

FEE LETTER AGREEMENT

Reference is hereby made to that certain Revolving Credit Agreement dated as of July 1, 2021 (as the same may be amended, supplemented or otherwise modified from time to time the “*Agreement*”), between the CITY OF DALLAS, TEXAS (the “*City*”) and STATE STREET BANK AND TRUST COMPANY (the “*Bank*”), relating to the City’s Waterworks and Sewer System Commercial Paper Notes, Series G. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

The purpose of this Fee Letter Agreement is to confirm the agreement between the Bank and the City with respect to, among other things, the Facility Fees (as defined below) and certain other fees and expenses payable by the City to the Bank. This Fee Letter Agreement is the Fee Letter referenced in the Agreement, and the terms hereof are incorporated by reference into the Agreement.

ARTICLE I. FEES AND OTHER AGREEMENTS.

Section 1.1. Facility Fees. The City shall pay to the Bank quarterly in arrears on the last Business Day of each September, December, March and June (commencing on September 30, 2021, for the period from and including the Effective Date to and including September 30, 2021) occurring prior to the Commitment Termination Date and on the Commitment Termination Date, a facility fee (“*Facility Fee*”) equal to the product of the Applicable Rate (initially 0.245%) and the Available Commitment, together with interest on the Facility Fees from the date payment is due until payment in full at the Default Rate. Facility Fees payable pursuant to this Section 1.1 shall be calculated on the basis of a 360-day year and actual days elapsed and shall accrue from the Effective Date through the Commitment Termination Date.

Section 1.2. Amendment, Waiver or Consent Fees. The City hereby agrees to pay to the Bank, on the date any amendment, transfer, waiver or consent to the Agreement or any other Related Document requested by the City is entered into between the parties thereto, a non-refundable amendment, waiver or consent fee of \$2,000, for the Bank or such other fee as the parties may agree, plus the reasonable fees and expenses of any legal counsel retained by the Bank in connection therewith.

Section 1.3. Out-of-Pocket Expenses. The City shall pay within thirty (30) days after receipt of an invoice, any and all reasonable fees and expenses of the Bank (including the out-of-pocket expenses of the Bank and the fees of counsel to the Bank, as applicable) all payable in accordance with Section 8.04 of the Agreement.

Section 1.4. Termination and Reduction Fee. (i) The City hereby agrees to pay to the Bank, a termination fee in connection with the termination of the Commitment by the City as set forth in Section 2.06 of the Agreement in an amount equal to the Facility Fees (based upon the Commitment as of the Effective Date) for a term beginning on the date hereof and ending on and including the first anniversary of the Effective Date at the Applicable Rate in effect as of the date of such termination, less the actual amount of Facility Fees the City has previously paid to the

Bank, pursuant to Section 1.1 hereof (the “*Termination Fee*”), payable on the date of any such termination.

(ii) Notwithstanding the foregoing and anything set forth herein or in the Agreement to the contrary, the City agrees not to permanently reduce the Available Commitment prior to the first anniversary of the Effective Date, without the payment by the City to the Bank of a reduction fee in connection with each and every permanent reduction of the Available Commitment as set forth herein in an amount equal to the product of (A) the Applicable Rate in effect on the date of such reduction, (B) the difference between the Available Commitment (without regard to any temporary reductions thereof) prior to such reduction and the Available Commitment (without regard to any temporary reductions thereof) after such reduction, and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such reduction to and including the first anniversary of the Effective Date, and the denominator of which is 360 (the “*Reduction Fee*”); *provided, however*, that the City shall not be required to pay a reduction fee in the event that the Available Commitment as a result of a downgrade in such Bank’s short term ratings below “P-1” (or its equivalent) by Moody’s and “A-1” (or its equivalent) by S&P.

ARTICLE II. DEFINITIONS.

Section 2.1 In addition to other terms defined herein and in the Agreement, unless the context shall indicate a contrary meaning or intent, the following terms shall have the respective meanings indicated below, such meanings to be applicable equally to both the singular and plural forms of such terms:

“*Applicable Rate*” means, from time to time, the following percentages per annum, based upon the Debt Rating as set forth below.

PRICING LEVEL	FITCH RATING	S&P RATING	MOODY’S RATING (IN THE EVENT THE CITY HAS ENGAGED MOODY’S TO PROVIDE A RATING)	APPLICABLE RATE
Level 1	AA or above	AA or above	Aa2 or above	0.245%
Level 2	A-	A-	Aa3	0.295%
Level 3	A+	A+	A1	0.495%
Level 4	A	A	A2	0.745%
Level 5	A- or below	A- or below	A3 or below	1.045%

“*Debt Rating*” means, as of any date of determination, the rating as determined by any of Fitch, S&P or Moody’s (in the event the City has engaged Moody’s to provide a rating on the applicable Prior Lien Bonds) (collectively, the “*Debt Ratings*”) of the City’s Prior Lien Bonds;

provided that (a) if the respective Debt Ratings issued by the foregoing rating agencies differ by one or more levels, then the Pricing Level for the lowest of such Debt Ratings shall apply (with the Debt Rating for Pricing Level 1 being the highest and the Debt Rating for Pricing Level 8 being the lowest); and (b) in the event that any Debt Rating is suspended or withdrawn from any Rating Agency for credit related reasons, the Applicable Rate shall increase by an additional 1.50% from the Applicable Rate in effect on the date of such suspension or withdrawal. In addition, upon the occurrence and during the continuance of an Event of Default under the Agreement, the Applicable Rate shall increase by an additional 1.50% from the Applicable Rate in effect on the date of the occurrence of such Event of Default. .

References to 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 long-term debt rating of any Prior Lien Bonds of the City in connection with the adoption of a “global” rating scale, each of the Ratings 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.

Each change in the Applicable Rate resulting from a publicly announced change in the Debt Rating shall be effective during the period commencing on the date of the public announcement thereof and ending on the date immediately preceding the effective date of the next such change. All such fee increases shall be cumulative.

ARTICLE III. MISCELLANEOUS.

Section 3.1. Amendments. No amendment to this Fee Letter Agreement shall become effective unless in writing signed by the Bank and the City, as the case may be, and acknowledged by the Bank.

Section 3.2. Governing Law. THIS FEE LETTER AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK; *PROVIDED*, THAT THE OBLIGATIONS OF THE CITY UNDER THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF TEXAS, WITHOUT GIVING EFFECT TO CONFLICT OF LAW PRINCIPLES.

Section 3.3. Counterparts. This Fee Letter Agreement may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument.

Section 3.4. Severability. Any provision of this Fee Letter Agreement 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.

IN WITNESS WHEREOF, the parties hereto have caused this Fee Letter Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of this 8th day of July, 2021.

CITY OF DALLAS, TEXAS

By: _____

Name: _____

Title: _____

STATE STREET BANK AND TRUST COMPANY

By: _____

Name: Melissa Rowe

Title: Managing Director