



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
18th SPECIAL MEETING OF THE BOARD OF DIRECTORS
Friday, September 27, 2019
12:00 p.m.
1385 Canal Street, SE**

I. Call to Order (Chairman Tommy Wells)

II. Roll Call (Linda Manley, Board Secretary)

III. Consent Items Joint Use

1. [Adoption of Master Agreement on Compensation between District of Columbia Water and Sewer Authority and the Unions Comprising Compensation Unit 31 \(AFGE Locals 631, 872 and 2553; AFSCME Local 2091; and NAGE Local R3-06\) – Resolution No. 19-57](#) (Recommended by the Human Resource and Labor Relations Committee 9/11/19)
2. [Authorizing the Sale and Setting Terms and Details of the Series 2019D Subordinate Refunding Bonds – Resolution No. 19-58](#) (Recommended by the Finance and Budget Committee 09/26/19)

IV. Executive Session*

V. Adjournment (Chairman Tommy Wells)

*The DC Water Board of Directors may go into executive session at this meeting pursuant to the District of Columbia Open Meetings Act of 2010, if such action is approved by a majority vote of the Board members who constitute a quorum to discuss: matters prohibited from public disclosure pursuant to a court order or law under D.C. Official Code § 2-575(b)(1); contract negotiations under D.C. Official Code § 2-575(b)(2); legal, confidential or privileged matters under D.C. Official Code § 2-575(b)(4)(A); collective bargaining negotiations under D.C. Official Code § 2-575(b)(5); facility security under D.C. Official Code § 2-575(b)(8); disciplinary matters under D.C. Official Code § 2-575(b)(9); personnel matters under D.C. Official Code § 2-575(b)(10); proprietary matters under D.C. Official Code § 2-575(b)(11); train and develop members of a public body and staff under D.C. Official Codes § 2-575(b)(12); decision in an adjudication action under D.C. Official Code § 2-575(b)(13); civil or criminal matters where disclosure to the public may harm the investigation under D.C. Official Code § 2-575(b)(14), and other matters provided in the Act.

Presented and Adopted: October 3, 2019

SUBJECT: Adoption of Master Agreement on Compensation between District of Columbia Water and Sewer Authority and the Unions Comprising Compensation Unit 31 (AFGE Locals 631, 872 and 2553; AFSCME Local 2091; and NAGE Local R3-06)

**#19-57
RESOLUTION
OF THE
BOARD OF DIRECTORS OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority, (“Authority”) at its meeting on October 3, 2019, on consideration of a joint-use matter, decided by a vote of [insert] in favor and none (0) opposed, to take the following action regarding approval of the tentative Master Agreement on Compensation between DC Water and the Unions comprising Compensation Unit 31 (AFGE Locals 631, 872 and 2553; AFSCME Local 2091; and NAGE Local R3-06).

WHEREAS, the District of Columbia Public Employee Relations Board has certified the Unions comprising Compensation Unit 31, as the exclusive collective bargaining agents for compensation and working conditions; and

WHEREAS, representatives of the Authority and Compensation Unit 31 have bargained in good faith to reach agreement on terms for a successor Master Agreement on Compensation for the period of October 1, 2019 to September 30, 2023; and

WHEREAS, the Human Resources and Labor Relations Committee met on September 11, 2019, and has recommended the Board approve execution of a successor Master Agreement on Compensation (“Master Agreement”); and

WHEREAS, the Master Agreement has been ratified by all Unions comprising Compensation Unit 31; and

WHEREAS, the Board has determined that provisions contained in the Master Agreement represent a joint effort by the Unions and the Authority to assure fairness to employees and efficient management by the Authority.

NOW THEREFORE BE IT RESOLVED:

1. The Board approves the Master Agreement between the Authority and the Unions comprising Compensation Unit 31.
2. The Master Agreement be effective, in accordance with its terms, for the period of October 1, 2019 to September 30, 2023.

3. The Chairman of the Board and the General Manager are authorized to execute the Master Agreement.
4. The General Manager is authorized to take all actions necessary to fully implement provisions contained in the Master Agreement.

Secretary to the Board of Directors

Presented and Adopted: September 27, 2019
Subject: Authorizing the Sale and Setting Terms and Details
of the Series 2019D Subordinate Refunding Bonds

#19-58
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The members of the Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority (“Authority”), at the Board meeting held on September 27, 2019, upon consideration of a joint use matter, decided by a vote of _____ (____) in favor and _____ (____) opposed, to authorize and approve the sale of the Authority’s Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2019D (the “Series 2019D Subordinate Refunding Bonds”) on the following terms and details.

WHEREAS, the Authority is authorized pursuant to the *Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996*, as amended, D.C. Code Section 34-2201.01 et seq. (the “WASA Act”), and the *District of Columbia Water and Sewer Authority Act of 1996*, Public Law 104-184; 110 Stat. 1696, to issue revenue bonds for undertakings authorized by the WASA Act, including to finance or refinance any cost, as defined in the WASA Act, D.C. Code Section 34-2202.01(2); and

WHEREAS, in accordance with the WASA Act, the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”) (its predecessors in that capacity having been Norwest Bank Minnesota, N.A. and Wells Fargo Bank Minnesota, N.A.), entered into the Master Indenture of Trust, dated as of April 1, 1998 (the “Master Indenture” and, as supplemented and amended, the “Indenture”), to provide for financing or refinancing the acquisition, construction, operation, maintenance and extension of the System (as defined in the Master Indenture) by the issuance of bonds, notes and other obligations payable solely from Net Revenues (as such terms are defined in the Master Indenture); and

WHEREAS, the Authority has heretofore entered into twenty-three (23) supplemental indentures of trust with the Trustee in connection with the issuance of Senior Debt and Subordinate Debt (both as defined in the Indenture) or to amend and clarify the Master Indenture; and

WHEREAS, by Resolution #19-49, adopted September 5, 2019, the Board authorized the issuance of the Series 2019A/B Subordinate Bonds (as defined therein) to, among other things, finance a portion of the costs of the Authority’s DC Clean Rivers Project and certain Costs of the System; and

WHEREAS, the Authority now intends also (i) to issue Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2019D (Federally Taxable) (the “Series 2019D Subordinate Refunding Bonds”) to: (a) refund some or all of the Authority’s outstanding Public Utility Subordinated Lien Revenue Bonds, Series 2013A (the “Series 2013A Subordinate Bonds”); (b) fund a Series 2019D Debt Service Reserve Requirement, (as defined herein), if determined necessary; and (c) pay certain costs of issuance; (iii) to designate the Series 2019D Subordinate Refunding Bonds as Subordinate Debt for purposes of the Indenture; and (iv) to secure the Series 2019D Subordinate Refunding Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, the Board has also determined that Resolution #19-49 should be amended as set forth in this Resolution in connection with the issuance of the Series 2019D Subordinate Refunding Bonds; and

WHEREAS, the Finance and Budget Committee met on September 26, 2019, to review the issuance of the Series 2019D Subordinate Refunding Bonds and has recommended approval of this Resolution by the Board.

NOW, THEREFORE BE IT RESOLVED THAT:

Section 1. Definitions and Interpretations. Unless otherwise defined herein and unless the context indicates otherwise, the terms used herein and defined in the Indenture (including the Twenty-Sixth Supplemental Indenture as hereby approved) shall have the meanings assigned to them therein. In addition, the following terms used as defined terms in this Resolution shall have the meaning assigned to them in this Section:

“Authorized Officials” means the Chairman and Vice Chairman of the Board and the CEO and General Manager, Chief Financial Officer and Executive Vice President, Finance and Procurement, Controller, Budget Director, Finance Director and Rates and Revenue Director of the Authority, including any of the foregoing who are in an interim, acting or similar capacity, provided that any official other than the Chairman shall be designated by the Chairman as his designee for the purpose of executing and delivering any document authorized hereunder.

“Bond Purchase Agreement” means the Bond Purchase Agreement between the Authority and the Series 2019D Original Purchasers, dated as of the same date as the Certificate of Award.

“Certificate of Award” means the certificate of an Authorized Official awarding the Series 2019D Subordinate Refunding Bonds to the Series 2019D Original Purchasers and specifying terms of the Series 2019D Subordinate Refunding Bonds, as provided for in Section 4 of this Resolution.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement executed by the Authority, dated as of the same date as the date of issuance and delivery of the Series 2019D Subordinate Refunding Bonds, as originally executed and as it may be amended from time to time in accordance with its terms.

“Escrow Agent” means the Trustee as Escrow Agent.

“Escrow Agreement” means the Escrow Agreement, dated the same date as the Series 2019D Subordinate Refunding Bonds, between the Authority and the Escrow Agent, providing for the Refunded Bonds to be deemed paid and no longer Outstanding under the Indenture.

“Financial Advisor” means PFM Financial Advisors LLC.

“Interest Payment Dates” means for the Series 2019D Subordinate Refunding Bonds, each April 1 and October 1, commencing on the April 1 or October 1 specified in the Certificate of Award as the first Interest Payment Date, and thereafter during the time the Series 2019D Subordinate Refunding Bonds are Outstanding.

“Refunded Bonds” means any Outstanding Series 2013A Subordinate Bonds to be caused to be deemed paid and no longer Outstanding under the Indenture as the result of the deposit of proceeds of the Series 2019D Subordinate Refunding Bonds and any other funds in escrow under the Escrow Agreement and identified as the Refunded Bonds in the Certificate of Award.

“Refunding Savings Threshold” means that, as the result of the advance refunding of the Refunded Bonds with proceeds of Series 2019D Subordinate Refunding Bonds and any other legally available funds, the Authority will achieve an aggregate reduction in bond debt service that has a present value at the time of sale of the Series 2019D Subordinate Refunding Bonds equal to at least ten percent (10%) of the aggregate principal amount of the Refunded Bonds and will fulfill any other standards that any Authorized Official executing the Certificate of Award deems appropriate.

“Series 2019D Debt Service Reserve Requirement” means, if determined in the Certificate of Award to be necessary, a required fund balance in the Series 2019D Debt Service Reserve Account or Accounts established under the Twenty-Sixth Supplemental Indenture, the amount of which shall be specified in the Certificate of Award.

“Series 2019D Original Purchasers” for the Series 2019D Subordinate Refunding Bonds means the purchasers identified as such in the Bond Purchase Agreement.

“Twenty-Sixth Supplemental Indenture” means the Twenty-Sixth Supplemental Indenture of Trust by and between the Authority and the Trustee, dated as of the same date as and relating to the Series 2019D Subordinate Refunding Bonds.

Any reference to the Authority or the Board, or to their members or officers, or to other public officers, boards, commissions, departments, institutions, agencies, bodies or entities, shall include those who or which succeed to their functions, duties or

responsibilities by operation of law and also those who or which at the time may legally act in their place.

Section 2. Authorization, Designation and Purposes of Series 2019D Subordinate Refunding Bonds. The Authority is authorized to issue, sell and deliver, as provided in this Resolution and the Certificate of Award, bonds in an aggregate principal amount not greater than the amount determined in the Certificate of Award to be sufficient to accomplish the purposes for which their issuance is authorized, which shall be designated "Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2019D (Federally Taxable)," and constitute Subordinate Debt under the Indenture, for the following purposes: (i) advance refunding the Refunded Bonds and causing them to be deemed paid and no longer Outstanding for purposes of the Indenture; (ii) funding a Series 2019D Debt Service Reserve Requirement, if determined necessary; and (iii) paying issuance costs of the Series 2019D Subordinate Refunding Bonds (including the fees and costs of any escrow bidding agent or verification agent engaged pursuant to Section 6); provided, however, that before an Authorized Official executes a Certificate of Award applicable to the Series 2019D Subordinate Refunding Bonds, the Authority's Financial Advisor shall have given the Authority a written certification that identifies the Refunded Bonds (consistently with this Resolution) and determines that the Authority's issuance and sale of the Series 2019D Subordinate Refunding Bonds on the terms set forth in the Certificate of Award and the application of the proceeds of the Series 2019D Subordinate Refunding Bonds and any other legally available funds to advance refund the Refunded Bonds identified in the Financial Advisor's certificate, will meet the Refunding Savings Threshold. The proceeds from the sale of the Series 2019D Subordinate Refunding Bonds shall be allocated and deposited for those purposes and as provided in the Twenty-Sixth Supplemental Indenture. Any designation of bonds authorized above may be revised or clarified in the Certificate of Award.

Section 3. Terms and Provisions Applicable to the Series 2019D Subordinate Refunding Bonds.

(a) Form, Transfer and Exchange. The Series 2019D Subordinate Refunding Bonds: (i) shall initially be issued only in fully registered form and substantially in the forms attached as an exhibit to the Twenty-Sixth Supplemental Indenture; (ii) shall initially be issued only to a Depository for holding in a book entry system, and shall be registered in the name of the Depository or its nominee, as Holder, and immobilized in the custody of the Depository, and (iii) shall not be transferable or exchangeable except as provided in the Twenty-Sixth Supplemental Indenture.

(b) Denominations and Dates. The Series 2019D Subordinate Refunding Bonds shall be dated as of the date of issuance and delivery, but in no event later than March 31, 2020; provided, however, if the date of issuance is after December 31, 2019, the designation may be altered from "2019D". There shall be a single Series 2019D Subordinate Refunding Bond representing each interest rate for each maturity of the Series 2019D Subordinate Refunding Bonds bearing the same series or subseries designation.

(c) Principal Maturities. The principal of the Series 2019D Subordinate Refunding Bonds shall be paid in such amounts on each principal retirement date (whether at stated maturity date or a mandatory redemption date) as set forth in the Certificate of Award, provided that the final principal retirement date shall be no later than December 31, 2059.

(d) Interest Rates and Interest Rate Periods for the Series 2019D Subordinate Refunding Bonds. The Series 2019D Subordinate Refunding Bonds shall bear interest on their unpaid principal amount payable on each Interest Payment Date, commencing on the first Interest Payment Date specified in the Certificate of Award, at such fixed rates per annum as set forth in the Certificate of Award as provided in Section 4(c) hereof, provided, however, that the "true interest cost" (i.e., interest cost on bonds defined as the rate, compounded semiannually, necessary to discount the amounts payable on the respective interest and principal payment dates to the purchase price received for the bonds) on the Series 2019D Subordinate Refunding Bonds shall not exceed a rate that would cause the Refunding Savings Threshold not to be achieved. The principal of the Series 2019D Subordinate Refunding Bonds shall be paid in such amounts on each principal retirement date (whether at stated maturity date or a mandatory redemption date) as set forth in the Certificate of Award, provided that the principal retirement schedule shall be consistent with the achievement of the Refunding Savings Threshold.

(e) Optional and Mandatory Redemption.

(i) *Make Whole Optional Redemption* - The Series 2019DA Subordinate Refunding Bonds shall be subject to redemption prior to their stated maturities, at the option of the Authority, on any date from any source of available funds, as a whole or in part, as specified in Section 301(a) of the Twenty-Sixth Supplemental Indenture.

(ii) *Mandatory Sinking Fund Redemption* - Any Series 2019D Subordinate Refunding Bonds may be designated in the Certificate of Award as Term Bonds and be subject to mandatory sinking fund redemption by lot on specified principal retirement dates at a price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption.

(f) Redemption Provisions. Redemption of Series 2019D Subordinate Refunding Bonds shall be effected in accordance with Article IV of the Master Indenture; provided, however, that notices of redemption of the Series 2019D Subordinate Refunding Bonds sent pursuant to Section 402 of the Master Indenture may specify that the redemption is conditional upon the Authority's depositing the funds needed to effect that redemption prior to the specified redemption date.

(g) Places and Manner of Payment. The principal of and the interest and any redemption premium on the Series 2019D Subordinate Refunding Bonds shall be payable at the places and in the manner specified in the Twenty-Sixth Supplemental Indenture.

(h) Execution. The Authorized Officials are, and each of them is, authorized and directed to execute the Series 2019D Subordinate Refunding Bonds, and the Secretary of the Board is authorized and directed to affix the seal of the Authority to the Series 2019D Subordinate Refunding Bonds and to deliver them to the Trustee for authentication in accordance with the Indenture.

Section 4. Sale of Series 2019D Subordinate Refunding Bonds.

(a) General. The Series 2019D Subordinate Refunding Bonds shall be awarded and sold to the Series 2019D Original Purchasers in accordance with the Bond Purchase Agreement and the Certificate of Award, at a purchase price of not less than ninety-five percent (95%) of the aggregate of the products from multiplying the principal amount of each Series 2019D Subordinate Refunding Bonds times the percentage of such principal amount at which such Series 2019D Subordinate Refunding Bond shall be initially offered to the public, after subtracting from the aggregate of such products the premium payable for any municipal bond insurance policy applicable to the Series 2019D Subordinate Refunding Bonds.

(b) Bond Purchase Agreement. The Authorized Officials are, and each of them is, authorized and directed to execute and deliver the Bond Purchase Agreement between the Authority and the Series 2019D Original Purchasers, substantially in the form presented to this Authority, but with such changes not inconsistent with the Indenture and this Resolution and not substantially adverse to the Authority as may be approved by the Authorized Official executing the same on behalf of the Authority. The approval of any such changes by such Authorized Official and the determination by such Authorized Official that no such change is substantially adverse to the Authority shall be conclusively evidenced by the execution of the applicable Bond Purchase Agreement by such Authorized Official. The price for and terms of the Series 2019D Subordinate Refunding Bonds and the sale thereof, all as provided in this Resolution, the Bond Purchase Agreement, the Certificate of Award and the Twenty-Sixth Supplemental Indenture, are hereby approved and determined to be in the best interests of the Authority.

(c) Certificate of Award. Such sale and award shall be further evidenced by the Certificate of Award executed by an Authorized Official. The terms of the Series 2019D Subordinate Refunding Bonds approved in the Certificate of Award shall be incorporated into the Twenty-Sixth Supplemental Indenture. The Certificate of Award, subject to the restrictions set forth herein, shall: (i) with respect to each series or subseries of the Series 2019D Subordinate Refunding Bonds, specify the aggregate principal amount, the purchase price, the first Interest Payment Dates, the interest rate or rates, the principal retirement dates, the mandatory sinking fund requirements (if any), the redemption dates, and the redemption prices thereof; (ii) specify whether a municipal bond insurance policy, letter of credit, or other credit or liquidity facility shall be obtained with respect to any of the Series 2019D Subordinate Refunding Bonds and, if so, from whom and on what terms; (iii) specify the amount, if any, of the Series 2019D Debt Service Reserve Requirement and determine whether it shall be met entirely with (A) cash and Permitted Investments (as defined in the Indenture); (B) a Qualified Reserve Credit Facility (as defined in the Indenture); or (C) a specified combination of (A) and (B);

and (iv) include any additional information that may be required or permitted to be stated therein by the terms of this Resolution and the Bond Purchase Agreement.

(d) Authorization of Bond Insurance and Qualified Reserve Credit Facilities. The submission of any applications to: (i) recognized providers of municipal bond insurance requesting the issuance of one or more municipal bond insurance policies to insure the Authority's obligation to make payments of principal of and interest on any of the Series 2019D Subordinate Refunding Bonds, and (ii) potential providers of Qualified Reserve Credit Facilities, is hereby ratified and approved. The Authorized Officials are, and each of them is, hereby authorized to specify in the Certificate of Award that the Authority shall accept one or more commitments for insurance from such providers, and one or more commitments for a Qualified Reserve Credit Facility. There is hereby authorized to be paid from the moneys deposited in the Series 2019D Costs of Issuance Subaccount such amount as is required to pay the premium and expenses for such insurance policies and Qualified Reserve Credit Facilities relating to the Series 2019D Subordinate Refunding Bonds. The Authorized Officials are, and each of them is, hereby further authorized to enter into a reimbursement agreement with the provider of any Qualified Reserve Credit Facility to provide for the Authority's reimbursement of the provider for any amounts drawn under the Qualified Reserve Credit Facility in a manner consistent with the Indenture. Any determination of the Authorized Officials under this paragraph shall be based on the written advice of the Financial Advisor.

(e) Certificates. The Authorized Officials are, and each of them is, authorized and directed, in their official capacities, to execute and deliver to the Series 2019D Original Purchasers the certificates required by the Bond Purchase Agreement to be executed on behalf of the Authority.

(f) Delivery of Bonds. The Authorized Officials are, and each of them is, authorized and directed to make the necessary arrangements with the Series 2019D Original Purchasers to establish the date, location, procedure and conditions for the delivery of the Series 2019D Subordinate Refunding Bonds to the Series 2019D Original Purchasers. The Authorized Officials are, and each of them is, further authorized and directed to make the necessary arrangements for the printing of the Series 2019D Subordinate Refunding Bonds, and the execution, authentication and delivery of the Series 2019D Subordinate Refunding Bonds to DTC for the accounts of the Series 2019D Original Purchasers, in accordance with this Resolution and the Indenture, and upon the receipt of payment of the purchase price, to cause such amount to be applied in accordance with the terms and provisions of this Resolution and the Indenture.

Section 5. Allocation of Proceeds of the Series 2019D Subordinate Refunding Bonds. The proceeds from the sale of the Series 2019D Subordinate Refunding Bonds shall be allocated, deposited and credited for the purposes approved in this Resolution and as specified in the Twenty-Sixth Supplemental Indenture.

Section 6. Twenty-Sixth Supplemental Indenture and Other Documents. The Authorized Officials are, and each of them is, authorized in connection with the issuance of the Series 2019D Subordinate Refunding Bonds, to execute, acknowledge and deliver

in the name of and on behalf of the Authority, the Twenty-Sixth Supplemental Indenture, substantially in the form thereof submitted to the Authority at or prior to this meeting, but with such changes therein as may be permitted by the Indenture and this Resolution and approved by the Authorized Officer executing the document on behalf of the Authority. The approval of those changes shall be conclusively evidenced by the execution of the document by an Authorized Official.

The Authorized Officials are, and each of them is, authorized in connection with the issuance of the Series 2019D Subordinate Refunding Bonds, to execute, acknowledge and deliver in the name of and on behalf of the Authority, the Escrow Agreement, substantially in the form thereof submitted to the Authority at or prior to this meeting, but with such changes therein as may be permitted by the Indenture and this Resolution and approved by the Authorized Officer executing the document on behalf of the Authority. If in the Certificate of Award, an Authorized Official determines that it is in the Authority's best interest to authorize the purchase of open-market securities to effect the advance refunding of the Refunded Bonds, PFM Asset Management LLC shall be the Authority's agent for the purchase of such securities. With respect to the Escrow Agreement and to the extent any escrow securities are to be purchased thereunder, the Certificate of Award shall designate an independent firm experienced in the preparation of verification reports to verify or certify such escrow securities to be of such maturities and interest payment dates, and to bear such interest, as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient together with any cash deposited with and to be retained in that form by the Escrow Agent, to pay the principal of and interest and any premium on the Refunded Bonds, on their respective maturity or redemption date or dates, as provided in the Escrow Agreement.

The Authorized Officials and any other member, officer or employee of the Authority are each authorized to execute and deliver, on behalf of the Authority, such other certificates, documents and instruments related to the Series 2019D Subordinate Refunding Bonds as are necessary in connection with the transactions authorized in this Resolution, and to do all other things required of them or the Authority pursuant to the Indenture, the Twenty-Sixth Supplemental Indenture, the Bond Purchase Agreement, the Escrow Agreement and this Resolution.

No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future member of the Board or officer, employee or agent of the Authority in his or her individual capacity, and neither the members of the Board nor any officer of the Authority executing the Series 2019D Subordinate Refunding Bonds shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof. No member of the Board or officer, employee, agent or advisor of the Authority shall incur any personal liability with respect to any other action taken by him pursuant to this Resolution or the Indenture or any other document authorized by this Resolution, provided such member, officer, employee, agent or advisor acts in good faith.

Section 7. Official Statement; Continuing Disclosure. The Authorized Officials shall cause to be prepared and issued on behalf of the Authority, an official statement (the "Official Statement") relating to the original issuance of the Series 2019D Subordinate Refunding Bonds and the Series 2019A/B Subordinate Bonds. The Authorized Officials are, and each of them is, authorized to execute the Official Statement on behalf of the Authority, which shall be in substantially the form of the Official Statement submitted to the Authority at this meeting, with such changes as the Authorized Official who executes it may approve, the execution thereof on behalf of the Authority by an Authorized Official to be conclusive evidence of such authorization and approval (including approval of any such changes), and copies thereof are hereby authorized to be prepared and furnished to the Series 2019D Original Purchasers for distribution to prospective purchasers of the Series 2019D Subordinate Refunding Bonds, the Series 2019A/B Original Purchasers for distribution to prospective purchasers of the Series 2019A/B Subordinate Refunding Bonds and other interested persons. The preliminary Official Statement, shall be "deemed substantially final" by the Authority within the meaning of Rule 15c2-12 of the Securities Exchange Commission, subject to completion as provided below.

The distribution by the Authority and by the Series 2019D Original Purchasers and the Series 2019A/B Original Purchasers of the preliminary Official Statement and the Official Statement, in such form and with any changes as may be approved in writing by an Authorized Official, is hereby authorized and approved.

The Authority shall make sufficient copies of the Official Statement, with any supplements, available to the Series 2019D Original Purchasers to sell book entry interests in the Series 2019D Subordinate Refunding Bonds, the Series 2019A/B Original Purchasers to sell book entry interests in the Series 2019A/B Subordinate Refunding Bonds and will provide copies as appropriate to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website at www.emma.msrb.org.

The Authorized Officials are each hereby authorized to furnish such information, to execute such instruments and to take such other action in cooperation with the Series 2019D Original Purchasers as may be reasonably requested to qualify the Series 2019D Subordinate Refunding Bonds for offer and sale under the Blue Sky or other securities laws and regulations and to determine their eligibility for investment under the laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the Series 2019D Original Purchasers; provided, however, that the Authority shall not be required to register as a dealer or broker in any such state or jurisdiction or become subject to the service of process in any jurisdiction in which the Authority is not now subject to such service.

In addition to the information authorized pursuant to Resolution 19-49 with respect to the Series 2019A/B Original Purchasers and the Series 2019A/B Subordinate Refunding Bonds, the Authorized Officials are each hereby further authorized: (i) to supplement and complete the "deemed substantially final" preliminary Official Statement by affixing thereto or inserting therein information to identify the Series 2019D Original Purchasers and to specify the final principal amount, interest rates and redemption provisions of the Series 2019D Subordinate Refunding Bonds, the price of the Series

2019D Subordinate Refunding Bonds to the general public, any credit enhancement provisions with respect to the Series 2019D Subordinate Refunding Bonds and any change in ratings of the Series 2019D Subordinate Refunding Bonds resulting from such credit enhancement, and such other information as is necessary to supplement and complete the Official Statement with the approved and agreed upon terms of Series 2019D Subordinate Refunding Bonds, and (ii) to make such other changes to the preliminary Official Statement or the Official Statement as are, in the judgment of an Authorized Official, necessary and appropriate in order to make the preliminary Official Statement or the Official Statement not materially misleading and to comply with applicable securities laws or otherwise to enable the Authority to fulfill its obligations regarding the preliminary Official Statement or the Official Statement under the Bond Purchase Agreement.

The Authority hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Resolution or the Indenture, failure of the Authority to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, any Holder of Series 2019D Subordinate Refunding Bonds may, and the Trustee may (and, at the request of the Holders of at least 25% in aggregate principal amount of Outstanding Series 2019D Subordinate Refunding Bonds, shall) take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Authority to comply with its obligations under this paragraph. The Authorized Officials are, and each of them is, hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement in substantially the form submitted to the Authority at or prior to this meeting with such changes therein as may be approved by the officer executing the Continuing Disclosure Agreement. The approval of those changes shall be conclusively evidenced by the execution of the Continuing Disclosure Agreement by an Authorized Official.

Section 8. General. The appropriate officers and employees of the Authority will do all things necessary and proper to implement and carry out the orders and agreements set forth or approved in this Resolution for the proper fulfillment of the purposes thereof. The Authority shall furnish to the Series 2019D Original Purchasers of the Series 2019D Subordinate Refunding Bonds a true and certified transcript of all proceedings relating to the authorization and issuance of the Series 2019D Subordinate Refunding Bonds along with other information as is necessary or proper with respect to the Series 2019D Subordinate Refunding Bonds.

Section 9. Multiple Series. Notwithstanding anything herein to the contrary, the Series 2019D Subordinate Refunding Bonds may be issued in one or more separate series or subseries, each bearing a distinctive designation, provided that the Series 2019D Subordinate Refunding Bonds of all series in the aggregate, must satisfy the requirements and comply with the restrictions of this Resolution and the Indenture. Separate series and subseries of Series 2019D Subordinate Refunding Bonds may be issued at the same or different times and so may have different dates of issuance. The Series 2019D Subordinate Refunding Bonds of each series and subseries shall be designated as provided in the applicable Certificate of Award. A separate Certificate of

Award may be delivered for each series or subseries, and each reference in this Resolution to the Certificate of Award shall refer to each and all such Certificates of Award. A separate Supplemental Trust Indenture may be entered into for each series or subseries, and each reference in this Resolution to the Twenty-Sixth Supplemental Indenture shall refer to each and all such Supplemental Trust Indentures, but any Supplemental Trust Indenture subsequent to the Twenty-Sixth Supplemental Indenture shall bear a different designation. A separate Bond Purchase Agreement and Continuing Disclosure Agreement may be entered into for each series or subseries, and each reference in this Resolution to the Bond Purchase Agreement or to the Continuing Disclosure Agreement shall refer to each and all such Bond Purchase Agreements or Continuing Disclosure Agreements, respectively. A separate Official Statement may be prepared for each series or subseries, and each reference in this Resolution to the Official Statement shall refer to each and all such Official Statements.

Section 10. Amendment of Resolution 19-49. Nothing in this Resolution shall diminish the authorization granted in Resolution #19-49. The Board has determined that Resolution #19-49 should be amended to indicate that the term "Official Statement" used and defined therein refers to the official statement relating to the original issuance of the Series 2019D Subordinate Refunding Bonds and the Series 2019A/B Subordinate Bonds, which shall be in substantially the form of the Official Statement submitted to the Authority at this meeting, with such changes as the Authorized Official who executes it may approve, the execution thereof on behalf of the Authority by an Authorized Official to be conclusive evidence of such authorization and approval (including approval of any such changes). Notwithstanding anything herein to the contrary, separate Official Statements may be prepared for Series 2019D Subordinate Refunding Bonds and the Series 2019A/B Subordinate Bonds, and, in such event, each reference in this Resolution to the Official Statement shall refer to the Official Statement for the Series 2019D Subordinate Refunding Bonds and the references in Resolution #19-49 to the Official Statement shall refer to the Official Statement for the Series 2019A/B Subordinate Bonds.

This Resolution is effective immediately.

Secretary to the Board of Directors

DRAFT
09-19-19

TWENTY-SIXTH SUPPLEMENTAL INDENTURE OF TRUST

between

**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

and

**WELLS FARGO BANK, NATIONAL ASSOCIATION
AS TRUSTEE**

Dated November [___], 2019

THIS TWENTY-SIXTH SUPPLEMENTAL INDENTURE OF TRUST dated the ____ day of November, 2019 (as defined in more detail below, the “**Twenty-Sixth Supplemental Indenture**”), by and between the District of Columbia Water and Sewer Authority (the “**Authority**”), an independent authority of the District of Columbia (the “**District**”), and Wells Fargo Bank, National Association, a national banking association, having a corporate trust office in Philadelphia, Pennsylvania, as trustee (in such capacity, together with any successor in such capacity, herein called the “**Trustee**”), provides:

WHEREAS, the Authority and the Trustee (its predecessor in that capacity having been Norwest Bank, N.A.) entered into the Master Indenture of Trust, dated as of April 1, 1998 (the “**Master Indenture**” and, as previously supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, the Twelfth Supplemental Indenture, the Thirteenth Supplemental Indenture, the Fourteenth Supplemental Indenture, the Fifteenth Supplemental Indenture, the Sixteenth Supplemental Indenture, the Seventeenth Supplemental Indenture, the Eighteenth Supplemental Indenture, the Nineteenth Supplemental Indenture, the Twentieth Supplemental Indenture, the Twenty-First Supplemental Indenture, the Twenty-Second Supplemental Indenture, the Twenty-Third Supplemental Indenture, the Twenty-Fourth Supplemental Indenture and the Twenty-Fifth Supplemental Indenture all as hereinafter defined, and as it may further be supplemented and amended in accordance with its terms, the “**Indenture**”), to provide for financing or refinancing the acquisition, construction, operation, maintenance and extension of the System (as defined in the Master Indenture) by the issuance of bonds, notes and other obligations payable solely from Net Revenues (as defined in the Master Indenture); and

WHEREAS, pursuant to the First Supplemental Indenture of Trust, dated as of April 1, 1998 (the “**First Supplemental Indenture**”), between the Authority and the Trustee, the Authority issued its Public Utility Revenue Bonds, Series 1998 (the “**Series 1998 Senior Lien Bonds**”) in the aggregate principal amount of \$266,120,000 to finance Costs of the System (as defined in the Master Indenture) and to refund then outstanding debt of the Authority; and

WHEREAS, the Master Indenture permits the Authority, for certain purposes and subject to certain conditions, to issue Other System Indebtedness (as defined therein) secured on a parity with the Series 1998 Senior Lien Bonds and referred to collectively with the Series 1998 Senior Lien Bonds as “**Senior Debt**,” and also permits the Authority to issue Subordinate Debt (as defined therein), to which it has pledged to its payment Net Revenues as a subordinate lien pledge after the pledge of Net Revenues to Senior Debt; and

WHEREAS, pursuant to the Second Supplemental Indenture of Trust, dated as of November 1, 2001 (the “**Second Supplemental Indenture**”), between the Authority and the Trustee, the Authority amended and supplemented the Master Indenture in accordance with its terms to clarify provisions thereof related to certain forms of Indebtedness (as defined in the Master Indenture, i.e., Senior Debt and Subordinate Debt) and thereby facilitate the issuance of such forms of Indebtedness; and

WHEREAS, pursuant to the Third Supplemental Indenture of Trust, dated as of November 1, 2001 (the “**Third Supplemental Indenture**”), between the Authority and the Trustee, the Authority (i) issued its Commercial Paper Notes defined therein as the Series A-B Notes, (ii) designated the Series A-B Notes as Subordinate Debt for purposes of the Indenture, and (iii) made provision for the securing of the Series A-B Notes and of the Reimbursement Obligations to the Bank that provided the Letters of Credit (all as defined therein) that secure the Series A-B Notes; and

WHEREAS, pursuant to the Fourth Supplemental Indenture of Trust, dated August 12, 2003: (the “**Fourth Supplemental Indenture**”), between the Authority and the Trustee, the Authority (i) issued its Public Utility Subordinated Lien Revenue Bonds, Series 2003, dated August 12, 2003 (the “**Series 2003 Subordinated Bonds**”), in the aggregate principal amount of \$176,220,000 to finance certain Costs of the System and retire Series A-B Notes, (ii) designated the Series 2003 Subordinated Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2003 Subordinated Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Fifth Supplemental Indenture of Trust, dated August 3, 2004 (the “**Fifth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinated Lien Revenue Bonds, Series 2004, as Subseries 2004A-1, Subseries 2004A-2, Subseries 2004B-1 and Subseries B-2 (collectively, the “**Series 2004 Subordinated Bonds**”) in the aggregate principal amount of \$295,000,000 to finance certain Costs of the System, (ii) designated the Series 2004 Subordinated Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2004 Subordinated Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Sixth Supplemental Indenture of Trust, dated June 6, 2007 (the “**Sixth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinated Lien Revenue Bonds, Series 2007A (the “**Series 2007A Subordinated Bonds**”), in the aggregate principal amount of \$218,715,000 to finance certain Costs of the System and retire Series A-B Notes, (ii) designated the Series 2007A Subordinated Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2007A Subordinated Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Seventh Supplemental Indenture of Trust, dated June 6, 2007 (the “**Seventh Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinated Lien Taxable Revenue Bonds, Series 2007B (the “**Series 2007B Subordinated Bonds**”), in the aggregate principal amount of \$59,000,000 to finance certain Costs of the System, (ii) designated the Series 2007B Subordinated Bonds as Subordinate

Debt for purposes of the Indenture, and (iii) secured the Series 2007B Subordinated Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Eighth Supplemental Indenture of Trust, dated April 24, 2008 (the “**Eighth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinated Lien Revenue Refunding Bonds, Series 2008 (the “**Series 2008 Subordinated Bonds**”), in the aggregate principal amount of \$290,375,000 to (a) currently refund all of the outstanding Series 2004 Subordinated Bonds and a portion of the Series 2007B Subordinated Bonds, and (b) pay issuance costs of the Series 2008 Subordinated Bonds, (ii) designated the Series 2008 Subordinated Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2008 Subordinated Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Ninth Supplemental Indenture of Trust, dated December 19, 2008 (the “**Ninth Supplemental Indenture**”), between the Authority and the Trustee, the Authority agreed to confer on the Holders of the Series 2003 Subordinated Bonds additional rights related to the Reserve Credit Facility (as defined therein) and to cure any ambiguity or omission in the Indenture regarding the obligations of the Authority as a consequence of a downgrade of the Reserve Policy related to the Series 2003 Subordinated Bonds, or in the event that the Reserve Policy were to cease to be in effect; and

WHEREAS, pursuant to the Tenth Supplemental Indenture of Trust, dated February 12, 2009 (the “**Tenth Supplemental Indenture**”), between the Authority and the Trustee, the Authority (i) issued its Public Utility Senior Lien Revenue Bonds, Series 2009A (the “**Series 2009A Senior Lien Bonds**”), in the aggregate principal amount of \$300,000,000 to finance certain Costs of the System and retire Series A-B Notes, (ii) designated the Series 2009A Senior Lien Bonds as Senior Debt for purposes of the Indenture, and (iii) secured the Series 2009A Senior Lien Bonds by a pledge of Net Revenues on a parity with the pledge of Net Revenues that secures other Senior Debt, including, without limitation, other Senior Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Eleventh Supplemental Indenture of Trust, dated June 2, 2010, as supplemented and amended by the First Amendment to Eleventh Supplemental Indenture of Trust, dated April 5, 2013, and by the Second Amendment to Eleventh Supplemental Indenture of Trust, dated May 18, 2015 (together, the “**Eleventh Supplemental Indenture**”), each between the Authority and the Trustee, the Authority: (i) authorized the issuance of its (a) Commercial Paper Notes, Series A (the “**2010 Series A Notes**”) in the aggregate principal amount of \$0 to finance certain Costs of the System, (b) Commercial Paper Notes, Series B (the “**2010 Series B Notes**”) in the aggregate principal amount of \$100,000,000 to finance certain Costs of the System, and (c) Commercial Paper Notes, Series C (the “**2010 Series C Notes**”) and, together with the 2010 Series A Notes and the 2010 Series B Note, the “**Series 2010 Notes**”) in the aggregate principal

amount of \$50,000,000 to finance certain Costs of the System, (ii) designated the Series 2010 Notes as Subordinate Debt for purposes of the Indenture, and (iii) made provision for the securing of the Series 2010 Notes and of the Authority's reimbursement obligations to the Bank (as defined in the Eleventh Supplemental Indenture) that provided the Substitute Letters of Credit (as defined in the Eleventh Supplemental Indenture) that secure the Series 2010 Notes; and

WHEREAS, pursuant to the Twelfth Supplemental Indenture of Trust, dated October 27, 2010 (the "**Twelfth Supplemental Indenture**"), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2010A (Federally Taxable – Issuer Subsidy – Build America Bonds) (the "**Series 2010A Subordinated Bonds**") in the aggregate principal amount of \$300,000,000 to finance certain Costs of the System, and fund capitalized interest on a portion of the Series 2010A Subordinate Bonds, subject to specified limitations, (ii) designated the Series 2010A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, (iii) secured the Series 2010A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future, and (iv) included provisions in the Indenture related to potential Direct Payments (as defined therein) received or expected to be received by the Authority, including certain provisions requiring the consent of the holders of a majority of Outstanding Bonds; and

WHEREAS, pursuant to the Thirteenth Supplemental Indenture of Trust, dated March 22, 2012 (the "**Thirteenth Supplemental Indenture**"), between the Authority and the Trustee, the Authority: (A) (i) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2012A (the "**Series 2012A Subordinated Bonds**") in the aggregate principal of \$177,430,000 to finance certain Costs of the System and pay certain costs of issuance, (ii) designated the Series 2012A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2012A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; (B) (i) issued its Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2012B (the "**Series 2012B Subordinated Bonds**") in the aggregate principal amount of \$100,000,000 to finance certain Costs of the System, fund capitalized interest on a portion of the Series 2012B Subordinate Bonds subject to specified limitations, and pay certain costs of issuance, (ii) designated the Series 2012B Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2012B Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and (C) (i) issued its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2012C (the "**Series 2012C Subordinated Bonds**") in the aggregate principal amount of \$163,215,000, and applied the proceeds thereof, together with any other funds of the Authority, to advance refund the Series 2003 Subordinated Bonds and caused them to be deemed paid and no longer Outstanding for purposes of the Indenture, and paid certain costs of issuance, (ii) designated the Series 2012C Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2012C Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues

that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Fourteenth Supplemental Indenture of Trust, dated August 1, 2013 (the “**Fourteenth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2013A (the “**Series 2013A Subordinate Bonds**”) in the aggregate principal amount of \$300,000,000 to finance certain Costs of the System, and pay certain costs of issuance, (ii) designated the Series 2013A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2013A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Fifteenth Supplemental Indenture of Trust, dated July 23, 2014 (the “**Fifteenth Supplemental Indenture**”), between the Authority and the Trustee, the Authority (i) issued its Public Utility Senior Lien Revenue Bonds, Series 2014A (Federally Taxable) (Green Bonds) (the “**Series 2014A Senior Bonds**”) in the aggregate principal amount of \$350,000,000 to finance certain Costs of the System and pay certain costs of issuance, (ii) designated the Series 2014A Senior Lien Bonds as Senior Debt for purposes of the Indenture, and (iii) secured the Series 2014A Senior Lien Bonds by a pledge of Net Revenues on a parity with the pledge of Net Revenues that secures other Senior Debt, including, without limitation, other Senior Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Sixteenth Supplemental Indenture of Trust, dated July 23, 2014 (the “**Sixteenth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2014B (the “**Series 2014B Subordinate Bonds**”) in the aggregate principal amount of \$100,000,000 to finance certain Costs of the System and pay certain costs of issuance, (ii) designated the Series 2014B Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2014B Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Seventeenth Supplemental Indenture of Trust, dated November 20, 2014 (the “**Seventeenth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2014C (the “**Series 2014C Subordinate Bonds**”) in the aggregate principal amount of \$377,700,000 to (a) advance refund all or a portion of the Authority’s outstanding Series 2007A Subordinated Bonds, the Series 2008A Subordinated Bonds, and the Series 2009A Senior Lien Bonds, and current refund all of the Authority’s outstanding Subseries 2012B-1 of the Series 2012 Subordinate Bonds, and (b) pay issuance costs of the Series 2014C Subordinate Bonds, (ii) designated the Series 2014C Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2014C Subordinate Bonds by a pledge of Net Revenues subordinate to

the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Eighteenth Supplemental Indenture of Trust, dated October 15, 2015 (the “**Eighteenth Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2015A (the “**Series 2015A Subordinate Bonds**”) in the aggregate principal amount of \$100,000,000 to (a) finance certain Costs of the System, and (b) pay issuance costs of the Series 2015A Subordinate Bonds, (ii) designated the Series 2015A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, (iii) secured the Series 2015A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future, (iv) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2015B (the “**Series 2015B Subordinate Bonds**”) and, together with the Series 2015A Subordinate Bonds, the “**Series 2015A/B Subordinate Bonds**”) in an aggregate principal amount of \$250,000,000 to (a) finance certain Costs of the System, and (b) pay issuance costs of the Series 2015B Subordinate Bonds, (v) designated the Series 2015B Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (vi) secured the Series 2015B Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Nineteenth Supplemental Indenture of Trust, dated December 1, 2015 (the “**Nineteenth Supplemental Indenture**”) between the Trustee and the Authority, the Authority authorized (i) the issuance of its Extendable Municipal Commercial Paper Notes, Series A (the “**Series A EMCP Notes**”) in the aggregate principal amount of not to exceed \$100,000,000 outstanding at any time to finance certain Costs of the System, (ii) designated the Series A EMCP Notes as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series A EMCP Notes by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Twentieth Supplemental Indenture of Trust, dated February 24, 2016 (the “**Twentieth Supplemental Indenture**”) between the Trustee and the Authority, the Authority (i) issued its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2016A (the “**Series 2016A Subordinate Bonds**”) in the aggregate principal amount of \$389,110,000 to (a) refund all or a portion of the Authority’s outstanding Series 2007A Subordinated Bonds, Series 2008A Subordinated Bonds, and Series 2009A Senior Lien Bonds, and (b) pay issuance costs of the Series 2016A Subordinate Bonds, (ii) designated the Series 2016A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2016A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other

Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Twenty-First Supplemental Indenture of Trust, dated September 29, 2016 (the “**Twenty-First Supplemental Indenture**”) between the Trustee and the Authority, the Authority (i) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2016B (Environmental Impact Bonds) (the “**Series 2016B Subordinate Bonds**”) in the aggregate principal amount of \$25,000,000 to (a) finance certain Costs of the System (specifically, a portion of the costs of the Authority’s DC Clean Rivers Project); and (b) pay certain costs of issuance, (ii) designated the Series 2016B Subordinate Bonds as Subordinate Debt, as Variable Rate Indebtedness and as Tender Indebtedness for purposes of the Indenture, and (iii) secured the Series 2016B Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Twenty-Second Supplemental Indenture of Trust, dated February 23, 2017 (the “**Twenty-Second Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Senior Lien Revenue Bonds, Series 2017A (the “**Series 2017A Senior Lien Bonds**”) in the aggregate principal amount of \$100,000,000 to (a) finance certain Costs of the System (specifically, a portion of the costs of the Authority’s DC Clean Rivers Project), and (b) pay issuance costs of the Series 2017A Senior Lien Bonds, (ii) designated the Series 2017A Senior Lien Bonds as Senior Debt for purposes of the Indenture, (iii) secured the Series 2017A Senior Lien Bonds by a pledge of Net Revenues on a parity with the pledge of Net Revenues that secures other Senior Debt, including, without limitation, other Senior Debt that the Authority may issue from time to time in the future, (iv) issued its Public Utility Senior Lien Revenue Bonds, Series 2017B (the “**Series 2017B Senior Lien Bonds**” and, together with the Series 2017A Senior Lien Bonds, the “**Series 2017A/B Senior Lien Bonds**”) in an aggregate principal amount of \$200,000,000 to (a) finance certain Costs of the System, and (b) pay issuance costs of the Series 2017B Senior Lien Bonds, (v) designated the Series 2017B Senior Lien Bonds as Senior Debt for purposes of the Indenture, and (vi) secured the Series 2017B Senior Lien Bonds by a pledge of Net Revenues on a parity with the pledge of Net Revenues that secures other Senior Debt, including, without limitation, other Senior Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Twenty-Third Supplemental Indenture of Trust, dated April 30, 2018 (the “**Twenty-Third Supplemental Indenture**”), between the Authority and the Trustee, the Authority: (i) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2018A (the “**Series 2018A Senior Lien Bonds**”) in the aggregate principal amount of \$100,000,000 to (a) finance certain Costs of the System (specifically, a portion of the costs of the Authority’s DC Clean Rivers Project), and (b) pay issuance costs of the Series 2018A Senior Lien Bonds, (ii) designated the Series 2018A Senior Lien Bonds as Senior Debt for purposes of the Indenture, (iii) secured the Series 2018A Senior Lien Bonds by a pledge of Net Revenues on a parity with the pledge of Net Revenues that secures other Senior Debt, including, without limitation, other Senior Debt that the Authority may issue from time to time in the future, (iv) issued its Public Utility Senior Lien Revenue Bonds, Series 2018B (the “**Series 2018B Senior Lien Bonds**” and, together with the

Series 2018A Senior Lien Bonds, the “**Series 2018A/B Senior Lien Bonds**”) in an aggregate principal amount of \$200,000,000 to (a) finance certain Costs of the System, (b) pay issuance costs of the Series 2018B Senior Lien Bonds and (c) refund all of the Authority’s then outstanding Commercial Paper Notes, Series B, (v) designated the Series 2018B Senior Lien Bonds as Senior Debt for purposes of the Indenture, and (vi) secured the Series 2018B Senior Lien Bonds by a pledge of Net Revenues on a parity with the pledge of Net Revenues that secures other Senior Debt, including, without limitation, other Senior Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Twenty-Fourth Supplemental Indenture of Trust, dated November __, 2019 (the “Twenty-Fourth Supplemental Indenture”), between the Authority and the Trustee, the Authority: (i)(a) issued its Public Utility Subordinate Lien Revenue Bonds, Series 2019A (Green Bonds) (the “**Series 2019A Subordinate Bonds**”) in the aggregate principal amount of \$[_____] to (1) finance certain Costs of the System (specifically, a portion of the costs of the Authority’s DC Clean Rivers Project), and (2) pay issuance costs of the Series 2019A Subordinate Bonds, (b) designated the Series 2019A Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2019A Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future, and (ii)(a) issued its Public Utility Subordinate Revenue Bonds, Series 2019B (the “**Series 2019B Subordinate Bonds**”) and, together with the Series 2019A Subordinate Bonds, the “**Series 2019A/B Subordinate Bonds**”) in an aggregate principal amount of \$[_____] to (1) finance certain Costs of the System, and (2) pay issuance costs of the Series 2019B Subordinate Bonds, (b) designated the Series 2019B Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2019B Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, pursuant to the Twenty-Fifth Supplemental Indenture of Trust, dated November __, 2019 (the “Twenty-Fifth Supplemental Indenture”), between the Authority and the Trustee, the Authority: (a) issued its Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2019C (the “**Series 2019C Subordinate Bonds**”) in the aggregate principal amount of \$[_____] to (1) finance certain Costs of the System, and (2) pay issuance costs of the Series 2019C Subordinate Bonds, (b) designated the Series 2019C Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secured the Series 2019C Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

WHEREAS, the Authority now intends to: (i) issue Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2019D (Federally Taxable) (the “**Series 2019D Subordinate Bonds**”) in the aggregate principal amount of \$[_____] to (a) refund all or a portion of the Authority’s outstanding Series 2013A Subordinated Bonds (the “**Refunded Bonds**”), and (b)

pay issuance costs of the Series 2019D Subordinate Bonds, (ii) designate the Series 2019D Subordinate Bonds as Subordinate Debt for purposes of the Indenture, and (iii) secure the Series 2019D Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter contained, the parties hereto agree, as follows:

**ARTICLE I
TWENTY-SIXTH SUPPLEMENTAL INDENTURE**

Section 101. Authorization of Twenty-Sixth Supplemental Indenture.

This Twenty-Sixth Supplemental Indenture is authorized and executed by the Authority and delivered to the Trustee pursuant to and in accordance with Articles III and X of the Master Indenture. All terms, covenants, conditions and agreements of the Indenture shall apply with full force and effect to the Series 2019D Subordinate Bonds as Subordinate Debt and to the Holders thereof as Holders of Subordinate Debt, except as otherwise provided in this Twenty-Sixth Supplemental Indenture.

Section 102. Definitions.

Except as otherwise defined in this Twenty-Sixth Supplemental Indenture, capitalized words and terms defined in the Master Indenture as amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, the Twelfth Supplemental Indenture, the Thirteenth Supplemental Indenture, the Fourteenth Supplemental Indenture, the Fifteenth Supplemental Indenture, the Sixteenth Supplemental Indenture, the Seventeenth Supplemental Indenture, the Eighteenth Supplemental Indenture, the Nineteenth Supplemental Indenture, the Twentieth Supplemental Indenture, the Twenty-First Supplemental Indenture, the Twenty-Second Supplemental Indenture, the Twenty-Third Supplemental Indenture, the Twenty-Fourth Supplemental Indenture and the Twenty-Fifth Supplemental Indenture are used in this Twenty-Sixth Supplemental Indenture with the meanings assigned to them therein. In addition, the following words as used in this Twenty-Sixth Supplemental Indenture have the following meanings unless the context or use clearly indicates another or different intent or meaning:

“Book-entry form” or “book-entry system” means a form or system under which the physical Series 2019D Subordinate Bond certificates in fully registered form are issued only to a Depository or its nominee as Holder, with the certificated Series 2019D Subordinate Bonds held by and “immobilized” in the custody of the Depository, and the book-entry system, maintained by and the responsibility of the Depository and not maintained by or the responsibility of the

Authority or the Trustee, is the record that identifies, and records the transfer of the interests of, the owners of beneficial, book-entry interests in the Series 2019D Subordinate Bonds.

“Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of book-entry interests in Series 2019D Subordinate Bonds, and to effect transfers of book-entry interests in Series 2019D Subordinate Bonds, and includes and means initially The Depository Trust Company (a limited purpose trust company) (“DTC”), New York, New York.

“Interest Payment Dates” for the Series 2019D Subordinate Bonds means each April 1 and October 1 commencing [April 1, 2020], and thereafter during the time the Series 2019D Subordinate Bonds are outstanding.

“Series 2019D Construction Account” means the Series 2019D Construction Account established by this the Twenty-Sixth Supplemental Indenture in the Construction Fund.

“Series 2019D Costs of Issuance Subaccount” means the Series 2019D Costs of Issuance Subaccount established by this Twenty-Sixth Supplemental Indenture in the Series 2019D Construction Account of the Construction Fund.

“Series 2019D Escrow Account” means the Series 2019D Escrow Account established by this Twenty-Sixth Supplemental Indenture.

“Series 2019D Resolution” means Resolution No. 19-[___] adopted by the Authority’s Board on September 27, 2019, respectively, authorizing the Series 2019D Subordinate Bonds.

“Series 2019D Subordinate Bond Event of Default” means any of the events defined as such in Section 703 of this Twenty-Sixth Supplemental Indenture.

“Series 2019D Subordinate Bondholder” or “holder of Series 2019D Subordinate Bonds” means the registered owner of a Series 2019D Subordinate Bond.

“Series 2019D Subordinate Bonds Interest Subaccount” means the Series 2019D Subordinate Bonds Interest Subaccount established by this Twenty-Sixth Supplemental Indenture in the Subordinate Interest Account in the Subordinate Bond Fund.

“Series 2019D Subordinate Bonds Principal Subaccount” means the Series 2019D Subordinate Bonds Principal Subaccount established by this Twenty-Sixth Supplemental Indenture in the Subordinate Principal Account in the Subordinate Bond Fund.

“Series 2019D Subordinate Debt Service Reserve Requirement” means zero.

“Twenty-Sixth Supplemental Indenture” means this Twenty-Sixth Supplemental Indenture of Trust, dated November [___], 2019, between the Authority and the Trustee, which supplements and amends the Master Indenture, as previously supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth

Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, the Twelfth Supplemental Indenture, the Thirteenth Supplemental Indenture, the Fourteenth Supplemental Indenture, the Fifteenth Supplemental Indenture, the Sixteenth Supplemental Indenture, the Seventeenth Supplemental Indenture, the Eighteenth Supplemental Indenture, the Nineteenth Supplemental Indenture, the Twentieth Supplemental Indenture, the Twenty-First Supplemental Indenture, the Twenty-Second Supplemental Indenture, the Twenty-Third Supplemental Indenture, the Twenty-Fourth Supplemental Indenture and the Twenty-Fifth Supplemental Indenture.

Section 103. Reference to Articles and Sections.

Unless otherwise indicated, all references herein to particular articles or sections are references to articles or sections of this Twenty-Sixth Supplemental Indenture.

**ARTICLE II
AUTHORIZATION, DETAILS AND FORM
OF SERIES 2019D SUBORDINATE BONDS**

Section 201. Authorization of Series 2019D Subordinate Bonds.

Pursuant to Article III of the Master Indenture and, specifically, Section 305 thereof, and the Series 2019D Resolution, the Authority is authorized to issue the Series 2019D Subordinate Bonds in the aggregate principal amount of \$[000,000,000] for the purpose of: (i) refunding all or a portion of the Series 2013A Subordinated Bonds and (ii) paying issuance costs of the Series 2019D Subordinate Bonds. The Series 2019D Subordinate Bonds shall be issued as Subordinate Debt pursuant to the Indenture.

Section 202. Details of Series 2019D Subordinate Bonds.

The Series 2019D Subordinate Bonds shall be designated “Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2019D (Federally Taxable),” shall be dated November [___], 2019, shall be issuable only as fully registered bonds in denominations of \$5,000 and multiples thereof, shall be numbered R-1 upward and shall bear interest at rates, payable semiannually on the Interest Payment Dates, until their final payment or maturity, and shall mature on October 1 in years and amounts, as follows:

Due (Oct. 1)	Principal Amount	Interest Rate
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Each Series 2019D Subordinate Bond shall bear interest: (a) from its date, if such Series 2019D Subordinate Bond is authenticated prior to the first Interest Payment Date, or (b) otherwise from the Interest Payment Date that is, or immediately precedes, the date on which such Series 2019D Subordinate Bond is authenticated; provided, however, that if at the time of authentication of any Series 2019D Subordinate Bond payment of interest is in default, such Series 2019D Subordinate Bond shall bear interest from the date to which interest has been paid. The interest payable on the Series 2019D Subordinate Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

Principal of and premium, if any, on the Series 2019D Subordinate Bonds shall be payable to the registered owners thereof upon the surrender of the applicable Series 2019D Subordinate Bonds at the designated office of the Trustee. Interest on the Series 2019D Subordinate Bonds shall be payable by check or draft mailed to the registered owners at their addresses as they appear on the fifteenth day of the month preceding the Interest Payment Date on the registration books kept by the Trustee; provided, however, if the Series 2019D Subordinate Bonds are registered in the name of a Depository or its nominee as registered owner or at the option of a registered owner of at least \$1,000,000 of Series 2019D Subordinate Bonds, payment shall be made by wire transfer to an account within the United States pursuant to the wire instructions received by the Trustee with respect to each such payment from such registered owner. Principal, premium, if any, and interest shall be payable in lawful money of the United States of America.

Section 203. Form of Bonds.

The Series 2019D Subordinate Bonds shall be in substantially the form set forth in **Exhibit A**, with such appropriate variations, omissions and insertions as are permitted or required by the Indenture.

Section 204. Depository Provisions.

The Series 2019D Subordinate Bonds shall initially be issued to a Depository for holding in a book-entry system. Those Series 2019D Subordinate Bonds shall be registered in the name of the Depository or its nominee, as registered owner, and immobilized in the custody of the Depository or the Trustee on behalf of the Depository; and shall not be transferable or

exchangeable, except for transfer to another Depository or to another nominee of a Depository, without further action by the Authority.

If any Depository determines not to continue to act as a Depository for the Series 2019D Subordinate Bonds for holding in a book-entry system or the Authority determines to remove the Series 2019D Subordinate Bonds from a Depository, the Authority may attempt to have established a securities depository/book-entry system relationship with another qualified Depository. If the Authority does not or is unable to do so, the Authority, after making provision for notification of the owners of book-entry interests by appropriate notice to the then Depository and any other arrangements it deems necessary, shall permit withdrawal of the Series 2019D Subordinate Bonds from the Depository, and shall execute and direct the Trustee to authenticate and deliver Series 2019D Subordinate Bond certificates, in fully registered form, to the assigns of the Depository or its nominee (if such Series 2019D Subordinate Bonds were held by a nominee), all at the cost and expense (including costs of printing or otherwise preparing and delivering replacement Series 2019D Subordinate Bonds), if the event is not the result of Authority action or inaction, of those persons requesting that authentication and delivery. Series 2019D Subordinate Bond certificates authenticated and delivered pursuant to this paragraph shall be in authorized denominations. In the event that Series 2019D Subordinate Bonds shall cease to be in book-entry form, then the Authority or the Depository shall provide to the Trustee the name, address of record and taxpayer identification number of each registered holder thereof. The Trustee may rely on such information without any investigation.

If the Series 2019D Subordinate Bonds are withdrawn from a Depository and printed bond certificates in fully registered form are or are to be authenticated and delivered pursuant to this Section, and if the Authority, without the consent of or notice to any of the holders of the Series 2019D Subordinate Bonds, may authorize the exchange of Series 2019D Subordinate Bond certificates in fully registered form or Series 2019D Subordinate Bonds under a book-entry system for coupon bonds payable to bearer, in an aggregate principal amount not exceeding the then unmatured and unredeemed principal amount of the Series 2019D Subordinate Bonds, bearing interest at the same rate and maturing on the same date, with coupons attached representing all unpaid interest due or to become due thereon. Such certificated Series 2019D Subordinate Bonds will be registrable, transferable and exchangeable as set forth in Section 204 and Section 205 of the Master Indenture.

So long as a Depository holds the Series 2019D Subordinate Bonds in a book-entry system (A) it or its nominee shall be the registered owner of the Series 2019D Subordinate Bonds, (B) notwithstanding anything to the contrary in this Twenty-Sixth Supplemental Indenture, determinations of persons entitled to payment of principal, premium, if any, and interest, transfers of ownership and exchanges and receipt of notices shall be the responsibility of the Depository and shall be effected pursuant to rules and procedures established by such Depository, (C) the Authority and the Trustee shall not be responsible or liable for maintaining, supervising or reviewing the records maintained by the Depository, its participants or persons acting through such participants, and (D) references in this Twenty-Sixth Supplemental Indenture to registered owners of the Series 2019D Subordinate Bonds shall mean such Depository or its nominee and shall not mean the beneficial owners of the Series 2019D Subordinate Bonds.

Section 205. Delivery of Series 2019D Subordinate Bonds.

The Trustee shall authenticate and deliver the Series 2019D Subordinate Bonds when there have been filed with or delivered to it the following items:

- (a) An original executed counterpart of this Twenty-Sixth Supplemental Indenture;
- (b) A certified copy of applicable resolution(s) of the Board of Directors of the Authority and related Certificate of Award: (i) authorizing the execution and delivery of the Twenty-Sixth Supplemental Indenture, and (ii) authorizing the issuance, sale, award, execution and delivery of the Series 2019D Subordinate Bonds.
- (c) A certificate signed by an Authorized Representative of the Authority and dated the date of such issuance, to the effect that:
 - (1) Either: (A) upon and immediately following such issuance, no Event of Default has occurred which has not been cured or waived, and no event or condition exists which, with the giving of notice or lapse of time or both, would become an Event of Default, or (B) if any such event or condition is happening or existing, specifying such event or condition, stating that the Authority will act with due diligence to correct such event or condition after the issuance of the Series 2019D Subordinate Bonds, and describing in reasonable detail the actions to be taken by the Authority toward such correction; and
 - (2) All required approvals, limitations, conditions and provisions precedent to the issuance of the Series 2019D Subordinate Bonds have been obtained, observed, met and satisfied.
- (d) An Opinion or Opinions of Counsel, subject to customary exceptions and qualifications, substantially to the effect that this Twenty-Sixth Supplemental Indenture has been duly authorized, executed and delivered to the Trustee, is a valid, binding and enforceable obligation of the Authority, and complies in all respects with the requirements of the Indenture.
- (e) An opinion or opinions of Bond Counsel, subject to customary exceptions and qualifications, substantially to the effect that the issuance of the Series 2019D Subordinate Bonds has been duly authorized, that the Series 2019D Subordinate Bonds are valid and binding limited obligations of the Authority, and that the interest on the Series 2019D Subordinate Bonds is excludable from gross income for purposes of District of Columbia income taxation.
- (f) A certificate of an Authorized Representative of the Authority, stating that rates, fees and charges are in effect or scheduled to go into effect to meet the Rate Covenant immediately after the issuance of the Series 2019D Subordinate Bonds.
- (g) A request and authorization of the Authority, signed by an Authorized Representative of the Authority, to the Trustee to authenticate and deliver such Bonds to the purchaser upon payment to the Trustee in immediately available funds for the account of the Authority of a specified sum plus accrued interest to the date of delivery.

**ARTICLE III
REDEMPTION OF SERIES 2019D SUBORDINATE BONDS**

Section 301. Redemption Dates and Prices.

The Series 2019D Subordinate Bonds may not be called for redemption by the Authority except as provided below:

(a) Make-Whole Optional Redemption.

[The Series 2019D Subordinate Bonds are subject to redemption prior to their stated maturities, at the option of the Authority, on any date from any source of available funds, as a whole or in part, at a redemption price equal to the principal amount thereof plus the Make-Whole Premium (as defined in this Section 301(a)), if any, plus accrued interest to the date fixed for redemption. For purposes of this Section 301(a), the following terms have the meaning ascribed to them below:

“Make-Whole Premium” means, with respect to any Series 2019D Subordinate Bond to be redeemed, an amount calculated by a Designated Institution (as defined in this Section 301(a)) equal to the positive difference, if any, between:

(1) the sum of the present values, calculated as of the date fixed for redemption of:

(a) each interest payment that, but for the redemption, would have been payable on the Series 2019D Subordinate Bond or a portion thereof being redeemed on each regularly scheduled Interest Payment Date occurring after the date fixed for redemption through the maturity date of such Series 2019D Subordinate Bond (excluding any accrued interest for the period prior to the date fixed for redemption); provided that if the date fixed for redemption is not a regularly scheduled Interest Payment Date with respect to such Series 2019D Subordinate Bond, the amount of the next regularly scheduled interest payment will be reduced by the amount of interest accrued on such Series 2019D Subordinate Bond to the date fixed for redemption; plus

(b) the principal amount that, but for such redemption, would have been payable on the maturity date of the Series 2019D Subordinate Bond or portion thereof being redeemed; minus

(2) the principal amount of the Series 2019D Subordinate Bonds or portion thereof being redeemed.

The present values of the interest and principal payments referred to in (1) above will be determined by discounting the amount of each such interest and principal payment from the date that each such payment would have been payable but for the redemption to the date fixed for redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at a discount rate equal to the Comparable Treasury Yield (as defined in this Section 301(a)), plus 30 basis points.

“Comparable Treasury Yield” means the yield appearing in the most recently published statistical release designated “H.15(519) Selected Interest Rates” under the heading “Treasury Constant Maturities,” or any successor publication selected by the Designated Banking Institution that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded United States Treasury securities adjusted to constant maturity, for the maturity corresponding to the remaining term to maturity of the Series 2019D Subordinate Bond being redeemed. The Comparable Treasury Yield shall be determined at least two business days but not more than 45 calendar days preceding the applicable date fixed for redemption. If the H.15(519) statistical release sets forth a weekly average yield for United States Treasury securities that have a constant maturity that is the same as the remaining term to maturity of the Series 2019D Subordinate Bond being redeemed, then the Comparable Treasury Yield will be equal to such weekly average yield. In all other cases, the Comparable Treasury Yield will be calculated by interpolation on a straight-line basis, between the weekly average yields on the United States Treasury securities that have a constant maturity (i) closest to and greater than the remaining term to maturity of the Series 2019D Subordinate Bond being redeemed; and (ii) closest to and less than the remaining term to maturity of the Series 2019D Subordinate Bond being redeemed. Any weekly average yields calculated by interpolation will be rounded to the nearest 1/100th of 1%, with any figure of 1/200th of 1% or above being rounded upward. If, and only if, weekly average yields for United States Treasury securities for the preceding week are not available in the H.15(519) statistical release or any successor publication, then the Comparable Treasury Yield will be the rate of interest per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Price (each as defined in this Section 301(a)) as of the date fixed for redemption.

“Comparable Treasury Issue” means the United States Treasury selected by the Designated Banking Institution as having a maturity comparable to the remaining term to maturity of the Series 2019D Subordinate Bond being redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term to maturity of the Series 2019D Subordinate Bond being redeemed.

“Designated Banking Institution” means an investment banking institution of national standing which is a primary United States government securities dealer in the City of New York designated by the Authority (which may be one of the underwriters of the Series 2019D Subordinate Bonds).

“Comparable Treasury Price” means, with respect to any date on which a Series 2019D Subordinate Bond or portion thereof is being redeemed, either (a) the average of five Reference Treasury Dealer (as defined in this Section 301(a)) quotations for the date fixed for redemption, after excluding the highest and lowest such quotations, and (b) if the Designated Banking Institution is unable to obtain five such quotations, the average of the quotations that are obtained. The quotations will be the average, as determined by the Designated Banking Institution, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of principal amount) quoted in writing to the Designated Banking Institution, at 2:00 p.m. New York City time on a business day at least two business days but no more than 45 calendar days preceding the applicable date fixed for redemption.

“Reference Treasury Dealer” means a primary United States Government securities dealer in the United States appointed by the Authority and reasonably acceptable to the Designated Banking Institution (which may be one of the underwriters of the Series 2019D Subordinate Bonds).]

(b) Mandatory Redemption.

The Series 2019D Subordinate Bonds bearing interest at a rate of ___%, and maturing on _____ 1, 20__ (the “___ Term Series 2019D Subordinate Bonds”), are required to be redeemed prior to maturity on October 1 in years and amounts upon payment of 100% of the principal amount thereof plus interest accrued to the redemption date, as follows:

<u>Year</u>	<u>Amount</u>
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* Final Maturity

The Trustee shall provide for a mandatory redemption of the Series 2019D Subordinate Term Bonds in accordance with the schedules set forth above; provided, however, that on or before the 70th day next preceding any such mandatory redemption date, the Authority may:

(1) deliver to the Trustee for cancellation Series 2019D Subordinate Term Bonds of the maturity required to be redeemed on such mandatory redemption date in any aggregate principal amount desired; or

(2) instruct the Trustee in writing to apply a credit against the Authority’s next mandatory redemption obligation for any such Series 2019D Subordinate Term Bonds that previously have been redeemed (other than through mandatory redemption) and canceled but not theretofore applied as a credit against any mandatory redemption obligation.

Upon the occurrence of any of the events described in clauses (1) or (2) of the preceding sentence, the Trustee shall credit against the Authority’s mandatory redemption obligation on the next mandatory redemption date the amount of such Series 2019D Subordinate Term Bonds so delivered or previously redeemed. Any principal amount of such Series 2019D Subordinate Term Bonds in excess of the principal amount required to be redeemed on such mandatory redemption date shall be similarly credited in an amount equal to the principal of such Series 2019D Subordinate Term Bonds so purchased towards the sinking fund installments for the Series 2019D Subordinate Term Bonds of such maturity on a pro rata basis in accordance with a certificate of an Authorized Representative of the Authority, which will direct the reduction of a ratable portion of each annual mandatory sinking fund installment requirement in accordance with the procedures set forth below. Within seven days of receipt of such Series 2019D Subordinate Term Bonds or instructions to apply as a credit, any amounts remaining in the Sinking Fund Account in excess of

the amount required to fulfill the remaining required mandatory redemption obligation on the next mandatory redemption date shall be used in such manner as determined at the written direction of the Authority.

The particular maturities of the Series 2019D Subordinate Bonds to be redeemed at the option of the Authority will be selected from such maturities as shall be determined by the Authority, upon advice from Co-Bond Counsel.

If less than all the Series 2019D Bonds of a particular maturity shall be called for any optional redemption or mandatory sinking fund redemption: (i) if the Series 2019D Bonds are not registered in book entry only form, any redemption of less than all of the Series 2019D Bonds will be allocated among the registered owners of such Series 2019D Bonds being redeemed as nearly as practicable in proportion to the amounts of the principal amounts of the Series 2019D Bonds owned by each registered owner, in authorized denominations, calculated based on the formula: $(\text{principal to be redeemed}) \times (\text{principal amount owned by such owner}) / (\text{total principal amount outstanding})$, and the particular Series 2019D Bonds to be redeemed will be determined by the Trustee in any manner as the Trustee in its sole discretion deems fair and appropriate and (ii) if the Series 2019D Bonds are in book entry only form and so long as DTC or a successor securities depository is the sole registered owner of the Series 2019D Bonds, any redemption of less than all of the Series 2019D Bonds will be done in accordance with DTC's procedures in effect at such time. It is the Authority's intent that redemption allocations made by DTC, the DTC Participants or such other intermediaries that may exist between the Authority and the Beneficial Owners be made in accordance with these same proportional provisions; provided, however, the Authority provides no assurance that DTC, the DTC Participants or any other intermediary will allocate redemptions among Beneficial Owners on such a proportional basis.

Section 302. Notice of Redemption.

Notice of redemption of Series 2019D Subordinate Bonds shall be given in the manner set forth in Section 402 of the Master Indenture, as though the Series 2019D Subordinate Bonds constituted "Bonds" for purposes of that Section; provided, however, that notices of redemption of Series 2019D Subordinate Bonds sent pursuant to Section 402 of the Master Indenture shall either (i) explicitly state that the proposed redemption is conditioned on there being on deposit in the applicable fund or account on the redemption date sufficient money to pay the full redemption price of the Series 2019D Subordinate Bonds to be redeemed, or (ii) be sent only if sufficient money to pay the full redemption price of the Series 2019D Subordinate Bonds to be redeemed is on deposit in the applicable fund or account. Notwithstanding the foregoing and the otherwise applicable requirement of Section 402 of the Master Indenture that the Trustee send notice of a call for redemption not fewer than 30 days prior to the redemption date, the Trustee may send any notice of redemption of Series 2019D Subordinate Bonds not fewer than 20 days prior to the redemption date or such shorter period of time as may be acceptable to the Depository while the Series 2019D Subordinate Bonds are in book-entry form and registered with a Depository, initially DTC.

ARTICLE IV
APPLICATION OF PROCEEDS OF SERIES 2019D SUBORDINATE BONDS

Section 401. Application of Proceeds of Series 2019D Subordinate Bonds; Application of Related Amounts.

The net proceeds of the Series 2019D Subordinate Bonds in the amount of \$[_____], which represents the par amount of the Series 2019D Subordinate Bonds (\$[_____]), minus the underwriters' discount (\$_____), and plus original issue premium (\$_____) by the Original Purchasers, at the request and direction of the Authority shall be applied as follows:

(a) \$[000,000,000.00] shall be deposited in the Series 2019D Escrow Account together with \$[0,000,000.00] from the Series 2013A Subordinated Bonds Interest Subaccount in the Subordinate Interest Account in the Subordinate Bond Fund; and

(b) \$[000,000.00] shall be deposited in the Series 2019D Costs of Issuance Subaccount of the Series 2019D Construction Account of the Construction Fund and used to pay costs of issuance of the Series 2019D Bonds.

ARTICLE V
FUNDS AND ACCOUNTS

Section 501. Series 2019D Construction Account and Series 2019D Escrow Account.

In the Construction Fund, there shall be established a Series 2019D Construction Account and, within that Account, a Series 2019D Costs of Issuance Subaccount. The portion of the proceeds of the Series 2019D Subordinate Bonds specified in Section 401(b) shall be deposited in the Series 2019D Costs of Issuance Subaccount and used to pay costs of issuance related to the Series 2019D Subordinate Bonds. When all costs of issuance have been paid or moneys have been reserved to pay all remaining unpaid costs of issuance, the balance of any Series 2019D Subordinate Bond proceeds remaining in excess of the amount to be reserved for payment of unpaid costs of issuance shall be deposited in the Subordinate Bond Fund to be used solely to pay principal of and interest on the Series 2019D Subordinate Bonds, in either case to the extent approved by Bond Counsel.

The Trustee shall establish and hold the Series 2019D Escrow Account for the purpose of receiving the proceeds of the Series 2019D Subordinate Bonds to be deposited therein pursuant to Section 401. Those proceeds, together with any other funds to be deposited in the Series 2019D Escrow Account pursuant to the Escrow Agreement, shall be applied pursuant to the Escrow Agreement to the payment of the principal of, interest on, and redemption price of the Refunded Bonds.

Section 502. Series 2019D Subordinate Bonds Subaccounts in the Subordinate Interest Account and Subordinate Principal Account.

(a) Within the Subordinate Interest Account there shall be established a “Series 2019D Subordinate Bonds Interest Subaccount.” Within the Subordinate Principal Account there shall be established a “Series 2019D Subordinate Bonds Principal Subaccount.”

(b) In accordance with Section 604(e) of the Master Indenture, Net Revenues shall be deposited in the Series 2019D Subordinate Bonds Interest Subaccount on or prior to the last Business Day of each of the six months prior to any month in which an Interest Payment Date occurs, in an amount equal to one-sixth (1/6) of the interest due and payable on the Series 2019D Subordinate Bonds on such Interest Payment Date.

(c) In accordance with Section 604(e) of the Master Indenture, Net Revenues shall be deposited in the Series 2019D Subordinate Bonds Principal Subaccount on or prior to the last Business Day of each of the twelve months prior to any month in which principal of Series 2019D Subordinate Bonds is payable on their stated maturity date or pursuant to mandatory redemption requirements, in an amount equal to one-twelfth (1/12) of the principal amount scheduled to be due and payable on the Series 2019D Subordinate Bonds in such month.

**ARTICLE VI
SECURITY FOR SERIES 2019D SUBORDINATE BONDS**

Section 601. Security for Series 2019D Subordinate Bonds.

The Series 2019D Subordinate Bonds shall be secured as Subordinate Debt under the Indenture, including, without limitation, by a pledge of: (i) Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures Subordinate Debt, including, without limitation, any other Subordinate Debt that the Authority may issue in the future, without preference, priority or distinction of any Series 2019D Subordinate Bond over any other Series 2019D Subordinate Bond or of any Subordinate Debt over any other Subordinate Debt, as provided in the Indenture; and (ii) the moneys and Permitted Investments in the Subordinate Bond Fund on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, any other Subordinate Debt that the Authority may issue in the future, without preference, priority or distinction of any Series 2019D Subordinate Bond over any other Series 2019D Subordinate Bond or of any Subordinate Debt over any other Subordinate Debt, as provided in the Indenture.

Pursuant to the WASA Act (as defined in the Master Indenture), the Authority hereby includes in this Twenty-Sixth Supplemental Indenture the pledge of the District to the Authority and any holders of its bonds that, except as provided in the WASA Act, the District will not limit or alter rights vested in the Authority to fulfill agreements made with holders of the bonds, or in any way impair the rights and remedies of the holders of the bonds until the bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of the holders of the bonds are fully met and discharged.

**ARTICLE VII
DEFAULTS AND REMEDIES**

Section 701. Application of Article IX and Other Remedies Provisions of the Master Indenture.

The Series 2019D Subordinate Bonds do not constitute “Bonds” under the Master Indenture. Accordingly, the provisions of Article IX of the Master Indenture that confer certain rights upon the Holders of Bonds or a specified percentage thereof do not apply to the Series 2019D Subordinate Bonds or to the Series 2019D Subordinate Bondholders. Pursuant to Section 305 of the Master Indenture, the Series 2019D Subordinate Bonds, as Subordinate Debt, may not be accelerated if any Senior Debt is outstanding.

Section 702. Rights of Series 2019D Subordinate Bondholders Upon Occurrence of Events of Default.

In addition to and in furtherance and implementation of the rights that Series 2019D Subordinate Bondholders have under the penultimate paragraph of Section 906 of the Master Indenture, Sections 703 through 711, inclusive, of this Twenty-Sixth Supplemental Indenture shall apply to the Series 2019D Subordinate Bonds.

Section 703. Events of Default.

Each of the following events shall be a Series 2019D Subordinate Bond Event of Default:

- (a) Default in the due and punctual payment of the principal of or premium, if any, on any Series 2019D Subordinate Bond (whether at maturity or call for redemption);
- (b) Default in the due and punctual payment of the interest on any Series 2019D Subordinate Bond;
- (c) Failure of the Authority to make the deposits required by subsection (e) or subsection (f) of Section 604 of the Master Indenture at the time and in the amount required from Net Revenues available for such deposit under the Indenture; or
- (d) Failure of the Trustee to apply moneys in accordance with the penultimate paragraph of Section 906 of the Master Indenture.

Section 704. Remedies of Series 2019D Subordinate Bondholders.

Upon the occurrence and continuation of a Series 2019D Subordinate Bond Event of Default, the Trustee may, and if requested by the holders of not less than 25% in aggregate principal amount of outstanding Series 2019D Subordinate Bonds and if indemnified to its reasonable satisfaction, shall proceed to protect and enforce their rights by mandamus or other suit, action or proceeding at law or in equity, including an action for specific performance.

No remedy conferred by this Indenture upon or reserved to the Trustee and Series 2019D Subordinate Bondholders is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee and Series 2019D Subordinate Bondholders hereunder or now or hereafter existing at law, in equity or by statute.

No delay or omission to exercise any right or power accruing upon any default or Series 2019D Subordinate Bond Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Series 2019D Subordinate Bond Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Series 2019D Subordinate Bond Event of Default hereunder by the Trustee or Series 2019D Subordinate Bondholders shall extend to or shall affect any subsequent Series 2019D Subordinate Bond Event of Default or shall impair any rights or remedies consequent thereon.

Section 705. Right of Series 2019D Subordinate Bondholders to Direct Proceedings.

The holders of a majority in aggregate principal amount of Series 2019D Subordinate Bonds then outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Twenty-Sixth Supplemental Indenture or any other proceedings hereunder; provided, however, that the Trustee is provided indemnity satisfactory to it and such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.

Section 706. Application of Moneys.

All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys, the outstanding fees, expenses, liabilities and advances incurred or reasonably anticipated to be made by the Trustee, and the fees and the expenses of the Authority in carrying out this Twenty-Sixth Supplemental Indenture, be deposited in the Series 2019D Subordinate Bonds Interest Subaccount or the Series 2019D Subordinate Bonds Principal Subaccount, as the case may be, and applied as follows and for no other purpose:

- (a) All such moneys shall be applied:

First - To the payment to the persons entitled thereto of all installments of interest then due on the Series 2019D Subordinate Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Series 2019D Subordinate Bonds; and

Second - To the payment to the persons entitled thereto of the unpaid principal of and premium, if any, on any of the Series 2019D Subordinate Bonds which shall have become due (other than Series 2019D Subordinate Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full Series 2019D Subordinate Bonds due on any particular date, then to the payment of such principal and premium, if any, ratably, according to the amount of such principal due on such date, to the persons entitled thereto, without any discrimination or preference.

(b) Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times and from time to time as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) on which such application is to be made and on such date interest shall cease to accrue on the amounts of principal to be paid. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date.

Section 707. Remedies Vested in Trustee.

All rights of action (including the right to file proof of claims) under this Twenty-Sixth Supplemental Indenture or under any of the Series 2019D Subordinate Bonds may be enforced by the Trustee without the possession of any of the Series 2019D Subordinate Bonds or the production thereof in any trial or other proceeding relating thereto and any such suit or proceeding instituted by the Trustee may be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Series 2019D Subordinate Bondholders, and any recovery of judgment shall be for the equal benefit of the Series 2019D Subordinate Bondholders.

Section 708. Limitation on Suits.

Except to enforce the rights given under Sections 704 and 705 of this Twenty-Sixth Supplemental Indenture, no Series 2019D Subordinate Bondholder shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or any other remedy hereunder, unless: (a) a Series 2019D Subordinate Bond Event of Default has occurred and is continuing and the Holders of 25% in aggregate principal amount of Series 2019D Subordinate Bonds then outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (b) such requesting Series 2019D Subordinate Bondholders have offered to the Trustee indemnity as provided in Section 1101(1) of the Master Indenture, (c) the Trustee has thereafter failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name, (d) no direction inconsistent with such written request has been given to the Trustee by the holders of a majority in aggregate principal amount of Series 2019D Subordinate Bonds then outstanding, and (e) notice of such action, suit or proceeding is given to the Trustee; it being understood and intended that no one or more Series 2019D Subordinate Bondholders shall have any right in any manner whatsoever to affect, disturb or prejudice the Indenture by its or their

action or to enforce any rights hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted and maintained in the manner herein provided and for the equal benefit of all Series 2019D Subordinate Bondholders then outstanding. The notification, request and offer of indemnity set forth above, at the option of the Trustee, shall be conditions precedent to the execution of the powers and trusts of this Twenty-Sixth Supplemental Indenture and to any action or cause of action for the enforcement of this Twenty-Sixth Supplemental Indenture or for any other remedy hereunder.

Section 709. Termination of Proceedings.

In case the Trustee shall have proceeded to enforce any right under this Twenty-Sixth Supplemental Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then and in every such case the Authority and the Trustee shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 710. Waivers of Events of Default.

Subject to the Indenture (including, without limitation, Section 1101 of the Master Indenture), the Trustee may in its discretion waive any Series 2019D Subordinate Bond Event of Default hereunder or any action taken pursuant to any Series 2019D Subordinate Bond Event of Default, and shall do so at the written request of the holders of: (a) a majority in aggregate principal amount of Series 2019D Subordinate Bonds then outstanding in respect of which default in the payment of principal and/or premium, if any, and/or interest exists, or (b) a majority in aggregate principal amount of Series 2019D Subordinate Bonds then outstanding in the case of any other Series 2019D Subordinate Bond Event of Default; provided, however, that there shall not be waived without the written consent of all then Outstanding Series 2019D Subordinate Bondholders (A) any Series 2019D Subordinate Bond Event of Default in the payment of the principal of any Outstanding Series 2019D Subordinate Bonds (whether at maturity or by mandatory redemption), or (B) any default in the payment when due of the interest on any such Series 2019D Subordinate Bonds unless, prior to such waiver or rescission,

- (i) there shall have been paid or provided for all arrears of interest with interest, to the extent permitted by law, at the rate borne by the Series 2019D Subordinate Bonds on overdue installments of interest, all arrears of principal and premium, if any, and all expenses of the Trustee in connection with such default, and
- (ii) in case of any such waiver or rescission or in the case of any discontinuance, abandonment or adverse determination of any proceeding taken by the Trustee on account of any such default, the Authority, the Trustee, and the Series 2019D Subordinate Bondholders shall be restored to their former positions and rights hereunder respectively.

No such waiver or rescission relating to the Series 2019D Subordinate Bonds shall extend to any subsequent or other default or impair any right consequent thereon.

Section 711. Non-Impairment of Authority's Obligation to Pay Principal, Premium and Interest.

Nothing in this Twenty-Sixth Supplemental Indenture shall, however, affect or impair the obligation of the Authority to pay the principal of, premium, if any, and interest on each of the Series 2019D Subordinate Bonds to the respective Holders thereof at the time and place, from the source and in the manner specified in the Indenture.

**ARTICLE VIII
MISCELLANEOUS**

Section 801. Limitation of Rights.

With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Twenty-Sixth Supplemental Indenture or the Series 2019D Subordinate Bonds is intended or shall be construed to give to any person other than the parties hereto and the Series 2019D Subordinate Bondholders any legal or equitable right, remedy or claim under or in respect to this Twenty-Sixth Supplemental Indenture or any covenants, conditions and agreements herein contained since this Twenty-Sixth Supplemental Indenture and all of the covenants, conditions and agreements hereof are intended to be and are for the sole and exclusive benefit of the parties hereto and the Series 2019D Subordinate Bondholders as herein provided.

Section 802. Severability.

If any provision of this Twenty-Sixth Supplemental Indenture shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof, and this Twenty-Sixth Supplemental Indenture shall be construed and enforced as if such illegal provision had not been contained herein.

Section 803. Successors and Assigns.

This Twenty-Sixth Supplemental Indenture shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 804. Limitations on Liability.

No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future member of the Board of Directors of the Authority or officer, employee or agent of the Authority in his or her individual capacity, and neither the members of the Board of Directors of the Authority nor any officer of the Authority executing the Series 2019D Subordinate Bonds shall be liable personally on the Series 2019D Subordinate Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. No member of the Board of Directors of the Authority or officer, employee, agent or advisor of the Authority shall incur any personal liability with respect to any other action taken by him or her pursuant to this Twenty-Sixth Supplemental Indenture or the Indenture or any other document authorized by the Indenture, provided such member, officer, employee, agent or advisor acts in good faith.

Section 805. Applicable Law.

This Twenty-Sixth Supplemental Indenture shall be governed by the applicable laws of the District of Columbia.

Section 806. Counterparts.

This Twenty-Sixth Supplemental Indenture may be executed in several counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

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IN WITNESS WHEREOF, the Authority and the Trustee have caused this Twenty-Sixth Supplemental Indenture to be executed in their respective corporate names as of the date first above written.

**DISTRICT OF COLUMBIA WATER
AND SEWER AUTHORITY**

By: _____
Matthew Brown
Chief Financial Officer and Executive Vice
President, Finance and Procurement

**WELLS FARGO BANK, NATIONAL ASSOCIATION,
AS TRUSTEE**

By: _____
Its _____

EXHIBIT A

SERIES 2019D SUBORDINATE BOND FORM

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Authority or its agent for registration of transfer, exchange, or payment, and any certificate 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.

REGISTERED NO.
R-__

REGISTERED
\$ _____

UNITED STATES OF AMERICA

**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

**PUBLIC UTILITY SUBORDINATE LIEN REVENUE
REFUNDING BOND, SERIES 2019D
(Federally Taxable)**

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____%	October 1, 20__	November [____], 2019	254845 ____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The District of Columbia Water and Sewer Authority (the “Authority”), for value received, hereby promises to pay upon surrender hereof at the designated corporate trust office of Wells Fargo Bank, National Association, as trustee, or its successor in trust (the “Trustee”), under the Indenture, as hereinafter defined, solely from the sources and as hereinafter provided, to the registered owner hereof, or registered assigns or legal representative, the principal sum stated above on the maturity date stated above, subject to prior redemption as hereinafter provided, and to pay, solely from such sources, interest hereon semiannually on each April 1 and October 1, beginning April 1, 2020, at the annual rate stated above, calculated on the basis of a 360-day year of twelve 30-day months. Interest is payable from the date of this Series 2019D Subordinate Bond (unless payment of interest hereon is in default, in which case this Series 2019D Subordinate Bond shall bear interest from the date to which interest has been paid). Interest is payable by check or

draft mailed to the registered owner hereof at its address as it appears on the fifteenth day of the month preceding each interest payment date on registration books kept by the Trustee; provided, however, that if the Series 2019D Subordinate Bonds, as hereinafter defined, are registered in the name of a securities depository or its nominee as registered owner or at the option of a registered owner of at least \$1,000,000 of Series 2019D Subordinate Bonds, payment will be made by wire transfer to an account within the United States pursuant to the most recent wire instructions received by the Trustee from such registered owner. Principal, premium, if any, and interest are payable in lawful money of the United States of America. Capitalized terms which are not defined herein shall have the meanings set forth in the Indenture.

Notwithstanding any other provision hereof, this Series 2019D Subordinate Bond is subject to book-entry form maintained by The Depository Trust Company (“DTC”), and the payment of principal, premium, if any, and interest, the providing of notices and other matters shall be made as described in the Authority’s Blanket Letter of Representations to DTC.

This Series 2019D Subordinate Bond is one of an issue of \$_____ Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2019D (Federally Taxable) (the “Series 2019D Subordinate Bonds”), of like date and tenor, except as to number, denomination, rate of interest, privilege of redemption and maturity. The Series 2019D Subordinate Bonds are issued under a Master Indenture of Trust, dated as of April 1, 1998, between the Authority and the Trustee (f.k.a. Norwest Bank, N.A.) (the “Master Indenture”), as amended and supplemented by the Twenty-Sixth Supplemental Indenture of Trust, dated as of November [REDACTED], 2019, between the Authority and the Trustee (the “Twenty-Sixth Supplemental Indenture”), and as previously amended and supplemented by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, the Twelfth Supplemental Indenture, the Thirteenth Supplemental Indenture, the Fourteenth Supplemental Indenture, the Fifteenth Supplemental Indenture, the Sixteenth Supplemental Indenture, the Seventeenth Supplemental Indenture, the Eighteenth Supplemental Indenture, the Nineteenth Supplemental Indenture, the Twentieth Supplemental Indenture, the Twenty-First Supplemental Indenture, the Twenty-Second Supplemental Indenture, the Twenty-Third Supplemental Indenture, the Twenty-Fourth Supplemental Indenture and the Twenty-Fifth Supplemental Indenture, all as defined in the Twenty-Sixth Supplemental Indenture (the “Indenture”). The Series 2019D Subordinate Bonds are secured under the Indenture as Subordinate Debt by a pledge of Net Revenues subordinate to the pledge that secures Senior Debt and on a parity to the pledge that secures other Subordinate Debt. Reference is hereby made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Authority and the Trustee, the rights of the holders of the Series 2019D Subordinate Bonds and the terms upon which the Series 2019D Subordinate Bonds are issued and secured.

The Series 2019D Subordinate Bonds and the premium, if any, and the interest thereon are limited obligations of the Authority payable from Net Revenues of the System, subject to the prior payment therefrom of the principal of and interest due and payable on all Senior Debt heretofore and hereafter issued or incurred by the Authority, and from certain other funds and accounts pledged thereto by, and on the terms set forth in, the Indenture. The Series 2019D Subordinate Bonds shall be without recourse to the District of Columbia (the “District”). The Series 2019D Subordinate Bonds shall not be general obligations of the District, shall not be a pledge of or involve the faith and credit or the taxing power of the District, shall not constitute a debt of the District, and shall not constitute lending of the public credit for private undertakings.

The Series 2019D Subordinate Bonds maturing on or after _____ are subject to redemption prior to maturity at the option of the Authority on or after [_____] , 20[____], from any source, in whole or in part on any date, in such order of maturities as shall be determined by the Authority (and by lot within a maturity), at a redemption price of 100% of the principal amount thereof, together with accrued interest, if any, to the redemption date.

The Term Series 2019D Subordinate Bonds maturing on _____, and bearing interest at rates of ____%, are required to be redeemed prior to maturity on October 1 in years and amounts upon payment of 100% of the principal amount thereof plus interest accrued to the redemption date, as follows:

Year	Amount
------	--------

 † Final Maturity

The particular maturities of the Series 2019D Subordinate Bonds to be redeemed at the option of the Authority will be selected from such maturities as shall be determined by the Authority, upon advice from Co-Bond Counsel.

If less than all the Series 2019D Bonds of a particular maturity shall be called for any optional redemption or mandatory sinking fund redemption: (i) if the Series 2019D Bonds are not registered in book entry only form, any redemption of less than all of the Series 2019D Bonds will be allocated among the registered owners of such Series 2019D Bonds being redeemed as nearly as practicable in proportion to the amounts of the principal amounts of the Series 2019D Bonds owned by each registered owner, in authorized denominations, calculated based on the formula: (principal to be redeemed) x (principal amount owned by such owner) / (total principal amount outstanding), and the particular Series 2019D Bonds to be redeemed will be determined by the Trustee in any manner as the Trustee in its sole discretion deems fair and appropriate and (ii) if the Series 2019D Bonds are in book entry only form and so long as DTC or a successor securities depository is the sole registered owner of the Series 2019D Bonds, any redemption of less than all of the Series 2019D Bonds will be done in accordance with DTC’s procedures in effect at such time. It is the Authority’s intent that redemption allocations made by DTC, the DTC Participants or such other intermediaries that may exist between the Authority and the Beneficial Owners be made in accordance with these same proportional provisions; provided, however, the Authority

provides no assurance that DTC, the DTC Participants or any other intermediary will allocate redemptions among Beneficial Owners on such a proportional basis.

If any of the Series 2019D Subordinate Bonds or portions thereof are called for redemption, the Trustee shall send notice of the call for redemption, identifying the Series 2019D Subordinate Bonds or portions thereof to be redeemed, not fewer than 30 nor more than 60 days prior to the redemption date, by facsimile, registered or certified mail or overnight express delivery, to the registered owner of each Series 2019D Subordinate Bond; provided, however, the Trustee may send any notice of redemption of Series 2019D Subordinate Bonds not fewer than 20 days prior to the redemption date or such shorter period of time as may be acceptable to the Depository while the Series 2019D Subordinate Bonds are in book-entry form and registered with a Depository. Provided funds for their redemption are on deposit at the place of payment on the redemption date, all Series 2019D Subordinate Bonds or portions thereof so called for redemption shall cease to bear interest on such date, shall no longer be secured by the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture. If a portion of the Series 2019D Subordinate Bonds shall be called for redemption, a new Series 2019D Subordinate Bond in principal amount equal to the unredeemed portion hereof will be issued to DTC or its nominee upon the surrender hereof, or if the book-entry system is discontinued, to the registered owners of the Series 2019D Subordinate Bonds.

The registered owner of this Series 2019D Subordinate Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein or to take any action with respect to any Event of Default or Series 2019D Subordinate Bond Event of Default under the Indenture or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture. Specifically, and without limiting the generality of the foregoing, the Series 2019D Subordinate Bonds, as Subordinate Debt, may not be accelerated if any Senior Debt is outstanding. Modifications or alterations of the Indenture, or of any supplement thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future member of the Board of Directors of the Authority or officer, employee or agent of the Authority in his or her individual capacity, and neither the members of the Board of Directors of the Authority nor any officer of the Authority executing the Series 2019D Subordinate Bonds shall be liable personally on the Series 2019D Subordinate Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. No member of the Board of Directors of the Authority or officer, employee, agent or advisor of the Authority shall incur any personal liability with respect to any other action taken by him or her pursuant to this Series 2019D Subordinate Bond, the Twenty-Sixth Supplemental Indenture or the Indenture or any other document authorized by the Indenture, provided such member, officer, employee, agent or advisor acts in good faith.

The Series 2019D Subordinate Bonds are issuable as registered bonds initially in denominations of \$5,000 and integral multiples thereof. Upon surrender for transfer or exchange of this Series 2019D Subordinate Bond at the principal corporate trust office of the Trustee, together with an assignment duly executed by the registered owner or its duly authorized attorney or legal representative in such form as shall be satisfactory to the Trustee, the Authority shall

execute, and the Trustee shall authenticate and deliver in exchange, a new Series 2019D Subordinate Bond or Series 2019D Subordinate Bonds in the manner and subject to the limitations and conditions provided in the Indenture, having an equal aggregate principal amount, in authorized denominations, of the same series, form and maturity, bearing interest at the same rate and registered in the name or names as requested by the then registered owner hereof or its duly authorized attorney or legal representative. Any such exchange shall be at the expense of the Authority, except that the Trustee may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Trustee shall treat the registered owner as the person exclusively entitled to payment of principal, premium, if any, and interest and the exercise of all other rights and powers of the owner, except that interest payments shall be made to the person shown as owner on the fifteenth day of the month preceding each interest payment date.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this Series 2019D Subordinate Bond have happened, exist and have been performed.

This Series 2019D Subordinate Bond shall not become obligatory for any purpose or be entitled to any security or benefit under the Indenture or be valid until the Trustee shall have executed the Certificate of Authentication appearing hereon and inserted the date of authentication hereon.

IN WITNESS WHEREOF, the DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY has caused this Series 2019D Subordinate Bond to be executed by the manual or facsimile signatures of the Chairman of the Board of Directors, its seal to be affixed hereto or a facsimile to be printed hereon and attested by the manual or facsimile signature of the Secretary to the Authority, and this Series 2019D Subordinate Bond to be dated November [____], 2019.

ATTEST:

Secretary to the Authority

Chairman

[SEAL]

CERTIFICATE OF AUTHENTICATION

Date Authenticated: _____

This Series 2019D Subordinate Bond is one of the Series 2019D Subordinate Bonds described in the within mentioned Indenture.

Wells Fargo Bank, National Association,
Trustee

By _____
Authorized Officer or Employee

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

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

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFEREE

: :
: :
: :
: :

the within Series 2019D Subordinate Bond and all rights thereunder, hereby irrevocably
constituting _____ and _____ appointing

_____, Attorney, to transfer said Series
2019D Subordinate Bond on the books kept for the registration thereof, with full power of
substitution in the premises.

Dated: _____

Signature Guaranteed

NOTICE: Signature(s) must be
guaranteed by an Eligible Guarantor
Institution such as a Commercial
Institution such as a Commercial Bank,
Trust Company, Securities Broker/Dealer,
Credit Union, or Savings Association who
is a member of a medallion program
approved by The Securities Transfer
Association, Inc.

NOTICE: The signature above must
correspond with the name of the registered
owner as it appears on the front of this Series
2019D Subordinate Bond in every
particular, without alteration or enlargement
or any change whatsoever.

DRAFT
09-19-19

ESCROW AGREEMENT

Among

DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY

WELLS FARGO BANK, National Association.
as Trustee

and

WELLS FARGO BANK, National Association
as Escrow Agent

with respect to

\$_[_____]
Public Utility Subordinate Lien Revenue Refunding Bonds
Series 2019D
(Federally Taxable)

Dated: November [___], 2019

ESCROW AGREEMENT

This ESCROW AGREEMENT is made and entered into as of November __, 2019 between the District of Columbia Water and Sewer Authority (the “Authority”) and Wells Fargo Bank, National Association., a national banking association, having a corporate trust office in Philadelphia, Pennsylvania, as the trustee (in such capacity, the “Trustee”), and as the escrow agent (in such capacity, the “Escrow Agent”).

WITNESSETH:

WHEREAS, the Authority has heretofore duly issued, pursuant to a Master Indenture of Trust, dated as of April 1, 1998 (the “Master Indenture”), as supplemented and amended through the Fourteenth Supplemental Indenture of Trust, dated August 1, 2013, its Public Utility Subordinated Lien Revenue Bonds, Series 2013A (the “Series 2013A Bonds”), of which \$300,000,000 is currently outstanding; and

WHEREAS, the Authority has decided to issue its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2019D (Federally Taxable) (the “Series 2019D Bonds”), in an aggregate principal amount of \$[000,000,000], pursuant to the Master Indenture, as previously amended and supplemented and as further supplemented by the Twenty-Sixth Supplemental Indenture of Trust, dated November 6, 2019, by and between the Authority and the Trustee (the “Twenty-Sixth Supplemental Indenture” and, together with the Master Indenture, as previously amended and supplemented, the “Indenture”); and

WHEREAS, a portion of the proceeds of the Series 2019D Bonds, together with other funds of the Authority, will be used to purchase, on behalf of and for the account of the Authority, escrow securities in the par amount, at the yield and with the maturity set forth in **Appendix C** attached hereto (the “Escrow Securities”) which, along with cash, shall be deposited in the Series 2019D Escrow Account established pursuant to the Twenty-Sixth Supplemental Indenture; and

WHEREAS, the cash and the Escrow Securities deposited into the Series 2019D Escrow Account, together with investment income thereon, will provide sufficient funds to (i) pay interest on the Series 2013A Bonds identified in **Appendix A** (the “Refunded Bonds”) prior to October 1, 2023 as specified in **Appendix B**; (ii) redeem the Refunded Bonds on October 1, 2023 as specified in **Appendix B** (collectively, the payments set forth in **Appendix B** are referred to as the “Refunded Bond Payments”); and

WHEREAS, the Authority is entering into this Escrow Agreement with the Escrow Agent simultaneously with the delivery of the Series 2019D Bonds in order to insure that the required procedures will be followed to make the Refunded Bond Payments; and

WHEREAS, the Authority has taken action to cause to be delivered to the Escrow Agent for deposit in or credit to the Series 2019D Escrow Account immediately available funds from the proceeds of the Series 2019D Bonds and other funds of the Authority, which will be used to

purchase the Escrow Securities and which, together with the investment earnings thereon and certain uninvested cash, will be sufficient to make the Refunded Bond Payments, and to have the mathematical accuracy of the computations relating to the sufficiency of such Series 2019D Escrow Account moneys to be verified by [_____], Certified Public Accountants (the “Verification Agent”).

NOW, THEREFORE, the Authority and the Escrow Agent hereby agree as follows:

Section 1. Funding and Maintenance of the Series 2019D Escrow Account.

(a) The Authority hereby directs the Trustee to transfer to the Escrow Agent \$[000,000,000.00] of the proceeds of the Series 2019D Bonds and \$[0,000,000.00] from the Series 2013A Subordinate Bonds Interest Subaccount in the Subordinate Interest Account, for deposit into the Series 2019D Escrow Account.

(b) The Escrow Agent hereby acknowledges the receipt and deposit in the Series 2019D Escrow Account of an amount equal to \$[000,000,000.00] in immediately available funds.

(c) Until all principal of, premium, if any, and interest on the Refunded Bonds have been paid in full, the Escrow Agent shall maintain the Series 2019D Escrow Account as a special segregated and irrevocable escrow account. The Series 2019D Escrow Account shall be for the benefit of the holders of the Refunded Bonds. All securities, investments and moneys held therein shall be wholly segregated from all other securities, investments or moneys on deposit with the Escrow Agent, if any. All securities, investments and moneys held in the Series 2019D Escrow Account shall be irrevocably pledged to secure the payment of the principal of, premium, if any, and interest on the Refunded Bonds.

Section 2. Investment of the Series 2019D Escrow Account.

(a) The Escrow Agent represents and acknowledges that, concurrently with the deposit of the amounts into the Series 2019D Escrow Account as described in Section 1 hereof, it shall apply \$[000,000,000.00] of such funds to purchase, on behalf of and for the account of the Authority, the Escrow Securities as shown on Appendix C. The remaining deposit of \$[00.00] shall be held in cash. The Escrow Securities shall be non-callable prior to the date upon which such securities shall be needed to pay the applicable Refunded Bond Payment. The Escrow Securities may be sold, transferred, disposed of or redeemed only at the direction of the Authority, as set forth in subsection (d) hereof, and shall mature on or before the time the proceeds thereof will be required for the payment of the applicable Refunded Bond Payment.

(b) Any amounts received from the Escrow Securities or held in cash referenced in clause (a) above that are not needed at the time of receipt to make the aforesaid payments on the Refunded Bonds shall remain in trust for the benefit of the holders of the Refunded Bonds, uninvested, until applied as aforesaid; provided, that such amounts shall be applied to the purchase

of Substitute Obligations (as defined in Section 2(d)(ii) hereof), and the interest thereon shall be applied in such manner, as may be specified in writing by the Authority, but only if the Escrow Agent receives (i) the certificate of an independent public accountant described in Section 2(d)(ii)(A) hereof with respect to such purchase of Substitute Obligations and such application of the interest thereon, and (ii) an approving opinion of Bond Counsel to the effect that such use of funds will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Refunded Bonds.

(c) The Series 2019D Escrow Account shall be maintained to and including the date upon which the Escrow Agent makes the final payment of the principal of, premium, if any, and interest on the Refunded Bonds, whereupon the Escrow Agent shall, upon the written direction of the Authority, sell or redeem any Escrow Securities remaining in the Series 2019D Escrow Account and shall deliver to the Authority any money received from such sales and any money then remaining in the Series 2019D Escrow Account.

Based on the report, dated [____], 2019, prepared by the Verification Agent (the “Verification Report”), a copy of which is attached as **Appendix D** hereto, which verifies the mathematical accuracy of the computations prepared by [____TBD____], as representative of the underwriters (the “Underwriters”) named in the Bond Purchase Agreement for the Series 2019D Bonds dated October [____], 2019, entered into by and between the Authority and the Underwriters, and confirms the Underwriters’ calculations that the Escrow Securities, together with the investment earnings thereon and certain uninvested cash on deposit in the Series 2019D Escrow Account will be sufficient to make the Refunded Bond Payments as specified in **Appendix B**, the Authority represents that the Escrow Securities and certain uninvested cash on deposit in the Series 2019D Escrow Account, together with interest thereon, will be sufficient to (i) pay interest on the Refunded Bonds prior to October 1, 2023; and (ii) redeem the Refunded Bonds on October 1, 2023. The Escrow Agent shall not be liable or responsible (y) for the accuracy of the Verification Report or (z) the accuracy of the Underwriters’ calculations with respect to required deposits into the Series 2019D Escrow Account.

(d) (i) Except as otherwise provided in this Section 2, the Escrow Agent shall have no power or duty to invest any funds held under this Escrow Agreement or to sell, redeem, transfer or otherwise dispose of or make substitutions of the Escrow Securities. Subject to the provisions of subsection (b), any funds held in the Series 2019D Escrow Account that are not invested shall be held in cash.

(ii) At the request of the Authority and upon compliance with the conditions contained herein, the Escrow Agent shall sell, transfer or otherwise dispose of or request the redemption of all or a portion of the Escrow Securities, and shall substitute for such Escrow Securities, direct non-callable obligations of the United States of America (the “Substitute Obligations”), whereupon, references in this Escrow Agreement to Escrow Securities shall include any such Substitute Obligations. The Authority hereby covenants and agrees that it will not request the Escrow Agent to exercise any of the powers described

in this Section in any manner which would adversely affect the exclusion from gross income for Federal income tax purposes of interest on the Refunded Bonds. The Escrow Agent shall purchase such Substitute Obligations with the proceeds derived from the sale, transfer, disposition or redemption of such Escrow Securities. The transaction may be effected only if the Authority delivers to the Escrow Agent:

(A) a report of nationally recognized independent certified public accountants which verifies the mathematical accuracy of the computations which reflect the principal amount of such Substitute Obligations, together with the interest income to be received thereon, will be sufficient to make timely payments on the Refunded Bonds;

(B) a certificate of the Authority that, based on such verification report prepared by independent certified public accountants, the amount deposited in the Series 2019D Escrow Account will be sufficient to pay the Refunded Bond Payments as specified in **Appendix B**;

(C) a certificate of the Trustee acknowledging the deposit of moneys and the receipt of the verification report described in (A) above as to the sufficiency of the Substitute Obligations to make the Refunded Bond Payments; and

(D) an opinion of Bond Counsel to the effect that the sale, transfer, disposition or redemption of the Escrow Securities and purchase of such Substitute Obligations (i) will not affect the exclusion from gross income for Federal income tax purposes of interest on the Refunded Bonds, and (ii) is permitted hereunder.

The Escrow Agent shall not be liable or responsible for any loss resulting from any investment or reinvestment made pursuant to this subsection unless such loss is due to the gross negligence or willful misconduct of the Escrow Agent.

(e) The Escrow Agent shall have no liability for the payment of the principal of, premium, if any, and interest on the Refunded Bonds, except from the Escrow Securities and moneys on deposit in the Series 2019D Escrow Account.

Section 3. Payment and Redemption of the Refunded Bonds. The Authority hereby requests and irrevocably instructs the Escrow Agent, and the Escrow Agent hereby agrees, to collect and deposit in the Series 2019D Escrow Account the principal of and interest on the Escrow Securities held for the account of the Series 2019D Escrow Account as promptly as such principal and interest becomes due, and to apply such principal and interest, together with any other moneys and the principal of and interest on any other securities deposited in the Series 2019D Escrow Account to pay the Refunded Bond Payments specified in **Appendix B**.

Section 4. Defeasance and Redemption Notices.

(a) The Authority hereby requests and irrevocably instructs the Trustee and the Trustee hereby agrees to promptly provide notice by first class mail to the Municipal Securities Rulemaking Board (“MSRB”), Standard & Poor’s, a division of The McGraw-Hill Companies, Inc. (“S&P”), Moody’s Investor Service, Inc. (“Moody’s”) and Fitch Ratings, Inc. (“Fitch”) of the advanced refunding of the Refunded Bonds and the deposit of the Escrow Securities and any money in escrow for that purpose. A form of the defeasance notice for each of the Refunded Bonds is attached as **Appendix E** hereto.

(b) The Authority hereby requests and irrevocably instructs the Trustee and the Trustee hereby agrees to provide notice of redemption of the Refunded Bonds not less than thirty (30) days nor more than sixty (60) days prior to October 1, 2023, in the form of the notice attached hereto as **Appendix F**, by registered or certified mail or overnight express delivery, to (a) the registered owner of each the Refunded Bonds at the address as it appears on the registration books kept by the Trustee and (b) MSRB.

(c) To the extent permitted by the bond documents pertaining to the Refunded Bonds, any of the notices provided in this Section 4 may be provided by means of facsimile transmission, email transmission or other similar electronic means of communications providing evidence of transmission.

Section 5. Possible Deficiencies.

(a) If at any time the Escrow Agent has actual knowledge that the moneys in the Series 2019D Escrow Account, including the anticipated proceeds of the Escrow Securities, will not be sufficient to make all payments required by Section 3 hereof, the Escrow Agent shall notify the Authority in writing as soon as is reasonably practicable of the amount of such deficiency and the reason therefor, if the reason is known to the Escrow Agent.

(b) Upon receipt of the notice specified in subsection (a) hereof, the Authority shall cause to be irrevocably deposited in the Series 2019D Escrow Account, from any legally available moneys, such additional moneys as may be required to fully meet the aggregate amounts to become due and payable for the principal of, premium, if any, and interest on the Refunded Bonds as the same may become due and payable.

(c) The Escrow Agent shall in no manner be responsible for the Authority’s failure to make such deposit.

Section 6. Duties of Escrow Agent. So long as the Refunded Bonds are outstanding, the Escrow Agent shall forward a monthly statement to the Authority describing the Escrow Securities held, including the income earned thereon and the maturities thereof, and any withdrawals of moneys from the Series 2019D Escrow Account since the last statement furnished pursuant to this Section.

Section 7. Fees and Costs.

(a) The Escrow Agent shall be compensated, based on itemized invoices submitted to the Authority, for its reasonable fees, expenses and disbursements incurred with respect to service rendered hereunder.

(b) The Escrow Agent also shall be entitled to additional fees and reimbursements for costs incurred, including, but not limited to, legal and accountants' services, in connection with any litigation which may at any time be instituted involving this Escrow Agreement.

(c) The right to receive compensation notwithstanding, the Escrow Agent acknowledges that it, as Escrow Agent, has no claim for any such payment under the Indenture and that it has no lien on the moneys on deposit in the Series 2019D Escrow Account for such payment.

(d) In the event of the resignation of the Escrow Agent prior to the expiration of this Escrow Agreement, the Escrow Agent shall rebate to the Authority a ratable portion of any fee theretofore paid by the Authority to the Escrow Agent for its services under this Escrow Agreement.

(e) The provisions of this Section 7 shall survive the termination of this Agreement and the resignation or removal of the Escrow Agent.

Section 8. Resignation of Escrow Agent. The Escrow Agent may resign and be discharged of its duties hereunder provided that: (i) the Authority has received written notice at least thirty (30) days prior to such resignation; (ii) the Authority has appointed a successor to the resigning party; (iii) the Authority has received an instrument of acceptance in form and substance acceptable to it, executed by the successor; and (iv) the resigning party has duly delivered to its successor hereunder all of the escrow documents including the Indenture and this Escrow Agreement, the Escrow Securities, and moneys and investments held by the resigning party. Such resignation shall take effect only upon the occurrence of all of the events listed in clauses (i) through (iv) above. Upon receipt by the Authority of the written notice described in clause (i) above, the Authority shall use its best efforts to obtain a successor to such resigning party as soon as possible. Notwithstanding the foregoing, if the Authority fails to appoint a successor within thirty (30) days, the Escrow Agent reserves the right to petition a court of competent jurisdiction to appoint a successor.

Section 9. Termination of Escrow Agreement. This Escrow Agreement shall terminate when the principal of, premium, if any, and interest on the Refunded Bonds have been paid in full; provided, that moneys held by the Escrow Agent for the payment and discharge of any of the Refunded Bonds which remain unclaimed five (5) years after the date when all of such Refunded Bonds shall have become due and payable, either at their stated maturity dates or by call for earlier

redemption, shall at the written request of the Authority, be repaid by the Escrow Agent to the Authority, as its absolute property, free from the lien created by the Indenture. The Escrow Agent shall thereupon be released and discharged with respect thereto and hereto and the holders of such Refunded Bonds shall look only to the Authority for the payment of such Refunded Bonds.

Section 10. Benefit of Agreement; Amendments.

(a) This Agreement is made for the benefit of the Authority and the holders from time to time of the Refunded Bonds except as otherwise expressly provided herein.

(b) This Agreement shall not be repealed, revoked, rescinded, altered, amended or supplemented in whole or in part without the written consent of the Escrow Agent and the holders of the unpaid Refunded Bonds; provided, however, that upon prior written notice to Moody's, Fitch and S&P and (1) receipt by each such agency of draft copies of any such proposed amendment, and (2) receipt from each such agency of the notice that such amendment shall not adversely affect its rating on the Refunded Bonds, the Authority and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such amendment to this Agreement that will not adversely affect the rights of such holders and that will not be inconsistent with the terms and provisions of this Agreement (the "Amendment"), for any one or more of the following purposes:

(i) to correct or cure any ambiguity or formal defect or omission in this Agreement;

(ii) to grant to, or confer upon, the Escrow Agent for the benefit of such holders any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent;

(iii) to subject to this Agreement additional funds, securities or property;

(iv) to sever any invalid provision from this Agreement.

(c) The Escrow Agent shall not undertake or execute any Amendment unless it has received:

(i) If the Amendment affects the aggregate amount or payment terms of the Escrow Securities, an opinion of an independent certified public accountant reasonably acceptable to the Authority that after such Amendment the interest on and maturing principal of the Escrow Securities, without further reinvestment, and any other funds then held pursuant to this Agreement will provide moneys in amounts and at times as necessary to pay all principal of and redemption premium and interest on the Refunded Bonds as the same are due or are called for redemption as set forth in Section 2; and

(ii) An opinion of Bond Counsel that the Amendment (A) will not affect the exclusion from gross income for Federal income tax purposes of interest on the Refunded Bonds, (B) is in compliance with the Internal Revenue Code of 1986, as amended, and (C) the Amendment complies with the requirements of this Section 10.

(d) The Authority shall provide Moody's, Fitch and S&P with written notice prior to such time as this Agreement shall be replaced, revoked, rescinded, altered, amended or supplemented at the following addresses:

Moody's Investors Service, Inc.
Public Finance Rating Desk/Refunded Bonds
7 World Trade Center
250 Greenwich Street, 23rd Floor
New York, NY 10007

Standard & Poor's, a division of The McGraw-Hill Companies, Inc.
25 Broadway, 21st Floor
New York, New York 10004

Fitch Ratings
300 West 57th Street
New York, New York 10004

Section 11. Notices. Any notice, authorization, request or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid, addressed as follows:

If to the Authority, at:

District of Columbia Water and Sewer Authority
1385 Canal Street, S.E.
Washington, DC 20003
Attn: Chief Financial Officer and Executive Vice
President Finance and Procurement

If to the Escrow Agent, at:

Wells Fargo Bank, National Association
Corporate Trust Services
123 S. Broad Street
Suite 1500; MAC Y1379-157
Philadelphia, PA 10109

Any of such addresses may be changed at any time upon written notice of such change being sent by United States registered mail, postage prepaid, to the other parties by the party affecting the change. Any notices to the holders of the Refunded Bonds shall be made in a manner as prescribed in the Indenture.

Section 12. Time of Performance. Whenever, under the terms of this Escrow Agreement, the performance date of any act to be done hereunder shall fall on a day which is not a legal banking day or upon which the Escrow Agent is not open for business, the performance thereof on the next succeeding business day shall be deemed to be in full compliance with this Escrow Agreement. The Escrow Agent shall perform all obligations imposed upon it under this Escrow Agreement in a timely manner.

Section 13. Reliance by Escrow Agent; Force Majeure; No Special, Indirect or Consequential Damages.

(a) The Escrow Agent shall be entitled to rely and act upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document reasonably believed by it to be genuine and to have been signed and presented by the proper party or parties. The Escrow Agent may consult with Bond Counsel, or, in the discretion of the Escrow Agent, it may consult with its own counsel as to anything arising in connection with the duties herein undertaken, and it shall not be liable for any action taken or omitted by it in good faith in reasonable reliance upon such written instructions or upon the written opinions of such counsel; provided, however, that before relying upon the opinion of its own counsel it shall furnish to the Authority and to Bond Counsel a copy of such opinion.

(b) In no event shall the Escrow Agent be liable for any failure or delay in the performance of its obligations hereunder because of circumstances beyond the Escrow Agent's control, including, but not limited to, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, strikes or work stoppages for any reason, embargo, government action, including any laws, ordinances, regulations or the like which restrict or prohibit the providing of the services contemplated by this Agreement, inability to obtain material, equipment, or communications or computer facilities, or the failure of equipment or interruption of communications or computer facilities, and other causes beyond the Escrow Agent's control whether or not of the same class or kind as specifically named above.

(c) Anything in this Agreement to the contrary notwithstanding, in no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

Section 14. Governing Law. To the fullest extent permitted by law, this Escrow Agreement shall be interpreted, construed and enforced pursuant to the laws of the District.

Section 15. Severability. If any provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Escrow Agreement. The Escrow Agent shall provide Moody's, Fitch and S&P with written notice, at the addresses set forth in Section 10, if any provision of this Escrow Agreement should be held to be invalid or unenforceable.

Section 16. Execution of Counterparts. This Escrow Agreement may be executed in any number of counterparts each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

Section 17. Successors of the Escrow Agent. Any corporation or association into which the Escrow Agent may be converted or merged or with which it may be consolidated or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto shall be and become the successor Escrow Agent hereunder, vested and subject to all duties and obligations imposed hereunder with all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding; provided, that the Escrow Agent shall promptly give notice of such conversion, sale, merger, consolidation or transfer to the Authority, and the Authority shall have 45 days to exercise an option to appoint a successor Escrow Agent by an instrument in writing delivered to the then current Escrow Agent.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed each on its behalf as of the day and year first above written.

**DISTRICT OF COLUMBIA WATER
AND SEWER AUTHORITY**

By: _____
Matthew Brown
Chief Financial Officer and Executive Vice
President Finance and Procurement

**WELLS FARGO BANK, NATIONAL
ASSOCIATION., AS TRUSTEE**

By: _____
Name: _____
Title: _____

**WELLS FARGO BANK, NATIONAL
ASSOCIATION., AS ESCROW AGENT**

By: _____
Name: _____
Title: _____

APPENDIX A

LISTING OF REFUNDED BONDS

Maturity (October 1)	Principal Amount	Interest Rate	CUSIP

APPENDIX B

REFUNDED BOND PAYMENTS

Date	Interest	Redeemed Principal	Total
04/01/2020			
10/01/2020			
04/01/2021			
10/01/2021			
04/01/2022			
10/01/2022			
04/01/2023			
10/01/2023			
Total:			

APPENDIX C

DESCRIPTION OF THE ESCROW SECURITIES

Type of Security	CUSIP	Maturity Date	Par Amount	Interest Rate	Price	Cost	Accrued Interest	Total Cost
Totals								

APPENDIX D

VERIFICATION REPORT

PPAB 5105496v5

APPENDIX E

FORM OF DEFEASANCE NOTICE

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

**Public Utility Subordinated Lien Revenue Bonds
Series 2013A**

On November 6, 2019, the District of Columbia Water and Sewer Authority (the “Authority”) deposited in escrow with Wells Fargo Bank, National Association., as escrow agent (the “Escrow Agent”) under the Escrow Agreement dated November 6, 2019, by and among the Authority, the Escrow Agent and Wells Fargo Bank, National Association, as the trustee (the “Escrow Agreement”), relating to the outstanding maturities of the Authority’s Public Utility Subordinated Lien Revenue Bonds, Series 2013A listed below (the “Refunded Bonds”), escrow securities that have been certified by [_____], Certified Public Accountants, to be of such maturities and interest payment dates and bearing such interest as will, without further investment or reinvestment, except as provided in the Escrow Agreement, provide moneys to pay when due the interest on and the principal of the Refunded Bonds through their redemption date of October 1, 2023:

Year	Amount	Rate	CUSIP

As a result of this deposit, the Refunded Bonds are deemed to have been paid and no longer to be outstanding bonds of the Authority.

The CUSIP numbers printed herein are inserted for the convenience of the holders, and no representation is made as to the correctness of such numbers either as printed on the Refunded Bonds or as contained herein.

_____, 2019

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, Escrow Agent**

NOTICE REQUIREMENTS:

As soon as possible after the funding of the Series 2019D Escrow Account, notice shall be provided to the Municipal Securities Rulemaking Board, Moody's Investors Service, Standard & Poor's Ratings Services, and Fitch Ratings, Inc.

APPENDIX F

FORM OF REDEMPTION NOTICE

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

**Public Utility Subordinated Lien Revenue Bonds
Series 2013A**

NOTICE IS HEREBY GIVEN pursuant to a Master Indenture of Trust, dated as of April 1, 1998, by and between the District of Columbia Water and Sewer Authority (the “Authority”) and Norwest Bank Minnesota, N.A., predecessor to Wells Fargo Bank, National Association, as trustee, as supplemented and amended through the Fourteenth Supplemental Indenture of Trust, dated August 1, 2013, by and between the Authority and Wells Fargo Bank Minnesota, N.A., predecessor to Wells Fargo Bank, National Association, as trustee (as supplemented and amended, the “Indenture”), providing for the issuance of the Authority’s \$300,000,000 Public Utility Subordinated Lien Revenue Bonds, Series 2013A (the “Series 2013A Bonds”), that the following Series 2013A Bonds (the “Refunded Bonds”) will be redeemed on October 1, 2023:

Year	Amount	Rate	CUSIP

The Refunded Bonds will be redeemed at a redemption price of 100% of the principal amount thereof together with interest accrued to October 1, 2023. Holders of the Refunded Bonds should present them for redemption on or before October 1, 2023, by mail to:

Registered/Certified Mail

Wells Fargo Bank, N.A.
Corporate Trust Operations
MAC N9300-070
P.O. Box 1517
Minneapolis, MN 55480-1517

Air Courier

Wells Fargo Bank, N.A.
Corporate Trust Operations
MAC N9300-070
600 Fourth Street South, 7th Floor
Minneapolis, MN 55479

Interest on the Refunded Bonds will cease to accrue on October 1, 2023.

Redemption of the Refunded Bonds is conditioned upon the Authority depositing with the Trustee moneys and/or securities sufficient to pay the principal and accrued interest on the Refunded Bonds as of October 1, 2023. Failure of the Authority to make such deposit shall not constitute an

event of default under the Trust Agreement.

IMPORTANT: The CUSIP numbers printed herein are inserted for the convenience of the holders, and no representation is made as to the correctness of such numbers either as printed on the Refunded Bonds or as contained herein.

IMPORTANT INFORMATION REGARDING TAX CERTIFICATION AND POTENTIAL WITHHOLDING:

Pursuant to U.S. federal tax laws, you have a duty to provide the applicable type of tax certification form issued by the U.S. Internal Revenue Service (“IRS”) to Wells Fargo Bank, N.A. Corporate Trust Services to ensure payments are reported accurately to you and to the IRS. In order to permit accurate withholding (or to prevent withholding), a complete and valid tax certification form must be received by Wells Fargo Bank, N.A. Corporate Trust Services before payment of the redemption proceeds is made to you. Failure to timely provide a valid tax certification form as required will result in the maximum amount of U.S. withholding tax being deducted from any redemption payment that is made to you.

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

By: **WELLS FARGO BANK, NATIONAL ASSOCIATION**, as Trustee

_____, 2023

M&A draft 9/19/19

BOND PURCHASE AGREEMENT

\$300,000,000*

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2019D (Federally Taxable)

_____, 2019

District of Columbia Water and Sewer Authority
1385 Canal Street S.E.
Washington, DC 20003

Ladies and Gentlemen:

Siebert Cisneros Shank & Co., L.L.C., as representative of the underwriters (the “Representative”) on behalf of itself and on behalf of J.P. Morgan Securities LLC, FTN Financial Capital Markets, Jefferies LLC, Morgan Stanley & Co. LLC, Raymond James and Stern Brothers & Co. (collectively, the “Underwriters”), offer to enter into this bond purchase agreement (this “Agreement”) with the District of Columbia Water and Sewer Authority (the “Authority”). The offer made hereby is subject to acceptance thereof by execution of this Agreement and its delivery to the Representative, on behalf of the Underwriters, at or prior to 5:00 p.m., New York, New York Time, on the date hereof, or on such other date as may be agreed upon by the Underwriters. Upon such acceptance, this Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Authority and the Underwriters. If this offer is not so accepted, it is subject to withdrawal by the Representative on behalf of the Underwriters upon written notice delivered to the Authority at any time prior to acceptance. Terms used but not defined herein are defined in the Indenture identified below.

1. **Purchase and Sale of Bonds.** On the terms and conditions and on the basis of the representations, warranties, covenants and agreements set forth herein, the Representative, on behalf of the Underwriters, hereby agrees to purchase from the Authority for offering to the public, and the Authority hereby agrees to sell and deliver to the Underwriters for such purpose, all (but not less than all) of its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2019D (Federally Taxable), in the original principal amount of \$300,000,000* (the “Bonds”) The proceeds of the Bonds will be used to (i) refund all or a portion of the Authority’s outstanding Series 2013A Bonds, and (ii) pay the costs of issuing the Bonds. The purchase price of the Bonds will be \$_____ (the par amount of the Bonds less the Underwriters’ discount of \$_____ plus original issue premium of \$_____). The Bonds will mature on the dates and in the amounts and will bear interest and will be subject to redemption prior to maturity as set forth on Exhibit A hereto.

* Preliminary, subject to change.

2. **Bond Authorization.** The Bonds shall be issued under and pursuant to provisions of the laws of the United States of America and the District of Columbia (the “District”), including particularly, an act of the Council of the District entitled the “Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996,” as amended, codified at District of Columbia Official Code Ann. Sections 34-2201.01 *et seq.*, and the acts amendatory thereof and supplemental thereto (the “Act”), and an act of the United States Congress entitled the “District of Columbia Water and Sewer Authority Act of 1996” (Public Law 104-184), as amended (the “Federal Act”), and all proceedings necessary to authorize and provide for the issuance of the Bonds, including Resolution No.19- adopted by the Board of Directors of the Authority, on September __, 2019 (the “Resolution”), and the Master Indenture of Trust, dated as of April 1, 1998 (the “Master Indenture”), between the Authority and Wells Fargo Bank, N.A., as trustee (the “Trustee”), as amended and supplemented, including by the Twenty-Sixth Supplemental Indenture of Trust, dated as of the Closing Date (as defined below) (the “Twenty-Sixth Supplemental Indenture,” and together with the Master Indenture as previously amended and supplemented, the “Indenture”), between the Authority and the Trustee, substantially in the forms previously delivered to us.

3. **Closing.** At 11:00 a.m. Eastern Standard Time on _____, 2019, or at such other time and date as may be mutually agreed upon by the Authority and the Underwriters (the “Closing Date”), the Authority will, subject to the terms and conditions hereof, deliver the Bonds to the Underwriters in definitive form, duly executed and authenticated, together with the other documents hereinafter required, and, subject to the terms and conditions hereof, the Underwriters will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof in federal funds to the order of the Authority (the “Closing”). Delivery of the Bonds will be made through the facilities of The Depository Trust Company, New York, New York. The Closing will occur at the offices of Squire Patton Boggs (US) LLP, Washington, D.C., or such other place as may be mutually agreed on by the Authority and the Underwriters.

4. **Public Offering of the Bonds.** It is a condition of the Authority’s obligation to sell and deliver the Bonds to the Underwriters, and of the obligation of the Underwriters to purchase and accept delivery of the Bonds, that the entire principal amount of the Bonds is sold and delivered by the Authority and accepted and paid for by the Underwriters at the Closing. The Underwriters intend to make an initial public offering of all of the Bonds at prices not in excess of the initial public offering prices set forth on the cover page of the Official Statement. The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the initial public offering prices.

5. **Preliminary and Final Official Statement.** The Authority ratifies and consents to the legally permissible use by the Underwriters, prior to the date hereof, of the Preliminary Official Statement, dated _____, 2019, relating to the Bonds (the “Preliminary Official Statement”) in connection with the public offering of the Bonds and the Authority represents that such Preliminary Official Statement is deemed final as of its date and as of the date hereof under Rule 15c2-12 (“Rule 15c2-12”) promulgated by the U.S. Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934, as amended (the “1934 Exchange Act”), except for Permitted Omissions (as defined in Rule 15c2-12). The form of the final Official Statement of the Authority relating to the Bonds, dated _____, 2019, including the cover page and Appendices thereto, and any revisions, amendments or supplements thereto (the “Official

Statement”) as have been approved by the Authority, Co-Bond Counsel, and the Representative. The Authority authorizes, approves, ratifies and confirms the distribution of the Preliminary Official Statement and the Official Statement in paper and electronic format by the Underwriters in connection with the public offering and sale of the Bonds.

The Authority agrees to provide to the Underwriters, at such addresses as the Underwriters specify, as many copies of the Official Statement as the Underwriters reasonably request as necessary to comply with Rule G-32 and all other applicable rules of the Municipal Securities Rulemaking Board (the “MSRB”). The Authority agrees to deliver the Official Statement within seven business days after the date hereof and not later than one business day before the Closing Date and in sufficient time to accompany any confirmation that requests payment from any customer and to permit the Underwriters to comply with the requirements of Rule 15c2-12 (defined below). The Preliminary Official Statement and the Official Statement may be revised, amended, changed or supplemented by the Authority after the execution of this Agreement only with the permission of the Underwriters.

If, during the period from the date hereof to and including the date which is 25 days after the “end of the underwriting period” (as hereinafter defined), there shall exist any event, including, but not limited to, any material adverse change in the financial condition, results of operation or condition, financial or otherwise, of the Authority, and of which the Authority has knowledge, which, in the opinion of the Underwriters and counsel to the Underwriters or in the opinion of the Authority, requires a supplement or amendment to the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, when it is delivered to a potential investor, the Authority will supplement or amend or cause to be supplemented or amended the Official Statement in a form and in a manner approved by the Underwriters and the Authority and will furnish to the Underwriters such supplement or amendment in sufficient quantity to permit the Underwriters to comply with the requirements of Rule 15c2-12 (“Rule 15c2-12”) promulgated by the Securities and Exchange Commission (the “SEC”) under the 1934 Exchange Act.

For the purpose of the preceding paragraph, the Authority may assume that the “end of the underwriting period” (in accordance with and as defined in Rule 15c2-12) means the Closing Date unless the Representative advises the Authority in writing on the Closing Date that there remains an unsold balance of the Bonds, in which case the “end of the underwriting period” means the date as of which the Representative notifies the Authority that the Underwriters, directly or as a syndicate, no longer retain an unsold balance of the Bonds for sale to the public. The deemed end of the underwriting period, in order to allow the Underwriters to comply with Rule 15c2-12, shall be extended for additional periods of 30 days each upon receipt of written notification from the Underwriters that any Bonds remain unsold however, in no event shall the “end of the underwriting period” extend beyond the date sixty (60) days from the Closing Date. The Representative agrees to provide to the Authority written notification that none of the Bonds remain unsold which will be deemed the end of the underwriting period.

The Representative hereby agrees to deliver a copy of the printed paper form of the Official Statement to the MSRB in an electronic format prescribed by the MSRB for its

Electronic Municipal Market Access (“EMMA”) website at www.emma.msrb.org within one (1) business day of receipt of the executed final Official Statement by the Underwriters.

6. **Representations, Warranties and Covenants of the Authority.** The Authority hereby represents, warrants, covenants and agrees as follows:

a. The Authority is, and at the Closing Date will be, a duly organized and validly existing corporate body and independent authority of the District established under the laws of the United States and the District, including the Act and the Federal Act, with the full legal right, power and authority to (i) adopt the Resolution, (ii) execute, deliver and perform its obligations under this Agreement, the Indenture, the Certificate of Award of the Authority establishing the purchase price, maturities, interest rates, redemption provisions and other terms of the Bonds, dated the date hereof (the “Certificate of Award”), and the Continuing Disclosure Agreement of the Authority dated as of the Closing Date (the “Continuing Disclosure Agreement,” and together with this Agreement and the Indenture, the “Bond Documents”); (iii) perform its obligations under the Water Sales Agreement, dated as of July 31, 1997, between the Authority and the United States of America, acting through the Secretary of the Army (the “Water Sales Agreement”) and the Blue Plains Intermunicipal Agreement of 2012 between the District, Fairfax County, Virginia, Montgomery County, Maryland, Prince George’s County, Maryland and the Washington Suburban Sanitary Commission (the “IMA,” and together with the Water Sales Agreement, the “System Agreements”), (iv) sell, issue and deliver the Bonds to the Underwriters as provided herein, and (v) carry out and consummate the transactions contemplated by the Resolution, the Escrow Agreement, the Bond Documents, the Preliminary Official Statement, the Official Statement and the System Agreements; and the Authority has complied, and at the Closing Date will be in compliance, in all material respects, with the Act and the Federal Act and with the obligations on its part in connection with the issuance of the Bonds contained in the Bonds, the Escrow Agreement, the Resolution, the Indenture, the Preliminary Official Statement, the Official Statement and this Agreement.

b. The Authority (i) has duly and validly adopted the Resolution, (ii) has authorized the execution and delivery of the Bond Documents, (iii) is authorized to execute, issue, sell and deliver the Bonds in book-entry form, (iv) is authorized to appoint, and has appointed, Wells Fargo Bank, N.A., as Trustee (the “Trustee”), (v) is authorized to apply and will apply the proceeds of the Bonds as provided in and subject to all of the terms and provisions of the Resolution, including the payment or reimbursement of the Authority expenses incurred in connection with the negotiation, marketing, issuance and delivery of the Bonds to the extent required by Section 14, (vi) has taken or will take on or before the Closing Date, all action necessary or appropriate for (a) execution, issuance, sale and delivery of the Bonds in book-entry form to the Underwriters, (b) approval, execution and delivery of and the performance by the Authority of its obligations contained in the Bonds and the Bond Documents, (c) the approval, distribution and use of the Preliminary Official Statement and the approval, execution, distribution and use of the Official Statement for use by the Underwriters in connection with the public offering of the Bonds and (d) the consummation by it of all other transactions described in the Official Statement, the Bond Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Authority in order to carry out, give effect to, and consummate the transactions described herein and in the Official Statement.

c. The adoption of the Resolution, the execution and delivery of the Bond Documents, the execution, issuance, sale and delivery of the Bonds in book-entry form and the performance by the Authority of its obligations hereunder and thereunder, and the performance by the Authority of its obligations under the System Agreements (collectively, the “Authority Undertakings”) are within the corporate powers of the Authority and are not in conflict with and will not constitute a breach, default or result in a violation of (i) the Act, (ii) any federal constitutional or federal or District statutory provision, including the Federal Act, (iii) any agreement or other instrument to which the Authority is a party, or (iv) any order, rule, regulation, decree or ordinance of any court of competent jurisdiction, government or governmental authority having jurisdiction over the Authority or its property.

d. The District has authorized the Authority to use all of the property and assets of the water distribution and wastewater collection, treatment and disposal systems of the Authority (the “System”), uninterrupted by the District, for as long as any revenue bonds of the Authority, including the Bonds, remain outstanding. The Authority has the full legal right, power and authority to operate the System and to collect and pledge the Revenues therefrom in accordance with the Indenture.

e. The Resolution or other appropriate actions adopted or taken by the Authority establishing the rates and charges for services of the System described in the Preliminary Official Statement and the Official Statement have been duly adopted or taken and are in full force and effect.

f. The System Agreements and all other agreements, permits, licenses, consents, approvals, actions, consent decrees and settlement orders material to the operation and management of the System, including the collection of the Revenues therefrom as described in the Preliminary Official Statement and the Official Statement, are in full force and effect as of the date hereof and will be on the Closing Date, and the Authority is not and will not be in default thereunder or in breach thereof. The System Agreements have been duly authorized, executed and delivered by the Authority and constitute valid and binding obligations of the Authority enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors’ rights generally and subject, as to enforceability, to general principles of equity.

g. The Bonds, when issued, delivered to the Underwriters and paid for, in accordance with the Act, the Resolution, the Indenture and this Agreement, will have been duly authorized, executed, issued and delivered by the Authority and will constitute valid and binding obligations of the Authority, enforceable against the Authority in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors’ rights generally and subject, as to enforceability, to general principles of equity. The Bonds are not a pledge of and do not involve the faith and credit or the taxing power of the District and the District shall not be liable thereon. The Bonds, the Indenture and the Resolution conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement and the proceeds of the sale of the Bonds will be applied as described in the Preliminary Official Statement and the Official Statement.

h. The Authority is not currently failing to comply and except as disclosed in the Preliminary Official Statement and the Official Statement, has not failed to comply during the past five years with any continuing disclosure obligation pursuant to Rule 15c2-12. The Authority has agreed to deliver to the Underwriters a Continuing Disclosure Agreement with respect to the Bonds that complies with the requirements of Rule 15c2-12.

i. This Agreement constitutes, and, upon execution and delivery by the Authority and the other parties thereto, each of the other Bond Documents will constitute, the valid, binding and enforceable obligation of the Authority in accordance with their respective terms, subject to applicable bankruptcy, insolvency, and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity.

j. The Authority is not in material breach of or material default under any applicable constitutional provision or law of the United States, the District or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which it is a party or to which it or any of its property or assets is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument; and the execution and delivery of the Bonds, this Agreement and the other Bond Documents and the adoption of the Resolution, and compliance with the provisions contained therein and herein, and in the System Agreements, do not conflict with or constitute a breach of or default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement, or other instrument to which it is a party or any of its property or assets are otherwise subject, nor will any such execution, delivery, adoption, or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of its property or assets or under the terms of any such law, regulation or instrument, except as provided by the Bonds.

k. All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter have been duly obtained or, with respect to the issuance of the Bonds, will be obtained prior to the issuance of the Bonds, which are required for the due authorization by or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Authority of its obligations in connection with the issuance of the Bonds and under this Agreement, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds.

l. Except as otherwise described in the Preliminary Official Statement and the Official Statement, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the Authority, threatened against the Authority (i) affecting or seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds, the use of the Preliminary Official Statement or the Official Statement or the collection of the Revenues pledged to the payment of the principal of and interest on the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity, enforceability, due authorization, execution or delivery of the Bonds, including this Agreement or the other Bond Documents, or

the validity or enforceability of the System Agreements, nor, to the best knowledge of the Authority, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Bond Documents, (iii) questioning the tax-exempt status of the Bonds under the laws of the District, (iv) affecting or in any way contesting the corporate existence or powers of the Authority or the titles of the officers of the Authority to their respective offices, (v) which may result in any material adverse change in the business or the financial condition or the financial prospects of the Authority or (vi) asserting that the Preliminary Official Statement or the Official Statement or any supplement thereto contains any untrue statement of a material fact or omits any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

m. The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request in order to (i) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate, (ii) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and (iii) continue such qualifications in effect so long as required for the distribution of the Bonds and will advise the Representative promptly of receipt by the Authority of any written notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose; provided, however, that the Authority will not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

n. The audited balance sheets of the Authority for the years ended September 30, 2018 and September 30, 2017, and the related statements of revenues, expenditures and changes in net assets and cash flows for the fiscal year ended on such date, as set forth in the Preliminary Official Statement and the Official Statement, are true, complete and correct and fairly present the financial condition of the Authority as of such date and the results of its operations for such fiscal year. There has been no material adverse change in the financial condition of the Authority since September 30, 2018, except as described in the Preliminary Official Statement and the Official Statement. The financial statements of, and other financial information of the Authority in the Preliminary Official Statement and in the Official Statement fairly present the financial position and results of the Authority as of the dates and for the periods therein set forth, and except as noted in the Preliminary Official Statement and in the Official Statement, the other historical financial information set forth in the Preliminary Official Statement and in the Official Statement has been presented on a basis consistent with that of the Authority's audited financial statements included or incorporated by reference in the Preliminary Official Statement and in the Official Statement.

o. The Authority has duly authorized, approved and delivered the Preliminary Official Statement and the Official Statement to the Underwriters.

p. The Preliminary Official Statement, as of its date and as of the date of this Agreement, did not and does not, and the Official Statement, is, as of its date and (unless the Official Statement is amended or supplemented pursuant to this Agreement) at all times

subsequent thereto during the period up to and including the Closing Date, did not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If between the date of the Official Statement and the Closing Date any event shall occur or any pre-existing fact or condition shall become known to the Authority that might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Authority shall promptly notify the Underwriters thereof, and if in the reasonable opinion of the Representative, such event, fact or condition requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will at its expense supplement or amend the Official Statement in a form and in a manner approved by the Underwriters, which approval shall not be unreasonably withheld. If the Official Statement is supplemented or amended as aforesaid, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the underwriting period, as defined in Section 5, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which made, not misleading.

q. The obligation of the Authority to know or provide information within the knowledge of the Authority is limited to providing information that is in the actual knowledge of, or reasonably should have been in the actual knowledge of, the key staff members of the Authority listed in the Official Statement under the caption "Senior Management" or their respective successors.

r. The Authority undertakes that, for a period beginning with the day on which the Bonds are delivered to the Underwriters and ending on the 25th day following the end of the underwriting period, as defined in Section 5, it will apprise the Underwriters of all material developments, if any, occurring with respect to the Authority, and if requested by the Underwriters, at the Authority's expense, prepare a supplement to the Official Statement in respect of any such material event.

s. The Authority has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Authority is a bond issuer whose arbitrage certificates may not be relied upon.

t. Any certificate signed by an authorized delegate of the Authority in connection with the transactions described in this Agreement will be deemed a representation, warranty, covenant and agreement by the Authority to the Underwriters as to the statements made therein.

u. Prior to the Closing, the Authority will not take any action within or under its control that will cause any adverse change of a material nature in the Authority's financial position, or its results of operations or condition, financial or otherwise.

v. The Authority will not, prior to the Closing, offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, except in the ordinary course of business, without the prior approval of the Representative, other than its Public Utility Subordinate Lien Revenue Bonds Series 2019A and Series 2019B and its Public Utility Subordinate Lien Multimodal Revenue Bonds Series 2019C, dated the date of Closing.

w. The Bonds and the Twenty-Sixth Supplemental Indenture conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement under the caption “THE SERIES 2019A/B/D BONDS” and in Appendix C “GLOSSARY AND SUMMARY OF THE INDENTURE.”

7. **Representations of Underwriters.** The Underwriters represent and warrant that they will offer the Bonds only pursuant to the Official Statement and the Underwriters agree to make a public offering of the Bonds at the initial offering prices or yields set forth in the Official Statement as the Underwriters may deem necessary or desirable in connection with the offering and sale of the Bonds and to sell the Bonds to dealers (including dealer banks and dealers depositing Bonds into investment trusts) and others at prices lower than the public offering prices. The Underwriters agree to deliver a final Official Statement to all purchasers of the Bonds in accordance with all applicable legal requirements.

8. **Rights to Cancellation by Underwriters.** The Underwriters will have the right to cancel their obligation to purchase, accept delivery of and to pay for the Bonds if between the date hereof and the Closing Date, the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds shall be materially adversely affected in the reasonable judgment of the Representative, on behalf of the Underwriters, by the occurrence of any of the following: (a) legislation has been enacted by or introduced in Congress or a decision by a federal court of the United States or the United States Tax Court has been rendered, or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency has been made or proposed to be made with respect to federal taxation on revenues or other income to be derived from the operation of the Authority, or other actions or events have occurred which have the purpose or effect, directly or indirectly, of materially adversely affecting the federal income tax consequences of any of the transactions contemplated in connection herewith, including the tax-exempt status of bonds issued by the Authority under the Internal Revenue Code of 1986, as amended, or (b) legislation has been enacted, or actively considered for enactment with an effective date being prior to the date of the issuance of the Bonds, or a decision by a court of the United States has been rendered, or a ruling or regulation by the SEC or another governmental agency having jurisdiction of the subject matter has been made, the effect of which is that the Bonds are not exempt from the registration or other requirements of the Securities Act of 1933, as amended and as then in effect (the “1933 Securities Act”), or that the Indenture is not exempt from the qualification or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect (the “Trust Indenture Act”), or (c) a stop order, ruling or regulation by the SEC has been issued or made, the effect of which is that the issuance, offering or sale of the Bonds as contemplated hereby or by the Official Statement is or would be in violation of any provision of the 1933 Securities Act, or of the 1934 Exchange Act, or of the Trust Indenture Act, or (d) there

exists any event which in the reasonable judgment of the Underwriters either (i) makes untrue or incorrect any statement or information of a material fact contained in the Official Statement or (ii) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein, in light of the circumstances under which they were made, not misleading, and, in either such event the Authority refuses to permit the Official Statement to be supplemented to correct or supply such statement or information, or the statement or information as supplemented is such as in the reasonable judgment of the Underwriters would materially adversely affect the market for the Bonds or the sale, at the contemplated offering price, by the Underwriters of the Bonds, or (e) there has occurred any new outbreak of hostilities (including, without limitation, an act of terrorism) or escalation of hostilities existing prior to the date hereof or any other extraordinary event, material national or international calamity or crisis, including a financial crisis, not existing on the date hereof, or (f) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates or the establishment of minimum or maximum prices) or any material increase of restrictions now in force (including the extension of credit by, or a charge to the net capital requirements of, Underwriters) shall have been established by the New York Stock Exchange, the SEC, any other federal agency, the Congress of the United States, or by Executive Order, or (g) there is in force a general suspension of trading in securities on the New York Stock Exchange or any other national securities exchange or (h) a general banking moratorium has been declared by Federal, District or New York authorities, or (i) there has occurred since the date hereof any material adverse change in the affairs of the Authority from that reflected in the financial information and data of the Authority included in or as an appendix to the Official Statement, other than as previously disclosed to the Underwriters, or (j) a material disruption in securities settlement, payment or clearance services shall have occurred, or (k) there shall have occurred any downgrading or published negative credit watch or similar published information from a rating agency that on the date hereof has published a rating (or has been asked to furnish a rating on the Bonds) on any of the Authority's debt obligations, which action reflects a change or possible change in the ratings accorded any such obligations of the Authority (including any rating to be accorded to the Bonds) or (l) there shall have occurred any downgrading or published negative credit watch or similar published information from a rating agency that at the date of this Agreement has published a rating (or has been asked to furnish a rating on the Bonds) on any of the Authority's debt obligations, which action reflects a change or possible change, in the ratings accorded any such obligations of the Authority (including any rating to be accorded the Bonds).

9. **Rights to Cancellation by the Authority.** The Authority will have the right to cancel its obligation to issue, sell and deliver the Bonds if between the date hereof and the Closing Date, the market price or marketability of the Bonds shall be materially adversely affected, in the reasonable judgment of the Authority, by the occurrence of any of the following: (a) legislation has been enacted by or introduced in Congress or a decision by a federal court of the United States or the United States Tax Court has been rendered, or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency has been made or proposed to be made with respect to federal taxation on revenues or other income to be derived from the operation of the Authority, or other actions or events have occurred which have the purpose or effect, directly or indirectly, of materially adversely affecting the federal income tax consequences of any of the transactions contemplated in connection herewith, or (b) legislation has been enacted, or actively

considered for enactment with an effective date being prior to the date of the issuance of the Bonds, or a decision by a court of the United States has been rendered, or a ruling or regulation by the SEC or another governmental agency having jurisdiction of the subject matter has been made, the effect of which is that the Bonds are not exempt from the registration or other requirements of the 1933 Securities Act, or that the Indenture is not exempt from the qualification or other requirements of the Trust Indenture Act, or (c) a stop order, ruling or regulation by the SEC has been issued or made, the effect of which is that the issuance, offering or sale of the Bonds as contemplated hereby or by the Official Statement is or would be in violation of any provision of the 1933 Securities Act, or of the 1934 Exchange Act, or of the Trust Indenture Act, or (d) there has occurred any new outbreak of hostilities (including, without limitation, an act of terrorism) or escalation of hostilities existing prior to the date hereof or any other extraordinary event, material national or international calamity or crisis, including a financial crisis, not existing on the date hereof, or (e) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates or the establishment of minimum or maximum prices) or any material increase of restrictions now in force (including the extension of credit by, or a charge to the net capital requirements of, Underwriters) shall have been established by the New York Stock Exchange, the SEC, any other federal agency, the Congress of the United States, or by Executive Order, or (f) there is in force a general suspension of trading in securities on the New York Stock Exchange or any other national securities exchange or (g) a general banking moratorium has been declared by Federal, District or New York authorities, or (h) a material disruption in securities settlement, payment or clearance services shall have occurred.]

10. **Conditions to Obligations of Underwriters at Closing.** The Underwriters have entered into this Agreement in reliance on the representations, warranties, covenants and agreements of the Authority contained herein, and in reliance on the representations, warranties, covenants and agreements to be contained in the documents and instruments to be delivered at the Closing and on the performance by the Authority of its obligations hereunder, as of the Closing Date. Accordingly, the Underwriters' obligations under this Agreement to purchase, to accept delivery of and to pay for the Bonds, are conditioned on the performance by the Authority of its obligations to be performed hereunder and the delivery of such documents and instruments enumerated herein in form and substance reasonably satisfactory to the Underwriters and Orrick, Herrington & Sutcliffe LLP, and McKenzie & Associates, co-counsel to the Underwriters, at or before the Closing, and are also subject to the following additional conditions:

a. The representations, warranties, covenants and agreements of the Authority contained herein are true, complete and correct on the date hereof and on and as of the Closing Date, as if made on the Closing Date;

b. The provisions of the Act and the Federal Act, as in effect on the date of this Agreement, shall be in full force and effect and shall not have been amended, except as to amendments which, in the reasonable opinion of the Underwriters, are not adverse to the interest of the Underwriters or the Bondholders;

c. At the time of the Closing, the Resolution is in full force and effect in accordance with its terms and has not been amended, modified or supplemented, and the Official

Statement has not been supplemented or amended, except in any such case as may have been agreed to by the Underwriters;

d. At the time of the Closing, all official action of the Authority relating to the Bonds, the Bond Documents and the System Documents are in full force and effect in accordance with their respective terms and have not been amended, modified or supplemented, except in each case as may have been agreed to by the Underwriters;

e. At the time of the Closing the Authority will perform or will have performed all of its obligations required under or specified in this Agreement, the Resolution and the Indenture, or contemplated by the Resolution, the Indenture or the Official Statement, to be performed prior to the Closing; and

f. At or before the Closing, the Underwriters will have received true and correct copies of each of the following documents:

i. A certified copy of the Resolution;

ii. The Official Statement and each supplement or amendment, if any, thereto, executed by the Authority;

iii. Counterparts of each of the fully executed Bond Documents and the System Agreements;

iv. The approving opinion of Co-Bond Counsel in substantially the form attached to Preliminary Official Statement and the Official Statement as Appendix F and a supplemental opinion, dated the Closing Date, in form and substance satisfactory to the Underwriters, and reliance letters with respect to such opinions addressed to Wells Fargo Bank, N.A., as Trustee;

v. An opinion, dated the Closing Date, of the Interim Executive Vice President Legal Affairs, of the Authority, substantially in the form of Exhibit B hereto;

vi. An opinion, dated the Closing Date, of Orrick, Herrington & Sutcliffe LLP and McKenzie & Associates, co-counsel to the Underwriters, substantially in the form of Exhibit C hereto;

vii. An opinion, dated the Closing Date, of Squire Patton Boggs (US) LLP and Parker Poe Adams & Bernstein LLP, in their capacity as co-disclosure counsel to the Authority, in form and substance satisfactory to the Underwriters and their co-counsel;

viii. An opinion, dated the Closing Date, of counsel to the Trustee, in a form approved by the Underwriters and their co-counsel;

ix. A manually signed Financial Feasibility Opinion Letter dated ____, 2019, of Amawalk Consulting Group LLC (the "Financial Feasibility Consultant"), regarding the financial feasibility of the issuance of the Bonds in substantially the form

attached to the Preliminary Official Statement and the final Official Statement as Appendix A and a certificate of the Financial Feasibility Consultant with respect to the issuance and sale of the Bonds, permitting the use of such letter and references to said firm in the Preliminary Official Statement and the Official Statement in form and substance satisfactory to the Underwriters;

x. One or more certificates of the Authority, dated the Closing Date, (A) to the effect that the representations, warranties, covenants and agreements of the Authority herein are true and correct on and as of the Closing Date as if made on the Closing Date, and that the Authority has performed all obligations to be performed hereunder as of the Closing Date; (B) to the effect that the Bond Documents, the Bonds and the System Agreements have not been modified, amended or repealed after the date hereof without the written consent of the Underwriters; (C) to the effect that no material change has occurred with respect to the System from the period from the date of this Agreement through the Closing Date;

xi. [Reserved];

xii. Evidence that Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings Services ("S&P") and Fitch Ratings ("Fitch") have issued ratings on the Bonds of "___", "___" and "___" respectively;

xiii. [A verification report of _____ (the "Verification Agent") dated the date of Closing;] and

xiv. Such additional legal opinions, certificates, instruments and other documents as the Underwriters may reasonably request to evidence the truth and accuracy, as of the Closing Date, of the Authority's representations, warranties, covenants and agreements contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Authority on or prior to the Closing Date of all the agreements then to be performed and conditions then to be satisfied by it.

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Agreement will be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriters.

11. **Obligations Upon Cancellation.** If the Authority is unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept the delivery of and to pay for the Bonds contained in this Agreement, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds is terminated for any reason permitted by this Agreement, this Agreement will terminate and neither the Underwriters nor the Authority will be under any further obligation hereunder, except that the Authority and the Underwriters shall pay their respective expenses as set forth in Section 14.

12. **Certain Information Provided by Underwriters.** The Underwriters confirm and the Authority acknowledges that the statements with respect to the public offering of the Bonds by the Underwriters set forth on the cover page of the Official Statement, the legend

concerning over-allotments in the Official Statement and the text under the caption "UNDERWRITING" in the Official Statement constitute the only information concerning the Underwriters furnished in writing to the Authority by or on behalf of the Underwriters for inclusion in the Official Statement.

13. **No Advisory or Fiduciary Role.** The Authority acknowledges and agrees that: (i) the transactions contemplated by this Agreement are arm's-length, commercial transactions between the Authority and the Underwriters in which the Underwriters are acting solely as principals, and are not acting as an agent, a municipal advisor, financial advisor or fiduciary to the Authority; (ii) the Underwriters have not assumed any advisory or fiduciary responsibility to the Authority with respect to the transactions contemplated hereby and the discussions, conferences, negotiations, undertakings and procedures leading thereto (irrespective of whether the Underwriters or their affiliates have provided other services or are currently providing other services to the Authority on other matters); (iii) the only obligations the Underwriters have to the Authority with respect to the transaction contemplated hereby expressly are set forth in this Agreement; (iv) the Authority has consulted its own financial and/or municipal, legal, accounting, tax, and other advisors, as applicable, to the extent it has deemed appropriate; and (v) this Agreement expresses the entire relationship between the parties hereto.

14. **Expenses.** The Authority will pay all costs of issuance of the Bonds including, but not limited to (a) the cost of preparation and posting of the Preliminary Official Statement and the cost of preparation, posting, printing and delivery of the Official Statement, including the number of copies the Underwriters and the Authority deem reasonable; (b) any cost of preparation of the Bonds; (c) the fees and disbursements of Co-Bond Counsel; (d) the fees and disbursements of any accountants, consultants, financial advisors or additional legal counsel retained in connection with the issuance of the Bonds, including the Independent Engineer and the Financial Feasibility Consultant; (e) fees for Bond ratings and CUSIP numbers; (f) the expenses of travel, lodging and meals for Authority representatives in connection with the negotiation, marketing, issuance and delivery of the Bonds; (g) all advertising expenses in connection with the public offering of the Bonds, including investor meetings; (h) the costs of filing fees required by any of the Blue Sky laws; and (i) all reasonable and necessary out-of-pocket associated with the issuance of the Bonds. The Authority shall reimburse the Underwriters for the fees and expenses of Underwriters' counsel, any expense advanced or incurred by the Underwriters for which the Authority is responsible hereunder including (f) above and other reasonable expenses incurred in connection with the performance of Underwriters' obligations hereunder (reimbursement may be included in the expense component of the Underwriters' discount, which the Underwriters acknowledge includes their expenses as set forth in Section 1).

15. **Notices.** Any notice or other communication to be given to the Authority under this Agreement may be given by delivering the same in writing to the address shown on the first page of this Agreement to the attention of the Chief Financial Officer, and any notice or other communication to be given to the Representative under this Agreement may be given by delivering the same in writing to Siebert Cisneros & Shank & Co., L.L.C., 100 Wall Street, 18th floor, New York, NY10005, Attention: _____, Managing Director.

16. **Parties in Interest; Survival of Representations and Warranties.** This Agreement, when accepted in accordance with the provisions hereof, shall constitute the entire agreement between the Authority and the Underwriters and is made solely for the benefit of the Authority and the Underwriters (including the successors or assigns of the Authority or the Underwriters) and no other person will acquire or have any right hereunder or by virtue hereof. All of the Authority's and Underwriters' representations, warranties, covenants and agreements contained in this Agreement will remain operative and full force and effect regardless of (a) any investigations made by or on behalf of the Underwriters; or (b) delivery of and payment for the Bonds pursuant to this Agreement.

17. **Effective Date.** This Agreement will become effective upon its acceptance by the Authority, as evidenced by the execution hereof by the appropriate official of the Authority, and will be valid and enforceable at the time of such acceptance.

18. **Execution in Counterparts.** This Agreement may be executed in counterparts each of which shall be regarded as an original and all of which shall constitute one and the same document.

19. **Finder.** The Authority represents and warrants that no finder or other agent of a finder has been employed or consulted by it in connection with this transaction.

20. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the District of Columbia.

SIEBERT CISNEROS SHANK & CO., L.L.C.
J.P. MORGAN SECURITIES LLC
FTN FINANCIAL CAPITAL MARKETS
JEFFERIES LLC
MORGAN STANLEY & CO. LLC
RAYMOND JAMES
STERN BROTHERS & CO.

By: SIEBERT CISNEROS SHANK & CO., L.L.C.,
as Representative of the Underwriters

By: _____
Authorized Representative

[SIGNATURE PAGE TO SERIES 2019D BOND PURCHASE AGREEMENT]

Accepted: _____, 2019

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

By _____

Name: Matthew Brown

Title: Chief Financial Officer and Executive Vice
President Finance and Procurement

[SIGNATURE PAGE TO SERIES 2019D BOND PURCHASE AGREEMENT]

EXHIBIT A

\$300,000,000*

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
Public Utility Subordinate Lien Revenue Refunding Bonds
Series 2019D (Federally Taxable)

Serial Bonds

Year	Principal Amount	Interest Rate	Yield*
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2019D Term Bonds

\$ __,000,000 ____% Term Bonds, due October 1, 20__, Yield ____%*

*Priced to the par call date.

* Preliminary, subject to change.

TERMS OF REDEMPTION

Optional Redemption

The Series 2019D Bonds are subject to optional redemption prior to maturity on or after April 1, 202_ from any source, in whole or in part on any date, in such order of maturities as shall be determined by the Authority (and by lot within a maturity), at a redemption price of 100% of the principal amount thereof, together with accrued interest, if any, to the redemption date.

MANDATORY SINKING FUND REDEMPTION

The \$00,000,000 Series 2019D Term Bonds maturing on October 1, 20__ shall be subject to mandatory sinking fund redemption, on October 1 of that respective year, as follows:

<u>Year</u>	<u>Principal Amount</u>
20__	\$
20__	
20__	
20__	

*Final maturity.

EXHIBIT B

FORM OF AUTHORITY'S INTERIM EXECUTIVE VICE PRESIDENT, LEGAL AFFAIRS
OPINION

_____, 2019

District of Columbia Water and Sewer Authority
1385 Canal Street S.E.
Washington, DC 20003

\$300,000,000*

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2019D (Federally Taxable)

Ladies and Gentlemen:

I am the Interim Executive Vice President, Legal Affairs to the District of Columbia Water and Sewer Authority (the "Authority") and in connection with the issuance by the Authority of its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2019D (Federally Taxable), in the original principal amount of \$300,000,000* (the "Bonds"). I have reviewed an executed copy of the Bond Purchase Agreement, dated _____, 2019, between the Authority and Siebert Cisneros Shank & Co., L.L.C., as Representative on behalf of the Underwriters, with respect to the Bonds (the "Bond Purchase Agreement") and the Preliminary Official Statement, dated _____, 2019 (the "Preliminary Official Statement") and the Official Statement, dated _____, 2019, being distributed in connection with the issuance of the Bonds (collectively, the "Official Statement"). Capitalized terms used and not defined herein shall have the respective meanings given to such terms in the Bond Purchase Agreement.

I have also examined an act of the Council of the District of Columbia entitled the "Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996," codified, as amended, at District of Columbia Official Code Ann. Sections 34-2201.01 *et seq.*, and the acts amendatory thereof and supplemental thereto (the "Act"), and an act of the United States Congress entitled the "District of Columbia Water and Sewer Authority Act of 1996" (Public Law 104-184), as amended (the "Federal Act"), certified copies of proceedings of the Authority authorizing the issuance of the Bonds, including the Resolution and such other proceedings as I have considered necessary or advisable to render the following opinions.

In rendering the following opinions, I have relied on representations of the Authority as to matters of fact without independent investigation or verification and, as to matters of law, the representations of Co-Bond Counsel without independent research or verification and have assumed the genuineness of all signatures, the authenticity of all documents tendered to me as originals and the conformity to original documents of all documents submitted to me as certified or photostatic copies.

Based upon review of the materials described above and subject to the recitals and qualifications herein contained, to the best of my knowledge, information and belief, it is my opinion that:

1. The Authority is a body corporate duly created, organized and validly existing as an independent authority of the District under the Act and under the Federal Act (the Act and the Federal Act being sometimes hereinafter referred to as, the "Acts"). The Authority has the full legal right, power and authority to (i) adopt the Resolution, (ii) issue the Bonds, (iii) execute, deliver and perform its obligations under the Bond Documents, and (iv) perform its obligations under the System Agreements.

2. The Federal Act was duly enacted by Congress and the Act was duly enacted by the Council of the District of Columbia. The Acts remain in full force and effect. The Act transferred all assets and liabilities of the Water and Sewer Utility Administration ("WASUA") as indicated on the balance sheet prepared by WASUA, effective April 17, 1996, on an interim basis for the exclusive use and possession of the Authority for so long as any revenue bonds of the Authority, including the Bonds, remain outstanding.

3. The Resolution was adopted by the Authority and has not been amended since the date of the adoption thereof and remains in full force and effect as of the date hereof.

4. (i) The adoption of the Resolution, the issuance of the Bonds, the execution and delivery of the Bond Documents and the performance of the Authority's obligations thereunder, and (ii) the performance of the Authority's obligations under the System Agreements, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Authority, a breach of or default under any agreement or other instrument to which the Authority is a party, or any existing law, administrative regulation, court order, settlement order or consent decree to which the Authority is subject.

5. Except as otherwise described in the Preliminary Official Statement and the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best of my knowledge, threatened against the Authority (i) seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds, the use of the Official Statement or the collection of the revenues pledged to the payment of the principal of and interest on the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity, enforceability, due authorization, execution or delivery of the Bonds, including the Bond Purchase Agreement or the other Bond Documents, or the validity or enforceability of the System Agreements, (iii) questioning the status of the Bonds under the laws of the District or the United States, (iv) in any way contesting the corporate existence or powers of the Authority or the titles of the officers of the Authority to their respective offices, (v) which may result in any material adverse change in the business or the financial condition or the financial prospects of the Authority or (vi) asserting that the Preliminary Official Statement or the Official Statement contains any untrue statement of a material fact or omits any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

6. The statements and information contained in the Preliminary Official Statement and the Official Statement under the caption entitled "LITIGATION," are true, correct and complete in all material respects, and the information under such caption does not contain any untrue statement of a material fact and does not omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect.

7. Pursuant to the Acts, the Authority has the full legal right, power and authority to operate the System and to collect and pledge the Revenues therefrom in accordance with the Indenture.

8. The Authority has approved the form of the Preliminary Official Statement and the Official Statement, the execution of the Official Statement and the delivery of the Official Statement to the purchasers of the Bonds.

9. The Authority has obtained the consents, approvals, authorizations or other orders required for the consummation of the transactions contemplated by the Bond Purchase Agreement, including the issuance of the Bonds.

This opinion and all documents which relate to this opinion are to be construed in accordance with the laws of the District and the United States of America. This opinion is rendered solely for the use of the Authority and may not be relied on by any other person.

Very truly yours,

Interim Executive Vice President Legal Affairs

EXHIBIT C

FORM OF OPINION OF UNDERWRITERS' COUNSEL

_____, 2019

\$300,000,000*

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2019D (Federally Taxable)

Siebert Cisneros Shank & Co., L.L.C., as Representative
100 Wall Street, 18th floor
New York, NY 10005

Ladies and Gentlemen:

We have acted as counsel for you as the representative (the "Representative") acting on behalf of yourself and other underwriters (the "Underwriters") in connection with your purchase from the District of Columbia Water and Sewer Authority (the "Authority") of its Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2019D (Federally Taxable), in the original principal amount of \$300,000,000* (the "Bonds"), pursuant to the Bond Purchase Agreement, dated _____, 2019 (the "Purchase Agreement"), between you and the Authority. The Bonds are to be issued pursuant to the Master Indenture of Trust, dated as of April 1, 1998 (the "Master Indenture"), as amended and supplemented to the date of delivery of the Bonds (the "Indenture"), including by the Twenty-Sixth Supplemental Indenture of Trust, to be dated the date of issuance and delivery of the Bonds (the "Twenty-Sixth Supplemental Indenture"), each by and between the Authority and Wells Fargo Bank, N.A., as trustee (the "Trustee"). The proceeds of the Bonds will be used to (i) refund all or a portion of the Authority's outstanding Series 2013A Bonds, and (ii) pay the costs of issuing the Bonds. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Purchase Agreement.

In that connection, we have reviewed the Indenture, the Preliminary Official Statement of the Authority dated _____, 2019 (the "Preliminary Official Statement") and the Official Statement of the Authority, dated _____, 2019, with respect to the Bonds (the "Official Statement"), the Continuing Disclosure Agreement, dated _____, 2019 (the "Continuing Disclosure Agreement"), the Purchase Agreement, certificates of the Authority, the Trustee and others, the opinions referred to in paragraph 10(f)(vi) of the Purchase Agreement, and such records and documents, and we have made such investigations of law, as we have deemed appropriate as a basis for the opinions and conclusions hereinafter expressed. We do not assume any responsibility for any electronic version of the Official Statement and assume that any such version is identical in all material respects to the printed version.

In arriving at the opinions and conclusions hereinafter expressed, we are not expressing any opinion or view on, and with your permission are assuming and relying on, the validity, accuracy and sufficiency of the records, documents, certificates and opinions referred to above, including the accuracy of all factual matters represented and legal conclusions contained therein,

including (without limitation) any representations and legal conclusions regarding the due authorization, issuance, delivery, validity and enforceability of the Bonds, and any laws, documents and instruments that may be related to the issuance, payment or security of the Bonds. We have assumed that all records, documents, certificates and opinions that we have reviewed, and the signatures thereto, are genuine.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions or conclusions:

1. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

2. We are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement and the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. In our capacity as your counsel, to assist you with your responsibility with respect to the Preliminary Official Statement and the Official Statement, we participated in conferences with your representatives and representatives of the Authority, Squire Patton Boggs (US) LLP and Parker Poe Adams & Bernstein LLP, as co-bond counsel and as co-disclosure counsel, financial advisors, feasibility consultants and others, during which the contents of the Official Statement and related matters were discussed. Based on our participation in the above-mentioned conferences (which did not extend beyond the date of the Official Statement), and in reliance thereon, on oral and written statements and representations of the Authority and others and on the records, documents, certificates, opinions and matters herein mentioned (as set forth above), we advise you as a matter of fact and not opinion that, during the course of our representation of you on this matter, no facts came to the attention of the attorneys in our firm rendering legal services to you in connection with the Preliminary Official Statement and the Official Statement which caused us to believe that the Preliminary Official Statement and the Official Statement as of their dates and as of the date hereof (except for any CUSIP numbers, financial, accounting, statistical or economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about litigation to which the Authority is a party, any management discussion and analysis, Appendices to the Preliminary Official Statement and the Official Statement, or any information about book-entry, DTC, ratings, rating agencies, and tax exemption of the Bonds, which we expressly exclude from the scope of this paragraph and as to which we express no opinion or view) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. No responsibility is undertaken or view expressed with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by or incorporated by reference in the Preliminary Official Statement and the Official Statement.

3. In our opinion, the Continuing Disclosure Agreement with respect to the Bonds for the benefit of the holders thereof, satisfies in all material respects the requirements for such an

agreement in paragraph (b) (5) of the Rule 15c2-12; provided that, for purposes of this opinion, we are not expressing any view regarding the content of the Official Statement that is not expressly stated in numbered paragraph 2 of this letter.

We are furnishing this letter to you pursuant to paragraph 10(f)(vi) of the Purchase Agreement solely for your benefit as the Representative. We disclaim any obligation to update this letter. This letter is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of Bonds or by any other party to whom it is not specifically addressed.

Very truly yours,