC's SDN List, or is incorporated or formed in a country that is subject to OFAC sanctions or embargoes, or otherwise subject to sanctions administered by OFAC.

22. Issuer hereby authorizes DTC to provide to Issuing Agent and/or Paying Agent listings of DTC Participants' holdings, known as Security Position Reports ("SPRs") with respect to the Assets from time to time at the request of Issuing Agent or Paying Agent. DTC charges a fee for such SPRs. This authorization, unless revoked by Issuer, shall continue with respect to the Assets while any Assets are on deposit at DTC, until and unless Issuing Agent and/or Paying Agent shall no longer be acting as Issuing and/or Paying Agent for Issuer. In such event, Issuer shall provide DTC with similar evidence, satisfactory to DTC, of the authorization of any successor thereto so to act. Proxy Web Services are available at www.dtcc.com. To register for or inquire about Proxy Web Services, telephone The Depository Trust and Clearing Corporation's Proxy Hotline at (212) 855-5191.

23. Issuer, Issuing Agent and Paying Agent shall comply with the applicable requirements stated in DTC's MMI Procedures, as they may be amended from time to time.

24. The following rider(s), attached hereto, are hereby incorporated into this Letter of Representations:

None

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

City of Dallas, Texas

[Issuer]

By: _____

[Authorized Officer's Signature]

Not Applicable

[Guarantor]

By: _____

[Authorized Officer's Signature]

U.S. Bank National Association

[Issuing Agent]

By: _____

[Authorized Officer's Signature]

U.S. Bank National Association

[Paying Agent]

By: _____

cc: Underwriter
Underwriter's Counsel

SAMPLE OFFERING DOCUMENT LANGUAGE
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

(Prepared by DTC--bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

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

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

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

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

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

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

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

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

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

EXHIBIT F
FORM OF FEE LETTER

FEE LETTER

November 28, 2017

City of Dallas, Texas
1500 Marilla Street
Dallas, Texas 75201

Ladies and Gentlemen:

Reference is made to (i) that certain Credit Agreement dated as of November 28, 2017 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the "*Credit Agreement*"), by and between the City of Dallas, Texas (the "*City*") and JPMorgan Chase Bank, National Association (the "*Bank*"), and (ii) that certain Note Purchase Agreement dated as of November 28, 2017 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the "*Note Purchase Agreement*"), and, together with the Credit Agreement, the "*Agreements*"), by and between the City and the Bank. This letter is the Fee Letter described in the Agreements. Except as otherwise defined herein, capitalized terms shall have the meanings given to such terms in the Agreements.

The purpose of this Fee Letter is to confirm the agreement between the Bank and the City with respect to the Commitment Fees (as defined below) and certain other fees payable by the City to the Bank from time to time in connection with the Agreements.

SECTION I. DEFINITIONS.

In addition to the terms defined in the recitals and elsewhere in this Fee Letter and the Agreements, the following terms shall have the following meanings:

"*Business Day*" means any day other than (i) a Saturday, Sunday or other day on which commercial banks located in the State of New York or State of Texas are authorized or required by law or executive order to close or (ii) a day on which the New York Stock Exchange is closed.

"*Final Stated Expiration Date*" means the later to occur of (i) the Expiration Date (as defined in the Note Purchase Agreement) and (ii) the Expiration Date (as defined in the Credit Agreement).

"*Final Termination Date*" means the later to occur of (i) the Termination Date (as defined in the Note Purchase Agreement) and (ii) the Final Date (as defined in the Credit Agreement).

“Maximum Aggregate Available Commitment” means, at any time, the greater of (i) the Available Commitment (as defined in the Credit Agreement) from time to time in effect and (ii) the Available Commitment (as defined in the Note Purchase Agreement) from time to time in effect.

“Maximum Aggregate Commitment” means, at any time, the greater of (i) the Commitment (as defined in the Credit Agreement) from time to time in effect and (ii) the Commitment (as defined in the Note Purchase Agreement) from time to time in effect.

SECTION II. FEES.

(a) *Commitment Fee.* The City hereby agrees to pay to the Bank on January 2, 2018 (for the period commencing on the date hereof and ending on December 31, 2017), and on the first Business Day of each April, July, October and January to occur thereafter (each, a “Quarterly Payment Date”) to the Final Termination Date, and on the Final Termination Date, for each day during the immediately preceding fee period, a non-refundable commitment fee (the “Commitment Fee”), computed in arrears (on the basis of a 360 day year for the actual number of days elapsed per the applicable fee period) in an amount equal to the product of the Maximum Aggregate Available Commitment for each day during the related fee period and the rate per annum corresponding to the Rating set forth in the applicable Level in the pricing matrix below (the “Commitment Fee Rate”) from time to time in effect for each day during each related fee period:

LEVEL	S&P RATING	MOODY’S RATING	FITCH RATING	COMMITMENT FEE RATE
I	A+ or above	A1 or above	A+ or above	0.45%
II	A	A2	A	0.65%
III	A-	A3	A-	0.85%
IV	BBB+	Baa1	BBB+	1.05%
V	BBB	Baa2	BBB	1.25%
VI	BBB- or below	Baa3 or below	BBB- or below	1.45%

The term “Ratings” shall mean the long-term credit ratings assigned to the City’s general obligation Debt (without regard to any bond insurance or other credit enhancement) by each of the Rating Agencies. In the case of a split in the Ratings (i.e., the Rating of one Rating Agency is at a different Level than the Rating of any other Rating Agency), (i) if Ratings are assigned by all three Rating Agencies, and two of such Ratings are equivalent, the Commitment Fee Rate shall be based upon the Level in which the two equivalent Ratings appear; (ii) if Ratings are assigned by all three Ratings Agencies and no two such Ratings are equivalent, the Commitment Fee Rate shall be based upon the Level in which the middle Rating appears; and (iii) if Ratings are assigned by only two Rating Agencies and such Ratings are not equivalent, the Commitment

Fee Rate shall be based upon the Level in which the lower of the two Ratings appears. Any change in the Commitment Fee Rate resulting from a change in a Rating shall be and become effective as of and on the date of the public announcement of the change in such Rating. References to the Ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any such Rating Agency, including, without limitation, any recalibration of the applicable Rating in connection with the adoption of a "global" rating scale, the Rating from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The City acknowledges, and the Bank agrees, that as of the date hereof the Commitment Fee Rate is that specified above for Level I. Upon the occurrence and during the continuance of an Event of Default or in the event that any Rating is suspended or withdrawn (but excluding any suspension or withdrawal to the extent that the applicable Rating Agency states that such action is for reasons that are not credit-related), the Commitment Fee Rate shall automatically, immediately and without notice be increased from the rate then in effect by an additional one percent (1.00%). Commitment Fees that are not paid when due shall accrue interest at the Default Rate from the date payment is due until such Commitment Fees are paid in full.

(b) *Advance Fee.* The City hereby agrees to pay to the Bank in connection with each and every Advance under the Credit Agreement, a non-refundable advance fee of \$300 for each such Advance, payable without any requirement of notice or demand by the Bank on the date of the related Advance.

(c) *Amendments, Waivers, Extension etc.* The City agrees to pay to the Bank on the date of each amendment, modification or supplement to any Agreement or any other Related Document (as defined in the Agreements) requiring the waiver or consent of the Bank, a non-refundable amendment, modification, supplement, waiver or consent fee, as applicable, of \$3,000 (or such other amount as may be agreed to by the Bank and the City); *provided, however*, that the fee payable pursuant to this section shall not be required in connection with amendments executed solely for the purpose of extending the Final Stated Expiration Date. The City shall pay to the Bank's legal counsel the reasonable fees and disbursements of such legal counsel retained by the Bank in connection with any amendment, modification or supplement to the Agreement or any other Related Document requiring the waiver or consent of the Bank.

(d) *Termination Fee; Reduction Fee.*

(i) Notwithstanding the foregoing and anything set forth herein or in the Agreement to the contrary, the City hereby agrees to pay to the Bank a non-refundable termination fee in connection with any termination or replacement of the Agreements by the City prior to the Final Stated Expiration Date in an amount equal to the product of (A) the Commitment Fee Rate in effect on the date of such termination or replacement, (B) the Maximum Aggregate Commitment in effect as of the date of termination or replacement (prior to giving effect to such termination or replacement) and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such termination or replacement to and including the Final Stated Expiration Date and the denominator of which is 360, payable on the date of such termination or replacement;

provided, however, that no termination fee shall become payable if the Agreements are terminated or replaced as a result of (1) a withdrawal, suspension or reduction of the Bank's senior unsecured short-term ratings below "P-1" (or its equivalent), "F1" (or its equivalent) or "A-1" (or its equivalent), respectively, by any two of Moody's, Fitch or S&P, (2) the City shall have paid to the Bank any compensation pursuant to Section 3.1 of either Agreement, or (3) the City's election to refinance or refund the Notes (as defined in the respective Agreements) in full from a source of funds which does not involve the issuance by a bank or any other financial institution of a letter of credit, liquidity facility, credit facility or direct purchase agreement.

(ii) Notwithstanding the foregoing and anything set forth herein or in the Agreement to the contrary, the City hereby agrees to pay to the Bank, in connection with each and every permanent reduction of the Maximum Aggregate Commitment by the City prior to the Final Stated Expiration Date, a non-refundable reduction fee in an amount equal to the product of (A) the Commitment Fee Rate in effect on the date of such permanent reduction (prior to giving effect to such reduction), (B) the amount by which the Maximum Aggregate Commitment is being permanently reduced, and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such permanent reduction to and including the Final Stated Expiration Date and the denominator of which is 360, payable on the date of such permanent reduction.

SECTION III. MISCELLANEOUS.

(a) *Out-of-Pocket Expenses; Legal Fees.* The City shall pay to the Bank promptly upon receipt of invoice any and all reasonable fees and expenses of the Bank (including the out-of-pocket expenses of the Bank), all payable in accordance with this Fee Letter. The City shall pay the reasonable legal fees and expenses of the Bank incurred in connection with the preparation and negotiation of the Agreements, this Fee Letter and certain other Related Documents. Legal fees shall be paid directly to the Bank's counsel, Chapman and Cutler LLP, in accordance with the instructions provided by Chapman and Cutler LLP.

(b) *Fees Generally.* All fees payable under this Fee Letter and the Agreements are to compensate the Bank for its commitment to lend, will be nonrefundable and will be deemed earned when paid.

(c) *Governing Law.* THIS FEE LETTER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS; *PROVIDED, HOWEVER*, THE RIGHTS, DUTIES AND OBLIGATIONS OF THE BANK UNDER THIS FEE LETTER, IF ANY, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO CONFLICT OF LAW PROVISIONS (OTHER THAN NEW YORK GENERAL OBLIGATIONS LAWS 5-1401 AND 5-1402).

(d) *Counterparts; Severability.* This Fee Letter may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement. This Fee Letter may be delivered by the exchange of signed signature

pages by facsimile transmission or by attaching a pdf copy to an email, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page. Any provision of this Fee Letter which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

(e) *Amendments.* No amendment to this Fee Letter shall become effective unless in writing and signed by the City and the Bank.

(f) *No Disclosure.* Unless required by law, the City shall not deliver or permit, authorize or consent to the delivery of this Fee Letter to a Dealer or any other Person for delivery to the Municipal Securities Rulemaking Board unless the Bank provides its prior written consent.

(g) *No Israel Boycott.* Pursuant to Section 2270.002, Texas Government Code, the Bank hereby represents that it does not Boycott Israel and, subject to or as otherwise required by applicable Federal law, including, without limitation, 50 U.S.C. Section 4607, the Bank agrees not to Boycott Israel during the term of this Fee Letter. For purposes of this subsection (g), "Boycott Israel" shall have the meaning given such term in Section 2270.002, Texas Government Code.

Please confirm that the foregoing is the City's mutual understanding by signing and returning to the Bank an executed counterpart of this Fee Letter. This Fee Letter shall become effective as of the date first above referenced upon the Bank's receipt of an executed counterpart of this Fee Letter from the City.

[SIGNATURE PAGES FOLLOW]

Very truly yours,

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION

By: _____
Name: _____
Its: _____

Accepted and agreed to as of the date first written above by:

CITY OF DALLAS, TEXAS

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

[_____]

City Attorney

City of Dallas, Texas

By: _____

Name: _____

Title: _____