

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 JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (the “*Bank*”), relating to the City’s Waterworks and Sewer System Commercial Paper Notes, Sub-Series F-1 (the “*Notes*”). 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 (defined below) 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.

“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	0.43%
Level 2	AA-	AA-	Aa3-	0.53%
Level 3	A+	A+	A1	0.68%
Level 4	A	A	A2	0.83%
Level 5	A-	A-	A3	1.03%
Level 6	BBB+	BBB+	Baa1	1.23%
Level 7	BBB	BBB	Baa2	1.43%
Level 8	BBB-	BBB-	Baa3	1.68%

“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 1.00% 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 1.00% 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.

Section 1.2. Draw Fees. The City hereby agrees to pay to the Bank a non-refundable drawing fee of \$300, for each advance of a Revolving Loan under the Agreement, payable on the date such Revolving Loan is made.

Section 1.3. 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 \$3,000, 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. Such fee shall not apply to amendments for the sole purpose of extending the term of the Agreement but shall include reasonable costs of counsel to the Bank for such amendment.

Section 1.4. 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 1.5. Termination and Reduction Fee. (i) The City agrees not to terminate the Available Commitment prior to the date referenced in clause (a) of the defined term Commitment Termination Date, unless the Authority agrees to pay to the Bank, in addition to all other amounts that may be due and payable at such time, a termination fee (the “*Termination Fee*”) equal to the Facility Fee for the period commencing on the Effective Date through the the date referenced in clause (a) of the defined term Commitment Termination Date, less any Facility Fees already paid by the City to the Bank during such period; *provided, however*, such Termination Fee shall not be required if any of the events described in clause (iii) of this Section 1.5 have occurred. The Termination Fee shall be calculated on the basis of a year of 360 days and actual days elapsed.

(ii) The City agrees not to permanently reduce the Available Commitment prior to the date referenced in clause (a) of the defined term Commitment Termination Date, without the payment by the City 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 date referenced in clause (a) of the defined term Commitment Termination Date, and the denominator of which is 360 (the “*Reduction Fee*”); *provided, however*, such Reduction Fee shall not be required if any of the events described in clause (iii) of this Section 1.5 have occurred.

(iii) Notwithstanding the foregoing provisions of this Section 1.5, no Termination Fee or Reduction Fee, as applicable, will be required to be paid by the City, if (i) Fitch shall have lowered

the senior, unsecured short-term rating of the Bank below “F1” or withdrawn the senior, unsecured short-term rating of the Bank; (ii) S&P shall have lowered the senior, unsecured short-term rating of the Bank below “A-1” or withdrawn the senior, unsecured short-term rating of the Bank; (iii) the City elects to repay or restructure the Notes in full or in part from a source of funds that does not involve the issuance by a bank or other financial institution other than the Bank of a letter of credit, liquidity facility or credit facility; (iv) the City terminates the Available Commitment at any time following demand by the Bank for payment to the Bank of any increased costs requested pursuant to Section 3.02 of the Agreement; or (v) the occurrence of a Trading Differential of an average of twenty (20) basis points (0.20%) or greater for sixty (60) consecutive days or fifteen (15) basis points (0.15%) or greater for ninety (90) consecutive days (any such period the “*Trading Differential Period*”) with such Trading Differential Period being certified by an independent financial adviser selected by the City and reasonably acceptable to the Bank; *provided, however*, that such termination must occur within 180 days after the first day of any Trading Differential Period. As used herein, the term “*Trading Differential*” shall mean, for any day, a rate per annum equal to (x) the interest rate borne by the Notes, less (y) the average interest rate on such day borne by commercial paper notes issued by or on behalf of governmental entities in the United States with terms being approximately the same as the Notes, the payment of the principal of and interest on which is enhanced by credit facilities provided by commercial banks rated at least “F1” by Fitch and “A-1” by S&P, as calculated by the Bank and verified by the City’s independent financial advisors.

ARTICLE II.

MISCELLANEOUS

Section 2.1. Amendments. No amendment to this Fee Letter Agreement shall become effective unless in writing signed by the Bank and the City.

Section 2.2. 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 2.3. 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 2.4. 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.

[SIGNATURE PAGES FOLLOWS]

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: _____

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION

By: _____
Name: Justin D. Wahn
Title: Executive Director