

**CITY OF PHILADELPHIA, PENNSYLVANIA**  
**EVENT NOTICE UNDER CONTINUING DISCLOSURE AGREEMENT**

**DATED MARCH 7, 2019**

On February 27, 2019, the City closed on a Forward Delivery Bond Purchase Agreement with an investment grade rated US Broker/Dealer, as purchaser (the “Purchaser”), pursuant to which the City will issue and deliver \$127,740,000 principal amount of its Water and Wastewater Revenue Refunding Bonds, Series 2020 (Forward Delivery) (the “2020 Bonds”). The 2020 Bonds are expected to be issued and delivered on October 7, 2020. Proceeds of the 2020 Bonds are intended to be used to refund all or a portion of the City’s outstanding Water and Wastewater Revenue Bonds, Series 2011A and to pay certain costs of issuance. The 2020 Bonds will bear interest at 5.000%, and the final maturity date of the Bonds is October 1, 2040. The obligations of the City and the Purchaser, respectively, to issue and deliver, and purchase and accept the delivery of, the 2020 Bonds, are subject to the satisfaction of certain requirements as more fully set forth in the Forward Delivery Bond Purchase Agreement, a copy of which is attached hereto as Exhibit A. *Certain information therein has been redacted at the request of the Purchaser.*

Exhibit A

Redacted Copy of Forward Delivery Bond Purchase Agreement

**REDACTED COPY OF  
FORWARD DELIVERY BOND PURCHASE AGREEMENT**

relating to

**\$ 127,740,000**

**City of Philadelphia, Pennsylvania  
Water and Wastewater Revenue Refunding Bonds, Series 2020 (Forward Delivery)**

Philadelphia, Pennsylvania  
February 20, 2019

Honorable James F. Kenney, Mayor  
Honorable Rebecca Rhynhart, City Controller  
Marcel S. Pratt, City Solicitor  
City of Philadelphia, Pennsylvania

Messrs. Kenney and Pratt and Ms. Rhynhart:

The undersigned, [REDACTED], as purchaser (the “**Purchaser**”), hereby offers to enter into this Forward Delivery Bond Purchase Agreement (this “**Agreement**”) with the City of Philadelphia, a corporation and body politic and city of the first class existing under the laws of the Commonwealth of Pennsylvania (the “**City**”), acting by and through the Mayor, the City Solicitor and the City Controller (collectively, the “**Bond Committee**”), or a majority of them, as authorized by the General Ordinance (hereinafter defined).

This offer is made subject to the City’s written acceptance hereof on or before 5:00 p.m. (Eastern time) on the date hereof (the “**Execution Date**”), and, if not so accepted, will be subject to withdrawal by the Purchaser upon written notice from the Purchaser delivered to the City at any time prior to the acceptance hereof by the City. Upon acceptance by the City, this Agreement shall be binding upon the City and the Purchaser in accordance with its terms. Capitalized terms not otherwise defined herein have the meanings ascribed to such terms in the General Ordinance.

**1. Purpose and Terms of Financing.** The City will issue \$127,740,000 aggregate principal amount of its Water and Wastewater Revenue Refunding Bonds, Series 2020 (Forward Delivery) (the “**Bonds**”) for the purpose of providing funds that will be used to: (a) refund all or a portion of the City’s outstanding Water and Wastewater Revenue Bonds, Series 2011A; and (b) pay or reimburse the City for issuance costs of the Bonds. The Bonds shall be dated the Settlement Date, as defined in **Section 5** hereof, and shall bear interest and mature as set forth on **Schedule I** attached hereto. The Bonds shall be payable as described in the Bond Committee Determination (hereinafter defined) and the General Ordinance.

**2. Authorizing Acts.** The Bonds are being issued under The First Class City Revenue Bond Act, P.L. 955, Act No. 234 of the General Assembly of the Commonwealth of Pennsylvania,

approved October 18, 1972 (the “**Act**”) and the City’s Restated General Water and Wastewater Revenue Bond Ordinance of 1989, approved June 24, 1993 (the “**Restated General Ordinance**”), as supplemented and amended from time to time, including by the Nineteenth Supplemental Ordinance approved by the Mayor on December 8, 2015 (the “**Nineteenth Supplemental Ordinance**”) and the Twentieth Supplemental Ordinance approved by the Mayor on April 18, 2018 (the “**Twentieth Supplemental Ordinance**”), authorizing the issuance of the Bonds. The Restated General Ordinance, as so supplemented and amended, is herein referred to as the “**General Ordinance**.” The City has delivered to the Purchaser copies of the General Ordinance and the Bond Committee Determination.

**3. Purchase and Sale of the Bonds.** Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Purchaser hereby agrees to purchase from the City, and the City hereby agrees to sell and deliver to the Purchaser, all, but not less than all, of the Bonds. The aggregate purchase price for the Bonds shall be \$138,627,165.15 (equal to the principal amount of the Bonds plus original issue premium of \$10,887,165.15).

The payment for and delivery of the Bonds pursuant to **Section 5** of this Agreement, along with the other fees to be paid and actions contemplated to take place at the time of such payment and delivery, is referred to herein as the “**Settlement**.”

**4. Representations, Warranties and Covenants of the City.** The City hereby represents and warrants to and covenants with the Purchaser that:

(a) the City is, at the Execution Date, and at the Settlement Date (as defined herein) will be, a corporation and body politic and city of the first class established and existing under the laws of the Commonwealth of Pennsylvania (the “State”), and by official action City Council of the City (“City Council”) has validly enacted the General Ordinance;

(b) the City has, at the Execution Date, and will have, as of the Settlement Date, full legal right, power and authority: (i) to enter into this Agreement; (ii) to enact the General Ordinance, which has been signed by the Mayor; (iii) to issue, to sell and to deliver the Bonds to the Purchaser as provided herein; (iv) to execute and deliver the Fiscal Agent Agreement dated as of June 3, 1991, as amended as of March 5, 1992 and August 5, 1993 (the “**Fiscal Agent Agreement**”) from the City to U.S. Bank National Association, as successor fiscal agent (the “**Fiscal Agent**”); (v) to enter into the Bond Committee Determination (as hereinafter defined); (vi) to enter into a Continuing Disclosure Agreement relating to the Bonds to be dated the Closing Date between the City and Digital Assurance Certification, LLC, as dissemination agent (the “**Continuing Disclosure Agreement**”); and (vii) to carry out and to consummate the transactions contemplated by this Agreement, the General Ordinance, the Bond Committee Determination, the Fiscal Agent Agreement, the Continuing Disclosure Agreement and the Bonds (collectively, the “**City Documents**”);

(c) the City has, as of the Execution Date, complied with and will, as of the Settlement Date, be in compliance with the General Ordinance;

(d) the Bond Committee, or a majority of the Bond Committee, are authorized on behalf of the City to borrow by the issuance and sale of the Bonds the sum or sums to be expended pursuant to the General Ordinance and to make all determinations made by the Bond Committee with respect to the Bonds and set forth in its Determination dated the Execution Date including any supplements or amendments thereto (the “**Bond Committee Determination**”);

(e) the performance by the City of its obligations contained in the Bonds and the consummation by it of the transactions contemplated by this Agreement and the other City Documents shall be in compliance with the General Ordinance, the City’s Home Rule Charter, the Philadelphia Code of General Ordinances and the Act;

(f) the Bonds, when issued, authenticated and delivered in accordance with the Act and the General Ordinance and sold to the Purchaser on the Settlement Date as provided therein and herein, will be validly issued and binding outstanding obligations of the City entitled to the benefits of the provisions for the payment and security thereof contained in the Bonds, the Act and the General Ordinance. The City Documents, when executed, will be legal, valid and binding obligations of the City enforceable against the City in accordance with their respective terms;

(g) the financial statements of the City of Philadelphia Water Fund, derived from the City’s Comprehensive Annual Financial Report for Fiscal Year 2017, fairly present the financial position and results of operations of the City of Philadelphia Water Fund as of the dates and for the periods therein set forth on a legally enacted basis and on the basis of generally accepted accounting principles as specified in Footnote 2 to such financial statements;

(h) as of the Execution Date, there has been no material adverse change in the financial position, results of operations or conditions, financial or otherwise, of the City, of the System (as defined in the General Ordinance) or in the physical condition of its facilities as described in the Official Statement dated February 13, 2019 relating to the City’s Water and Wastewater Revenue Refunding Bonds (Federally Taxable), Series 2019A (the “**Official Statement**”);

(i) there is no indebtedness of the City with a lien or pledge on the Project Revenues that is prior to or on parity with the lien or pledge under the General Ordinance securing the Bonds and the other bonds issued under the General Ordinance;

(j) on or shortly after the Execution Date, the City will file with the Municipal Securities Rulemaking Board’s Electronic Municipal Markets Access system a notice that it has entered into this Agreement, together with a redacted copy of this Agreement (which redactions shall be mutually acceptable to the Purchaser and the City), all of which the Purchaser acknowledges hereby;

(k) except as disclosed to the Purchaser, in writing, the City has timely complied in all material respects with all of its prior continuing disclosure undertakings entered into pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934, as

amended in the past five (5) years;

(l) the City is not now in default, nor has the City been in default at any time during the last 10 fiscal years as to the payment of principal or interest with respect to any obligation issued or guaranteed by the City or any other payment with respect to any obligation on parity with the lien or pledge under the General Ordinance securing the Bonds in any respect material to the transactions contemplated by the City Documents, in breach of or in default under, and the execution and delivery of the Bonds and this Agreement and the other City Documents and compliance with the provisions of each applicable to the City will not violate or constitute a breach of or default under, in any respect material to the transactions contemplated by the City Documents, (i) the City's Home Rule Charter or the Philadelphia Code of General Ordinances, the General Ordinance, or any applicable law or administrative regulation of the State, including the Act, or of the United States (except that no representation or warranty is made as to any federal or state securities laws) or of any other governmental authority having jurisdiction over the City or of any department, division, agency or instrumentality thereof, or (ii) any applicable judgment or decree or any loan agreement, note, ordinance, resolution or other instrument to which the City is a party or to which the City or any of the revenues or assets thereof is otherwise subject, the consequences of which or the correction of which would materially and adversely affect the financial condition or operations of the Water Department (as defined in the General Ordinance) or the City as a whole;

(m) as of the Execution Date, no action or proceeding at law or in equity, before any court, governmental agency or arbitrator is pending, or to the knowledge of the City's Law Department after customary inquiry, threatened in writing, against the City that in any way contests the validity or enforceability of the City Documents, or seeks to restrain or to enjoin the issuance or delivery of the Bonds;

(n) other than as disclosed in the Official Statement, no action or proceeding, at law or in equity before any court, governmental agency or arbitrator is pending, or to the knowledge of the City's Law Department after customary inquiry threatened in writing, against the City: (i) that challenges the existence of the City or the titles of its officers signatory hereto or to the City Documents or their right to hold their respective offices; or (ii) that seeks to restrain or enjoin the collection of or the pledge of the Project Revenues of the System from which provision for payment of the principal of and interest on the Bonds is or will be made; or (iii) that in any way contests the powers of the City with respect to the City Documents; or (iv) as to which a final adverse determination would reasonably be expected to have a material adverse effect on the financial condition of the System or the City as a whole;

(o) all approvals, consents and orders of any governmental authority, board, agency, council, commission or other body having jurisdiction which could constitute a condition precedent to, or the absence of which could materially adversely affect the performance by the City of its obligations under the Agreement have been obtained or, if not, will be obtained at the time of or prior to the Settlement;

(p) all approvals, consents and orders of any governmental authority, board,

agency, council, commission or other body having jurisdiction which could constitute a condition precedent to, or the absence of which could materially adversely affect the performance by the City of its obligations hereunder and under the Agreement have been obtained or, if not, will be obtained at the time of or prior to the Closing;

(q) the City (i) is not the subject of an order of rehabilitation, liquidation or dissolution under the laws of the State or federal law, (ii) is not the subject of a case or other proceeding seeking liquidation, reorganization or similar relief under any bankruptcy, insolvency or other similar state or federal law, (iii) has not made an assignment for the benefit of creditors, (iv) has not failed to generally pay its debts as they become due, (v) is not subject to a debt moratorium or debt restructuring or comparable restriction with respect to payment of any debt, (vi) has not become insolvent or (vii) is not the subject of a writ of attachment, execution, restraint or similar process against all or any substantial part of its assets, which results in the entry of an order for relief;

(r) the City will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the General Ordinance and the Bond Committee Determination and not to take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal and State income tax purposes of the interest on the Bonds; and

(s) any certificate, signed by any officer of the City authorized to do so in connection with the transactions contemplated by this Agreement, shall be deemed a representation and warranty by the City to the Purchaser as to the truth of the statements made therein.

## **5. Closing and Settlement.**

(a) At 10:00 a.m. (Eastern time) on February 27, 2019, or at such other time and date as shall have been mutually agreed upon by the City and the Purchaser (the “**Closing**,” and the date thereof the “**Closing Date**”), the City will deliver to the Purchaser at the offices of Ballard Spahr LLP, Philadelphia, Pennsylvania, the documents and certificates set forth in **Section 6** below. In addition, on the Settlement Date the City shall pay the Purchaser a commitment fee of \$ [REDACTED] (the “**Commitment Fee**”) plus related expenses equaling \$1,372.00 for a total payment of \$ [REDACTED] in immediately available funds by check, draft or wire transfer.

(b) Assuming the Closing has been completed in accordance with the provisions of this Agreement, then, subject to the provisions of this Agreement, including but not limited to **Section 7** hereof, the Purchaser shall be obligated to purchase the Bonds and pay the purchase price (and the City shall be obligated to issue and deliver such Bonds) at 10:00 a.m. (Eastern time) on October 7, 2020, or at such later date as may be mutually agreed upon by the City and the Purchaser (the “**Settlement Date**”).

In connection with the Settlement, the City will deliver to the Purchaser, through the facilities of The Depository Trust Company (“**DTC**”) in New York, New York, or at such other place as the City and the Purchaser may mutually agree upon, the Bonds in fully

registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and at the offices of Ballard Spahr LLP, the other documents and certificates set forth in **Section 7** below. The Purchaser will accept such delivery and pay the purchase price in immediately available funds by check, draft or wire transfer to or upon the order of the City.

(c) Delivery of the Bonds shall be made to the Paying Agent in its capacity as FAST Agent for The Depository Trust Company, New York, New York, in definitive form, as fully registered bonds (in such denominations as the Purchaser shall specify in writing at least two business days prior to the Settlement) duly executed and authenticated and bearing CUSIP numbers (provided neither the printing of a wrong number on any Bond nor the failure to print a number thereon shall constitute cause to refuse delivery of any Bond); provided, however, that the Bonds may be delivered in temporary form.

(d) The Purchaser shall have the right to delay the Settlement and reschedule the Settlement Date, if, subsequent to the Execution Date, and at any time prior to the Settlement Date, a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred. The Settlement Date shall be rescheduled to a date mutually agreed upon by the City and the Purchaser once the material disruption has been alleviated.

**6. Closing Conditions.** The Purchaser has entered into this Agreement in reliance upon the representations, warranties and agreements of the City contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the City of its obligations hereunder, on the Execution Date, the Closing Date and the Settlement Date. Accordingly, the Purchaser's obligations under this Agreement shall be conditioned upon the performance by the City of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the City of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Purchaser:

(a) The representations and warranties of the City contained herein shall be true, complete and correct on the Execution Date and on and as of the Closing Date, as if made on the Closing Date.

(b) The City shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing.

(c) As of the Closing Date, (i) the Act and the General Ordinance shall be in full force and effect and shall not have been amended, modified or supplemented, (ii) 20 days shall have elapsed after the filing of the transcript of the proceedings authorizing the issuance of the Bonds pursuant to Section 12 of the Act and no action asserting the validity or invalidity of such proceedings has been brought within such period, and (iii) the City shall perform or have performed all of its obligations required under or specified in this Agreement, the General Ordinance, the Bond Committee Determination, the Fiscal Agent



Agreement, the Tax Certificate and the Continuing Disclosure Agreement to be performed at or prior to Closing, and (iv) there shall have been taken all other official actions as, in the opinion of Co-Bond Counsel, shall be necessary or appropriate in connection with the issuance of the Bonds and with the transactions contemplated by this Agreement.

(d) As of the Closing Date (i) all necessary and official action of the City relating to the General Ordinance, the Bond Committee Determination, the Fiscal Agent Agreement, the Continuing Disclosure Agreement, the Tax Certificate and this Agreement shall be in full force and effect and such action shall not have been amended, modified or supplemented and (ii) this Agreement, and the other City Documents shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Purchaser.

(e) Between the Execution Date and the Closing Date, there shall not have occurred any material change in the condition, financial or otherwise, or in the revenues or operations of the System or the Water and Wastewater Funds of the City.

(f) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions contemplated by this Agreement shall be reasonably satisfactory in legal form and effect to the Purchaser.

(g) At or prior to the Closing, the Purchaser shall have received copies of each of the following documents fully executed by the parties thereto:

(i) An executed copy of this Agreement, duly executed and delivered by the Director of Finance of the City;

(ii) The General Ordinance certified by the Chief Clerk of City Council as being in full force and effect as of the Closing Date;

(iii) The Nineteenth Supplemental Ordinance and the Twentieth Supplemental Ordinance, each certified by the Chief Clerk of City Council as being in full force and effect as of the Closing Date;

(iv) The Bond Committee Determination, duly executed and delivered by the Bond Committee;

(iii) (A) An opinion of Co-Bond Counsel, dated the Closing Date and addressed to the Purchaser, covering the matters set forth in **Exhibit B-1** and otherwise acceptable to the Purchaser, and (B) a supplemental opinion of Co-Bond Counsel, dated the Closing Date and addressed to the Purchaser, covering the matters set forth **Exhibit B-2** and otherwise acceptable to the Purchaser;

(iv) An opinion of the City Solicitor, dated the Closing Date and addressed to the Purchaser, covering the matters set forth in **Exhibit C** and otherwise acceptable to the Purchaser;

(v) An executed copy of the Continuing Disclosure Agreement, attached hereto as **Exhibit A**;

(vi) The Tax Certificate duly executed and delivered by the City, in form and substance satisfactory to Co-Bond Counsel and the Purchaser;

(vii) A certificate, dated the Closing Date, signed by the Director of Finance of the City substantially in the form of **Exhibit D** attached hereto;

(viii) A certificate, dated the Closing Date, signed by the Water Commissioner substantially in the form of **Exhibit E** attached hereto;

(ix) Evidence satisfactory to the Purchaser that S&P Global Ratings (“S&P”), Moody’s Investors Service Inc. (“Moody’s”) and Fitch, Inc. (“Fitch”) have assigned long-term ratings to the Bonds of “A+,” “A1,” and “A+,” respectively, and that all such ratings are in effect and not under review as of the Closing Date;

(x) A copy of the Engineer’s Report and a certificate dated the Closing Date and signed by duly authorized representatives of Black & Veatch Management Consulting, LLC, substantially in the form of **Exhibit F** attached hereto;

(xi) Evidence satisfactory to the Purchaser that the City has appointed U.S. Bank National Association as Fiscal Agent, Sinking Fund Depository, Paying Agent and Registrar for all outstanding Water and Sewer Revenue Bonds, Water and Wastewater Revenue Bonds and the Bonds, and the Fiscal Agent has duly accepted the duties imposed upon it by the General Ordinance, the Bond Committee Determination and the Fiscal Agent Agreement;

(xiii) The Fiscal Agent Agreement duly executed by the parties thereto;

(xiv) A copy of all filings and recordings necessary under the Uniform Commercial Code of Pennsylvania to perfect the security interest in all Project Revenues and the Water and Wastewater Funds, as such terms are used in the Act and the General Ordinance);

(xv) An executed receipt of the Prothonotary of the Court of Common Pleas of the County of Philadelphia acknowledging the filing by the City Solicitor of the Transcript of the Proceedings for the Bonds in accordance with the Act; and

(xvi) Such additional legal opinions, certificates, instruments and other documents as the Purchaser or counsel to the Purchaser may reasonably request to evidence the truth and accuracy of the City’s representations and warranties contained herein and the due performance or satisfaction by the City on or prior to the Closing Date of all the respective agreements then to be performed and conditions then to be satisfied by the City.

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

## 7. Settlement Conditions.

The Purchaser's obligations under this Agreement to purchase, to accept delivery of and to pay for the Bonds at the Settlement shall be conditioned upon the truth of the representations, warranties and covenants of the City contained in this Agreement as of the Settlement Date as if made on such Date. Accordingly, the Purchaser's obligations under this Agreement shall be subject to the performance by the City of its obligations under this Agreement and under the City Documents and shall also be subject to the following conditions, including the delivery by the City of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Purchaser:

(a) Any amendments or supplements to the General Ordinance, the Paying Agent Agreement, the Continuing Disclosure Agreement or to the other City Documents;

(b) An opinion of Co-Bond Counsel with respect to the Bonds, in the form attached hereto as **Exhibit G** with respect to the due authorization of and issuance and validity of the Bonds and tax exemption;

(c) A bringdown opinion of the City Solicitor, dated the Settlement Date and addressed to the Purchaser, in the form attached hereto as **Exhibit H** to the effect that all actions taken by the in connection with the authorization and issuance of the Bonds are still in effect and no further action needs to be taken by the City, and certain other matters;

(d) A bringdown certificate, dated the Settlement Date, of the City in substantially the form attached hereto as **Exhibit I**;

(e) A certificate or agreement of the City in form and substance satisfactory to Co-Bond Counsel and Purchaser's Counsel (a) setting forth the facts, estimates and circumstances in existence on the date of the Settlement, which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "**Code**"), and any applicable regulations (whether final, temporary or proposed), issued pursuant to the Code, and (b) certifying that to the best of the knowledge and belief of the City there are no other facts, estimates or circumstances that would materially change the conclusions, representations and expectations contained in such certificate;

(f) A completed Internal Revenue Service Form 8038-G (Information Return for Tax-Exempt Governmental Obligations) related to the Bonds;

(g) The Verification Report of American Municipal Tax-Exempt Compliance Corporation or another verification agent engaged by the City relating to the Bonds;

(h) Any other certificates and opinions required by the General Ordinance for the issuance thereunder of the Bonds or any other certificates or opinions as may reasonably be required by the Purchaser; and

(i) At or prior to the Settlement Date, the Purchaser shall have received payment of the Commitment Fee.

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

**8. Termination Funding Events and Termination Events.** (a) The Purchaser shall have the right to terminate its obligation to purchase the Bonds without liability therefor by written notification to the City if at any time between the Execution Date and the Settlement Date (the following events being referred to herein as “**Termination Funding Events**”):

(i) an event constituting an event of default pursuant to any outstanding debt instruments or hedge agreements of the City payable solely from the Water and Wastewater Funds shall have occurred and be continuing on the Settlement Date, unless the Purchaser shall have agreed in writing that the same shall not constitute a Termination Funding Event;

(ii) the City shall, in writing, deny or repudiate its obligations under, or initiate any legal proceedings to seek an adjudication that, any of the provisions of this Agreement or the General Ordinance, the Continuing Disclosure Agreement, or any other City Documents are not valid or binding on the City;

(iii) the City shall (A) be the subject of an order of rehabilitation, liquidation or dissolution under the laws of any state or under federal law, (B) be the subject of a case or other proceeding seeking liquidation, reorganization or similar relief under any bankruptcy, insolvency or other similar state or federal law, (C) have made an assignment for the benefit of creditors, (D) have failed to generally pay its debts as they become due, (E) be subject to a debt moratorium or debt restructuring or comparable restriction with respect to payment of any debt, (F) have become insolvent or (G) be the subject of a writ of attachment, execution, restraint or similar process against all or any substantial part of its assets, which results in the entry of an order for relief;

(iv) any representation or warranty given by the City in this Agreement or in a certificate or other document delivered to the Purchaser in connection with this Agreement shall have been discovered to be inaccurate or incomplete in any material respect when made or deemed to have been made;

(v) (A) any rating of the Bonds falls below “Baa3” by Moody’s, below “BBB-” by S&P or below “BBB-” by Fitch or (B) any rating of the Bonds previously issued by S&P, Moody’s or Fitch is under review or has been withdrawn;

(vi) (A) on or before the Settlement Date, the City shall notify the Purchaser in writing, which notice shall be irrevocable, that the City has determined that the Bonds shall not be issued or (B) the Bonds are not issued on the Settlement Date in the form and on the terms contemplated herein and in the General Ordinance and the Bond Committee Determination for reasons other than those described in **Section 8(b)** hereof;

(vii) on or before the Settlement Date, the City takes any action or omits to take any action that would make it impossible for Co-Bond Counsel to deliver the opinion required by **Section 7(b)** hereof; or

(viii) on or before the Settlement Date, the City shall not have satisfied the conditions of the obligation of the Purchaser to purchase the Bonds as set forth in **Section 7** hereof for reasons other than those described in **Section 8(b)** hereof.

(b) The Purchaser shall have the right to terminate its obligation to purchase the Bonds if, between the Execution Date and the Settlement Date, any one of the following events shall have occurred (such events being referred to herein as “**Termination Events**”):

(i) the Constitution of the United States or of the Commonwealth of Pennsylvania shall have been amended, or proposed legislation shall have been introduced in or enacted by the Congress of the United States or adopted by either house thereof or favorably reported by a Committee of either house or introduced by Committee of either house, by amendment or otherwise, or introduced in or enacted by the General Assembly of the Commonwealth of Pennsylvania or adopted by either house thereof or favorably reported by a Committee of either house or introduced by Committee of either house, by amendment or otherwise, or legislation pending in the Congress of the United States or in the General Assembly of the Commonwealth of Pennsylvania shall have been amended, or a decision shall have been rendered by a court of the United States or of the Commonwealth of Pennsylvania, including the Tax Court of the United States, or a ruling, regulation or official statement shall have been proposed or made or issued by the Treasury Department of the United States or the Internal Revenue Service or other governmental, Federal or Commonwealth of Pennsylvania agency with respect to Federal or Pennsylvania taxation upon revenues or other income of the general character to be derived by the City or by any similar body, or upon interest on obligations of the general character of the Bonds, the effect of any or all of which would be to impose, directly or indirectly, federal or Pennsylvania income taxation upon interest received on obligations of the general character of the Bonds;

(ii) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the SEC shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds is in violation of any provisions of the Securities Act of 1933, as amended (the “1933 Act”) or of the 1934 Act;

(iii) in the Congress of the United States legislation shall be introduced or enacted or a bill shall be adopted by or favorably reported out of committee to either house, or a decision by a court shall be rendered, or a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be issued or be made, to the effect that the issuance, offering or sale of the Bonds or of securities of the City or of any similar public body are in violation of any provision of the 1933 Act or the Bonds or securities of the City or of any similar public body are not exempt from the registration, qualification or other requirements of the 1933 Act or the General Ordinance is not exempt from qualification under the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”);

(iv) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national or international emergency or war or other calamity or crisis the effect of which on financial markets of the United States is to materially adversely affect the market price for the Bonds;

(v) a general banking moratorium shall have been declared by federal or New York or Commonwealth of Pennsylvania authorities or a major financial crisis or a material disruption in commercial banking or securities settlement or clearances services;

(vi) a general suspension of trading, minimum or maximum prices for trading shall have been fixed and be in force or maximum ranges or prices for securities shall have been required or any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, the Purchaser shall have been established by the New York Stock Exchange, the SEC or any other federal or state agency of the Congress of the United States, or by Executive Order; or

(vii) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, Purchaser shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

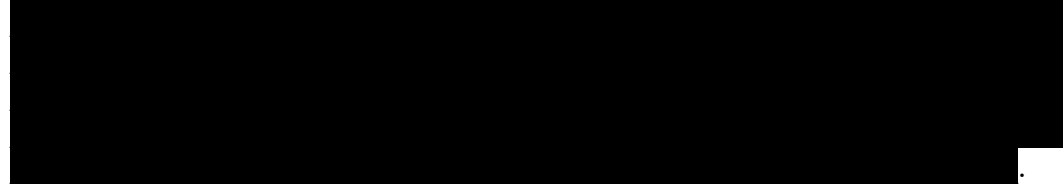
(viii) the purchase of and payment for the Bonds by the Purchaser, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

(c) If a Termination Funding Event occurs and the Purchaser terminates this Agreement:

(i) the Purchaser shall have no further obligation hereunder;

(ii) the City will pay the Commitment Fee, counsel fees and expenses, including fees and expenses of counsel to the Purchaser, and other fees and expenses incurred in connection with the execution of this Agreement and the transactions contemplated hereunder, including the preparation of the Bonds and their issuance and sale and all related costs incurred prior to the termination date (the “**Termination Expenses**”);

(iii) the City will pay the Purchaser, on demand, a “**Make-Whole Termination Payment**” and, together with the Termination Expenses, the “**Termination Payments**”) that will equal



“**Applicable Tax-Exempt Municipal Bond Rate**” means, the “**Comparable AAA General Obligations**” yield curve rate for the stated maturity dates of such Bonds to be redeemed as published by Municipal Market Data (“**MMD**”) one business day after the date of the Termination Funding Event. If no such yield curve rate is established for the stated maturity dates, the “**Comparable AAA General Obligations**” yield curve rate for the two published maturities most corresponding to the applicable stated maturity date will be determined, and the “**Applicable Tax-Exempt Municipal Bond Rate**” will be interpolated or extrapolated from those yield curve rates on a straight-line basis. This rate is made available daily by Municipal Market Data and is available to its subscribers through its internet address: [www.tm3.com](http://www.tm3.com).

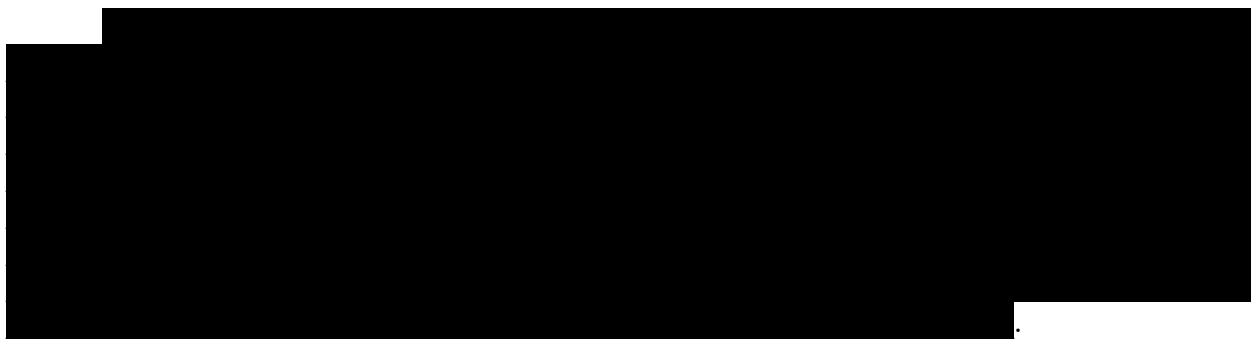
In calculating the Applicable Tax-Exempt Municipal Bond Rate, should MMD no longer publish the “**Comparable AAA General Obligations**” yield curve rate, then the Applicable Tax-Exempt Municipal Bond Rate will equal the Consensus Scale yield curve rate for the applicable year. The Consensus Scale yield curve rate is made available daily by Municipal Market Advisors and is available to its subscribers through its internet address: [www.mma-research.com](http://www.mma-research.com).

In the further event Municipal Market Advisors no longer publishes the Consensus Scale, the Applicable Tax-Exempt Municipal Bond Rate will be determined by the Purchaser based upon the rate per annum equal to the semiannual equivalent yield to maturity of those tax-exempt general obligation bonds if rated in the highest rating category by Moody’s Investors Service and Standard & Poor’s Financial Services LLC, with maturity dates equal to the stated maturity dates of the Bonds, having characteristics (other than the ratings) most comparable to the Bonds, in the reasonable judgment of the Purchaser. The Purchaser’s determination of the Applicable Tax-Exempt Municipal Bond Rate is final and binding in the absence of manifest error.

If the Termination Payments are not paid when due, the amount of such payments shall bear interest payable on demand at the default rate equal to the lesser of (i) 15% and (ii) the maximum interest rate allowed by law. After payment in full of the Termination Payments, the City shall have no further obligation hereunder.

(d) If a Termination Event occurs, and the Purchaser terminates this Agreement, neither the City nor the Purchaser shall be under any further obligation hereunder, except that the City shall be obligated to reimburse the Purchaser for all out-of-pocket expenses (including, to the extent applicable, those set forth in **Section 10** below) reasonably incurred by the Purchaser in connection with this Agreement or the purchase contemplated hereunder.

**9. Failure of Purchaser to Perform.**



**10. Expenses.**

The Purchaser shall be under no obligation to pay, and the City shall pay, any expenses incident to the performance of the City's obligations hereunder, including, but not limited to (i) the cost of preparation and printing of the Bonds, (ii) the costs of preparing and printing all documents relating to the issuance of the Bonds and related costs of redeeming refunded bonds, if applicable, (iii) the fees and disbursements of Co-Bond Counsel and counsel to the Purchaser, (iv) the fees and disbursements of any Financial Advisors to the City, (v) the fees and disbursements of any other engineers, accountants, and other experts, consultants or advisers retained by the City, and (vi) the fees for Bond ratings. The City shall pay for expenses incurred on behalf of the City's employees, directors or agents which are incidental to this Agreement including but not limited to meals and lodging of such persons or entities. If the Bonds are issued and a Termination Funding Event has not occurred, the Purchaser's expenses outlined above may be paid by the City out of costs of issuance.

**11. Establishment of Issue Price.**

The Purchaser agrees to execute and deliver to the City at Settlement an "issue price" or similar certificate, substantially in the form of **Exhibit J** attached hereto.

**12. Miscellaneous.** (a) This Agreement will inure to the benefit of and be binding upon its parties and their successors and assigns and does not confer any rights upon any other person; provided however, the Purchaser may assign this Agreement to one or more affiliates of the



Purchaser. This Agreement is the entire agreement of the parties, superseding all prior agreements and may not be modified except in writing signed by all of the parties hereto.

(b) This Agreement may not be assigned by the City.

(c) The City acknowledges and agrees that:

(i) the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction between the City and the Purchaser and the Purchaser is not purchasing the Bonds as part of an underwriting;

(ii) in connection therewith and with the discussions, undertakings, and procedures leading up to the consummation of this transaction, the Purchaser is and has been acting solely as a principal and is not acting as the agent or fiduciary of the City;

(iii) the Purchaser is not serving as an underwriter and has not assumed an advisory or fiduciary responsibility in favor of the City with respect to the sale contemplated hereby or the discussions, undertakings, and procedures leading thereto (regardless of whether the Purchaser has provided other services or is currently providing other services to the City on other matters) and the Purchaser has no obligation to the City with respect to the sale contemplated hereby except the obligations expressly set forth in this Agreement; and

(iv) the City has consulted its own legal, financial, and other advisors to the extent it has deemed appropriate.

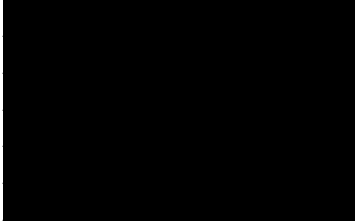
**13. Notices.** Any notice or other communication to be given to the City under this Agreement may be given by delivering the same in writing to the attention of:

Office of the Director of Finance  
Municipal Services Building, Room 1330  
1401 John F. Kennedy Boulevard  
Philadelphia, PA 19102

and

Office of the Water Commissioner  
1101 Market Street, 5<sup>th</sup> Floor  
Philadelphia, Pennsylvania 19107

and any notice or other communication to be given to the Purchaser under this Agreement may be given by delivering the same in writing to:



**14. Effectiveness.** This Agreement shall become effective upon the execution and acceptance hereof by City and shall be valid and enforceable at the time of such acceptance.

**15. Choice of Law.** This Agreement shall be governed by and construed in accordance with the law of the State, without regard to conflicts of law principles.

**16. Severability.** If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

**17. Business Day.** For purposes of this Agreement, “business day” means any day on which the New York Stock Exchange is open for trading.

**18. Section Headings.** Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

**19. Counterparts.** This Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

If you agree with the foregoing, please sign the enclosed counterpart of this Agreement and return it to the Purchaser. This Agreement shall become a binding agreement between you and the Purchaser when at least the counterpart of this Agreement shall have been signed by or on behalf of each of the parties hereto.

Respectfully submitted,



By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: February 20, 2019

[Signature page to Forward Delivery Bond Purchase Agreement relating to  
City of Philadelphia, Pennsylvania Water and Wastewater Revenue Refunding Bonds,  
Series 2020 (Forward Delivery)]

**ACCEPTED:**

**THE CITY OF PHILADELPHIA**

By: \_\_\_\_\_

Name: Rob Dubow

Title: Director Finance

Date: \_\_\_\_\_, 2019

[Signature page to Forward Delivery Bond Purchase Agreement relating to  
City of Philadelphia, Pennsylvania Water and Wastewater Revenue Refunding Bonds,  
Series 2020 (Forward Delivery)]

**SCHEDULE I**

**TERMS OF THE BONDS**

**\$127,740,000**

**City of Philadelphia, Pennsylvania**

**Water and Wastewater Revenue Refunding Bonds, Series 2020 (Forward Delivery)**

<b>Maturity Date (October 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>[REDACTED]</b>	<b>[REDACTED]</b>	<b>CUSIP (717893)</b>
2032	\$11,520,000	5.000%	[REDACTED]%	[REDACTED]	L41
2033	12,115,000	5.000%	[REDACTED]%	[REDACTED]	L58
2034	12,735,000	5.000%	[REDACTED]%	[REDACTED]	L66
2035	13,390,000	5.000%	[REDACTED]%	[REDACTED]	L74
2036	14,075,000	5.000%	[REDACTED]%	[REDACTED]	L82
2037	14,795,000	5.000%	[REDACTED]%	[REDACTED]	L90
2038	15,560,000	5.000%	[REDACTED]%	[REDACTED]	M24
2039	16,355,000	5.000%	[REDACTED]%	[REDACTED]	M32
2040	17,195,000	5.000%	[REDACTED]%	[REDACTED]	M40

\* Priced to October 1, 2030 first optional call date.

**EXHIBIT A**

**REDACTED COPY OF  
CONTINUING DISCLOSURE AGREEMENT**

## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Agreement”) dated February 27, 2019, is entered into and by and between The City of Philadelphia, Pennsylvania (“City”) and Digital Assurance Certification, L.L.C., as dissemination agent (“Dissemination Agent”) in connection with the issuance and sale by the City of Philadelphia, Pennsylvania of \$127,740,000 aggregate principal amount of its Water and Wastewater Revenue Refunding Bonds, Series 2020 (Forward Delivery) (the “Bonds”). The Bonds are being issued pursuant to the Act and the General Ordinance. Capitalized terms used in this Agreement but not defined herein shall have the meanings ascribed to such terms in the Forward Delivery Bond Purchase Agreement dated February 20, 2019 between the City and [REDACTED] (the “Purchaser”).

In consideration of the mutual covenants, promises and agreements contained herein and intending to be legally bound hereby, the parties hereto agree as follows:

### ARTICLE I

#### The Undertaking

Section 1.1. Purpose. This Agreement is authorized to be executed and delivered by the City pursuant to the General Ordinance and Section 7 of the Bond Committee Determination. It is being delivered pursuant to Section 6(g)(v) of the Forward Delivery Bond Purchase Agreement referenced above (the “Forward Purchase Agreement”). The Purchaser is purchasing the Bonds directly from the City pursuant to the terms of the Forward Purchase Agreement and is not acting as an underwriter in connection with such purchase. The sale of the Bonds by the City to the Purchaser is not subject to the Rule (as hereinafter defined).

Section 1.2. Annual Financial Information. (a) Commencing with the fiscal year ending June 30, 2019, the Disclosure Representative shall deliver to the Dissemination Agent no later than February 28, 2020, and no later than each succeeding February 28 thereafter, Annual Financial Information with respect to each fiscal year of the City. The Dissemination Agent shall promptly upon receipt thereof file the Annual Financial Information with EMMA (as defined herein).

(b) The Dissemination Agent shall provide, in a timely manner, notice of any failure of the City to provide the Annual Financial Information by the date specified in subsection (a) hereof.

Section 1.3. Audited Financial Statements. If not provided as part of Annual Financial Information by the date required by Section 1.2(a) hereof, the Disclosure Representative shall provide Audited Financial Statements, when and if available, to the Dissemination Agent. The Dissemination Agent shall promptly upon receipt thereof file such Audited Financial Statements with EMMA.

Section 1.4. Notice Events. (a) If a Notice Event occurs, the Disclosure Representative shall provide through the Dissemination Agent, in a timely manner not in excess

of ten (10) business days after the occurrence of such Notice Event, notice of such Notice Event to EMMA.

(b) Any notice of a defeasance of the Bonds shall state whether the Bonds have been escrowed to maturity or to an earlier redemption date and the timing of such maturity or redemption.

(c) Each Notice Event notice relating to the Bonds shall include the CUSIP numbers of the Bonds to which such Notice Event notice relates or, if the Notice Event notice relates to all bond issues of the City including the Bonds, such Notice Event notice need only include the CUSIP number of the City.

(d) The Dissemination Agent shall promptly advise the City whenever, in the course of performing its duties as Dissemination Agent under this Agreement, the Dissemination Agent has actual notice of an occurrence which, if material, would require the City to provide notice of a Notice Event hereunder; provided, however, that the failure of the Dissemination Agent so to advise the City shall not constitute a breach by the Dissemination Agent of any of its duties and responsibilities under this Agreement.

Section 1.5. Additional Information. Nothing in this Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information or notice of Notice Event hereunder, in addition to that which is required by this Agreement. If the City chooses to do so, the City shall have no obligation under this Agreement to update such additional information or include it in any future Annual Financial Information or notice of a Notice Event hereunder.

Section 1.6. Additional Disclosure Obligations. The City acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the City and that, under some circumstances, compliance with this Agreement without additional disclosures or other action may not fully discharge all duties and obligations of the City under such laws.

## ARTICLE II

### Operating Rules

Section 2.1. Reference to Other Filed Documents. It shall be sufficient for purposes of Section 1.2 hereof if the City provides Annual Financial Information by specific reference to documents available to the public on the MSRB Internet Web site (currently, [www.emma.msrb.org](http://www.emma.msrb.org)).

Section 2.2. Submission of Information. Annual Financial Information may be set forth or provided in one document or a set of documents, and at one time or in part from time to time.



Section 2.3. Dissemination Agent. The City has designated the Dissemination Agent as its agent to act on its behalf in providing or filing notices, documents and information as required of the City under this Agreement. The City may revoke or modify such designation. Upon any revocation of such designation, the City shall comply with its obligation to provide or file notices, documents and information as required under this Agreement or may designate another agent to act on its behalf.

Section 2.4. Transmission of Notices, Documents and Information. (a) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the MSRB's Electronic Municipal Markets Access ("EMMA") system, the current Internet Web address of which is www.emma.msrb.org.

(b) All notices, documents and information provided on EMMA shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

Section 2.5. Fiscal Year. (a) The City's current fiscal year begins July 1, and the City shall promptly file a notification on EMMA, through the Dissemination Agent, of any change in its fiscal year.

(b) Annual Financial Information shall be provided at least annually notwithstanding any fiscal year longer than 12 calendar months.

### ARTICLE III

#### Effective Date, Termination, Amendment and Enforcement

Section 3.1. Effective Date; Termination. (a) This Agreement shall be effective upon the Closing Date.

(b) The City's and the Dissemination Agent's obligations under this Agreement shall terminate upon a legal defeasance, prior redemption or payment in full of all of the Bonds.

Section 3.2. Amendment. References to the Rule in this Section 3.2 are included solely for the purpose of maintaining consistency with the City's currently outstanding continuing disclosure undertakings and any such undertakings entered into after the date of this Agreement. (a) This Agreement may be amended, by written agreement of the parties, without the consent of the holders of the Bonds (except to the extent required under clause (4)(ii) below), if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the City or the type of business conducted thereby, (2) this Agreement as so amended would have complied with the requirements of the Rule as of the date of this Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the City shall have delivered to the Dissemination Agent an opinion of Counsel, addressed to the City and the Dissemination Agent, to the same

effect as set forth in clause (2) above, (4) either (i) the City shall have delivered to the Dissemination Agent an opinion of Counsel or a determination by an entity, in each case unaffiliated with the City (such as bond counsel or the Dissemination Agent), addressed to the City and the Dissemination Agent, to the effect that the amendment does not materially impair the interests of the holders of the Bonds or (ii) the holders of the Bonds consent to the amendment to this Agreement pursuant to the same procedures as are required for amendments to the General Ordinance with consent of holders of Bonds pursuant to the General Ordinance as in effect at the time of the amendment, and (5) the Disclosure Representative shall have delivered copies of such opinion(s) and amendment to the Dissemination Agent. The items provided in clause (5) shall be promptly filed by the Dissemination Agent on EMMA and sent to each Registered Owner.

(b) This Agreement may be amended, by written agreement of the parties, without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Agreement which is applicable to this Agreement, (2) the City shall have delivered to the Dissemination Agent an opinion of Counsel, addressed to the City and the Dissemination Agent, to the effect that performance by the City and the Dissemination Agent under this Agreement as so amended will not result in a violation of the Rule and (3) the Disclosure Representative shall have delivered copies of such opinion and amendment to the Dissemination Agent. The items provided in clause (3) shall be promptly filed by the Dissemination Agent on EMMA and sent to each Registered Owner.

(c) This Agreement may be amended by written agreement of the parties, without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (1) the City shall have delivered to the Dissemination Agent an opinion of Counsel, addressed to the City and the Dissemination Agent, to the effect that the amendment is permitted by rule, order or other official pronouncement, or is consistent with any interpretive advice or no-action positions of Staff, of the SEC, and (2) the Disclosure Representative shall have delivered copies of such opinion and amendment to the Dissemination Agent. The items provided in clause (2) shall be promptly filed by the Dissemination Agent on EMMA and sent to each Registered Owner.

(d) To the extent any amendment to this Agreement results in a change in the type of financial information or operating data provided pursuant to this Agreement, the first Annual Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment and its effect on the type of operating data or financial information being provided.

(e) If an amendment is made pursuant to Section 3.2(a) hereof to the accounting principles to be followed by the City in preparing its financial statements, the Annual Financial Information for the fiscal year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

Section 3.3. Benefit; Third-Party Beneficiaries; Enforcement. (a) The provisions of this Agreement shall constitute a contract with and inure solely to the benefit of the holders from time to time of the Bonds, except that beneficial owners of Bonds shall be third-party beneficiaries of this Agreement. The provisions of this Agreement shall create no rights in any person or entity except as provided in this subsection (a) and in subsection (b) of this Section.

(b) The obligations of the City to comply with the provisions of this Agreement shall be enforceable by any holder of Outstanding Bonds. The holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the City's obligations under this Agreement. In consideration of the third-party beneficiary status of beneficial owners of Bonds pursuant to subsection (a) of this Section, beneficial owners shall be deemed to be holders of Bonds for purposes of this subsection (b).

(c) Any failure by the City or the Dissemination Agent to perform in accordance with this Agreement shall not constitute a default or an Event of Default under the General Ordinance, and the rights and remedies provided by the General Ordinance upon the occurrence of a default or an Event of Default shall not apply to any such failure.

(d) This Agreement shall be construed and interpreted in accordance with the laws of the Commonwealth, and any suits and actions arising out of this Agreement shall be instituted in a court of competent jurisdiction in the Commonwealth; provided, however, that to the extent this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

#### ARTICLE IV

##### Definitions

Section 4.1. Definitions. The following terms used in this Agreement shall have the following respective meanings:

(1) "Act" means The First Class City Revenue Bond Act, P.L. 955, Act No. 234 of the General Assembly of the Commonwealth of Pennsylvania, approved October 18, 1972.

(2) "Annual Financial Information" means, collectively, (i) the Annual Financial Report-Philadelphia Water Department for the most recently ended fiscal year and, if not included or able to be derived from information presented therein, updates to the information presented in the Official Statement relating to the City's Water and Wastewater Revenue Refunding Bonds, (Federally Taxable), Series 2019 (the "2019 Official Statement") under the headings and in the Tables enumerated in the schedule annexed hereto as Exhibit A and made a part hereof, (ii) financial information or operating data with respect to the City, substantially similar to the type set forth in Appendices IV and V of the 2019 Official Statement, delivered at least annually pursuant to Section 1.2(a) hereof and in accordance with the Rule and (iii) the information regarding amendments to this Agreement required pursuant to Sections 3.2(d)

and (e) of this Agreement. Annual Financial Information shall include Audited Financial Statements, if available, or Unaudited Financial Statements.

In connection with Section 4.1.(2)(ii), it is the City's intention to satisfy all or a portion of the obligations set forth therein by submitting to EMMA (A) its "Annual Report of Bonded Indebtedness and Other Long Term Obligations" in substantially the same format as such report for the fiscal year ended June 30, 2019, and (B) with respect to financial information or operating data regarding the Pension System, either (i) the annual audited financial statements of the Municipal Pension Fund, (ii) an official statement relating to a public offering of any bonds of the City (and submitted to EMMA) that updates the financial information and operating data under the heading "Pension System," as included in the 2019 Official Statement, or (iii) updated financial information and operating data under the heading "Pension System," as included in the 2019 Official Statement.

The descriptions contained in Section 4.1(2)(i) hereof of financial information and operating data constituting Annual Financial Information are of general categories of financial information and operating data. When such descriptions include information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided in lieu of such information. Any Annual Financial Information containing modified financial information or operating data shall explain, in narrative form, the reasons for the modification and the impact of the modification on the type of financial information or operating data being provided.

(3) "Audited Financial Statements" means the annual financial statements, if any, of the City, which includes the financial statements of the Water Fund, audited by such auditor as shall then be required or permitted by Commonwealth law. Audited Financial Statements shall be prepared in accordance with GAAP; provided, however, that pursuant to Sections 3.2(a) and (e) hereof, the City may from time to time, if required by federal or Commonwealth legal requirements, modify the accounting principles to be followed in preparing its financial statements. The notice of any such modification required by Section 3.2(a) hereof shall include a reference to the specific federal or Commonwealth law a regulation describing such accounting principles, or other description thereof.

(4) "Bond Committee Determination" means the Bond Committee Determination for the Bonds adopted by the Bond Committee (consisting of the Mayor, the City Solicitor and the City Controller and acting by a majority thereof) on February 20, 2019.

(5) "Closing Date" shall have the meaning assigned to that term in the Forward Purchase Agreement.

(6) "Commonwealth" means the Commonwealth of Pennsylvania.

(7) "Counsel" means any nationally recognized bond counsel or counsel expert in federal securities laws.

(8) “Disclosure Representative” means the Director of Finance of the City, the City Treasurer or such other official or employee of the City as the Director of Finance or the City Treasurer shall designate in writing to the Dissemination Agent.

(9) “Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

(10) “Fiscal Agent” means U.S. Bank National Association, as fiscal agent and registrar for the Bonds.

(11) “GAAP” means generally accepted accounting principles as prescribed from time to time for governmental units by the Governmental Accounting Standards Board, the Financial Accounting Standards Board, or any successor to the duties and responsibilities of either of them.

(12) “General Ordinance” means the City’s Restated General Water and Wastewater Revenue Bond Ordinance of 1989, approved June 24, 1993, as supplemented and amended by twenty-one (21) supplemental ordinances, as further supplemented or amended from time to time.

(13) “MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

(14) “Notice Event” means any of the following events with respect to the Bonds, whether relating to the City or otherwise:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of Bondholders, if material;

- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the City;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional paying agent, or the change of name of a paying agent, if material;
- (xv) the incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect securities holders, if material; and
- (xvi) A Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(15) “Registered Owner” or “Registered Owners” means the person or persons in whose name a Bond is registered on the books of the City maintained by the Fiscal Agent in accordance with the General Ordinance. For so long as the Bonds shall be registered in the name of the Securities Depository or its nominee, the term “Registered Owner” or “Registered Owners” also means and includes, for the purposes of this Agreement, the owners of book-entry credits in the Bonds evidencing an interest in the Bonds; provided, however, that the Dissemination Agent shall have no obligation to provide notice hereunder to owners of book-entry credits in the Bonds except those who have filed their names and addresses with the Dissemination Agent for the purposes of receiving notices or giving direction under this Agreement.

(16) “Rule” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as amended, as in effect on the date of this Agreement, including any official interpretations thereof issued either before or after the effective date of this Agreement.

(17) “SEC” means the United States Securities and Exchange Commission.

(18) “Securities Depository” shall mean The Depository Trust Company, New York, New York, or its nominee, Cede & Co., or successor thereto appointed pursuant to the General Ordinance.

(19) “Unaudited Financial Statements” means the same as Audited Financial Statements, except that they shall not have been audited.

## ARTICLE V

### Miscellaneous

Section 5.1. Duties, Immunities and Liabilities of the Dissemination Agent. The Dissemination Agent shall have only such duties under the Agreement as are specifically set forth in this Agreement, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys’ fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent’s negligence or willful misconduct in the performance of its duties hereunder. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 5.2. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, THE CITY OF PHILADELPHIA, PENNSYLVANIA, has caused this Disclosure Agreement to be executed by the Director of Finance and DIGITAL ASSURANCE CERTIFICATION, L.L.C., as Dissemination Agent, has caused this Disclosure Agreement to be executed by one of its authorized officers, all as of the day and year first above written.

CITY OF PHILADELPHIA, PENNSYLVANIA

By: \_\_\_\_\_

Name: Rob Dubow

Title: Director of Finance

DIGITAL ASSURANCE CERTIFICATION,  
L.L.C.,  
as Dissemination Agent

By: \_\_\_\_\_

Name:

Title:



## **EXHIBIT A**

Table 1 – Debt Service Requirements

Table 2 – Outstanding Indebtedness

Table 5 – Capital Improvement Program and COA Budget

Table 8 – Condensed Statement of Net Position

Table 9 – Historical Operating Results

Table 10 – Rate Covenant Compliance

## EXHIBIT B-1

### MATTERS TO BE ADDRESS IN OPINION OF CO-BOND COUNSEL DELIVERED ON CLOSING DATE

1. The General Ordinance and the Supplemental Ordinances have been duly enacted, and the Bond Committee Determination has been duly authorized, executed and delivered by the City, and each is a legal, valid and binding obligation of the City enforceable in accordance with its terms, except as the rights created thereunder and the enforcement thereof may be limited by bankruptcy, insolvency, moratorium or other laws or legal or equitable principles affecting the enforcement of creditors' rights.
2. The Bonds have been duly authorized, and once executed, authenticated, issued and delivered will be legal, valid and binding obligations of the City, enforceable in accordance with their terms, except as the rights created thereunder and the enforcement thereof may be limited by bankruptcy, insolvency, moratorium or other laws or legal or equitable principles affecting the enforcement of creditors' rights.
3. Attached as Exhibit \_\_ hereto is our proposed form of legal opinion regarding, among other things, the validity of the Bonds and the exclusion of interest on the Bonds from gross income for Federal and Commonwealth income tax purposes, subject to the conditions and qualifications stated therein. Assuming satisfaction by the City and the Purchaser, of their respective obligations, and any other conditions, to be satisfied in the Agreement and the issuance of the Bonds in accordance with the General Ordinance, the Supplemental Ordinances and the Bond Committee Determination and no change in any applicable law, regulations or rulings, or in interpretations thereof, or in any other facts or circumstances (tax or otherwise), and no facts or circumstances of which we are not now aware come to our attention which, in our view, affect or are material to our opinion, we expect to issue our opinion on the Settlement Date in substantially the form attached as Exhibit \_\_ hereto addressed to the Purchaser or accompanied by a reliance letter addressed to the Purchaser. [The opinion attached as an exhibit to the co-bond counsel opinion delivered at closing shall be in the form attached to the Agreement as **Exhibit G.**]

## **EXHIBIT B-2**

### **MATTERS TO BE ADDRESS IN SUPPLEMENTAL OPINION OF CO-BOND COUNSEL DELIVERED ON CLOSING DATE**

1. The Purchase Agreement has been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the Purchaser, constitutes a valid and binding agreement of the City enforceable in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, moratorium and other laws and equitable principles affecting the rights of creditors generally.

2. When executed, authenticated, issued and delivered, the Bonds will be exempt from the registration requirements of the Securities Act of 1933, as amended; and the General Ordinance and the Supplemental Ordinances will be exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

## **EXHIBIT C**

### **MATTERS TO BE ADDRESSED IN OPINION OF CITY SOLICITOR**

1. The City is a corporation and body politic organized and existing under the laws of the Commonwealth.
2. The General Ordinance and the Bond Committee Determination are each in full force and effect, in accordance with the respective terms thereof, as of the date hereof.
3. The execution and delivery of the Purchase Agreement and the other City Documents and all other actions taken by the City in connection with the issuance of the Bonds have been duly authorized by necessary actions of City Council.
4. No action or proceeding, at law or in equity before any court, governmental agency or arbitrator is pending or threatened in writing against the City that: (a) in any way contests the validity or enforceability of the Bonds, the General Ordinance, the Agreement or the other City Documents; (b) seeks to restrain or to enjoin the issuance or delivery of the Bonds or the execution and delivery of the City Documents; (c) challenges the existence of the City or the titles or powers of its officers signatory hereto or to the Bonds to their respective offices; (d) seeks to restrain or enjoin the collection of or pledge of the Project Revenues of the System (as defined in the General Ordinance) from which provision for payment of the principal of and interest on the Bonds is or will be made; (e) in any way contests the powers of the City with respect to the Bonds, the General Ordinance or the Agreement or the other City Documents; and (f) in which a final adverse determination would reasonably be expected to have a material adverse effect on the financial condition of the City as a whole or on the Water and Wastewater Funds.
5. The Agreement, the Continuing Disclosure Agreement, the Fiscal Agent Agreement and the Tax Certificate have been duly authorized, executed and delivered by the City and, assuming the due authorization, execution and delivery thereof by the other parties thereto, constitute valid and binding agreements on the part of the City, enforceable in accordance with their respective terms, except as enforcement hereof may be limited by laws relating to bankruptcy or insolvency or other similar laws or legal or equitable principles affecting the enforcement of creditors' rights generally or general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).
6. As of the date of the Closing, the City's agreements to provide wholesale water and/or wastewater service with each of Delaware County Regional Water Quality Control Authority, Bucks County Water and Sewer Authority, Upper Darby Township, Lower Southampton Township, Cheltenham Township, Lower Merion Township, Springfield Township, Bucks County Water and Sewer Authority on behalf of Bensalem Township, Abington Township, Lower Moreland Township, and Aqua Pennsylvania are duly and validly authorized and executed by the City and constitute valid, legal and binding obligations of the City enforceable by the City in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other similar laws or equitable principles affecting the enforcement of creditors'

rights generally or general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

**EXHIBIT D**

**FORM OF CERTIFICATE OF DIRECTOR OF FINANCE**

**CERTIFICATE OF THE CITY OF PHILADELPHIA  
DIRECTOR OF FINANCE**

I, ROB DUBOW, the Director of Finance of the City of Philadelphia, a corporation and body politic existing under the laws of the Commonwealth of Pennsylvania (the “City”), hereby certify as follows:

1. This Certificate is being executed and delivered in connection with the issuance and sale by the City of its Water and Wastewater Revenue Refunding Bonds, Series 2020 (Forward Delivery) (the “Bonds”).

2. The representations and warranties of the City contained in the Forward Delivery Bond Purchase Agreement, dated February 20, 2019, between the City and the purchaser identified therein (the “Agreement”), are true and correct as if made on the date hereof.

3. As Director of Finance of the City, I am the chief financial, accounting and budget officer of the City and am charged with the powers and duties concerning finances, accounting and budgeting in the executive branch of the government of the City in accordance with the Charter.

4. The City has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the date hereof pursuant to the Agreement with respect to the issuance of the Bonds.

5. The financial statements of the Water Fund for the fiscal year ended June 30, 2017 derived from the City’s audited Comprehensive Annual Financial Report (the “Financial Statements”) delivered to the Purchaser were prepared by the City of Philadelphia Water Department. To the best of my knowledge, the Financial Statements fairly present the financial position and results of operations of the Water Fund of the City as of the dates and for the periods set forth therein. To the best of my knowledge, the Financial Statements have been prepared both on the “legally enacted basis” of accounting and on the basis of generally accepted accounting principles as specified in Footnote 2 to the Financial Statements consistently applied and, to the extent the Financial Statements have been prepared on the accrual basis, they have been prepared on a basis substantially consistent with the audited financial statements of the City for the corresponding periods and reflect all material adjustments necessary for a fair and consistent presentation of the results for such periods.

Signed and dated this \_\_\_ day of \_\_\_\_\_, 2019.

THE CITY OF PHILADELPHIA

By: \_\_\_\_\_  
ROB DUBOW  
Director of Finance

**EXHIBIT E**

## **FORM OF CERTIFICATE OF WATER COMMISSIONER**

### **CERTIFICATE OF THE CITY OF PHILADELPHIA WATER COMMISSIONER**

I, DEBRA A. MCCARTY, the duly appointed and acting Water Commissioner of the City of Philadelphia, a corporation and body politic (“City”), hereby certify as follows:

1. This Certificate is being executed and delivered in connection with the issuance and sale by the City of its Water and Wastewater Revenue Refunding Bonds Series 2020 (Forward Delivery) (the “Bonds”).
2. As Water Commissioner of the City, I am charged with the responsibility of managing the City of Philadelphia Water Department and the System (as defined in the City’s Restated General Water and Wastewater Revenue Bond Ordinance of 1989, approved June 24, 1993, as supplemented and amended from time to time) and with setting rates and charges for the use of the System in accordance with the Charter and the Code of General Ordinances of the City and other applicable law.
3. To the best of my knowledge the statements and data contained in the engineer’s report prepared by Black & Veatch Management Consulting, LLC dated January 22, 2019 supplementing its engineer’s report dated October 26, 2018, prepared in connection with the issuance and sale of the Bonds, that are attributed to the Water Department do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.
4. To the best of my knowledge, the financial statements of the Water Fund for the fiscal year ended June 30, 2017 derived from the City’s audited Comprehensive Annual Financial Report and delivered to the Purchaser, were prepared by the Water Department on both the “legally enacted basis” of accounting and on the basis of generally accepted accounting principles as described in Footnote 2 to such financial statements consistently applied, and fairly present the financial position and results of operations of the Water Fund of the City as of the dates and for the periods set forth therein.

Signed and dated this \_\_ day of \_\_\_\_\_, 2019.

THE CITY OF PHILADELPHIA

By: \_\_\_\_\_  
DEBRA A. MCCARTY  
Water Commissioner



## **EXHIBIT F**

### **CERTIFICATE OF BLACK & VEATCH MANAGEMENT CONSULTING, LLC**

BLACK & VEATCH MANAGEMENT CONSULTING, LLC (“Black & Veatch”), by a duly authorized officer of such firm, hereby certifies as follows:

1. This Certificate is furnished pursuant to Paragraph 6(g)(x) of the Forward Delivery Bond Purchase Agreement, dated February 20, 2019, between The City of Philadelphia, a corporation and body politic and city of the first class (the “City”) and the Purchaser named therein (the “Purchase Agreement”), relating to the sale by the City of its Water and Wastewater Revenue Refunding Bonds, Series 2020 (Forward Delivery) (the “Bonds”). Capitalized terms not otherwise defined in this Certificate shall have the meanings ascribed thereto in the Purchase Agreement.
2. Black & Veatch has heretofore delivered an engineering report relating to the Bonds dated January 22, 2019 (the “2019 Report”), updating the status of the operations and financial projections of the Water Department relative to our Engineering Report dated October 26, 2018 (the “2018 Report” and together with the 2019 Report, the “Engineer’s Report”).
3. Black & Veatch was retained by the City to act as Consulting Engineer with respect to the Water Department to prepare the Engineer’s Report with respect to the financial requirements of the Bonds.
4. The Engineer’s Report summarizes the findings of financial studies related to the System, including a projection of revenues, revenue requirements and debt service coverage for the seven year period of Fiscal Years 2019 to 2025. A copy of the Engineer’s Report has been delivered to the Purchaser.
5. The Forecast Statement contained in the Engineer’s Report was prepared in accordance with industry guidelines for presentation of a forecast and the underlying assumptions provide a reasonable basis for such Forecast Statement.
6. For purposes of this Certificate, Black & Veatch has, at the request of the City and the Purchaser, carried out certain limited procedures for the period commencing January 22, 2019 and ending on February 27, 2019 consisting solely of making inquiries of Commissioner Debra McCarty and other appropriate representatives of the Water Department as to whether there has been any material change in the information provided by them, and upon which Black & Veatch relied, for purposes of the Engineer’s Report. These procedures would not be sufficient under generally accepted industry practices to enable Black & Veatch to express an opinion as to matters covered by the Engineering Report and would not necessarily reveal matters of significance with respect to the statement in the last sentence of this paragraph. Black & Veatch, therefore, expresses no opinion as to the matters covered by the Engineer’s Report as of any date subsequent to January 22, 2019, and makes no representation as to the sufficiency of the foregoing procedures for the Purchaser’s purposes. Nothing has come to our attention as a result of the foregoing procedures, however, that caused us to believe that, as of the date to which procedures were carried out, the opinions of Black & Veatch contained in the Engineer’s Report were incorrect or required modification.
7. As of the date of this Certificate, subject to the limitations set forth in paragraph 6

above, Black & Veatch reaffirms its findings and offers the same statements and conclusions as set forth in the Engineer's Report with regard to the City's conformance with specific requirements that must be met for the issuance of the Bonds, as stipulated in the Act and the General Ordinance, and nothing has come to our attention that causes us to believe that the opinions of Black & Veatch contained in the Engineer's Report were incorrect or required modification.

8. This Certificate is solely for the information of and assistance to the City and the Purchaser in conducting and documenting their investigation of the matters covered by the Engineer's Report in connection with the purchase of the Bonds and is not to be used, circulated, quoted or otherwise referred to within or without the underwriting group for any other purpose, including but not limited to the purchase or sale of securities, except that reference may be made to it in the Agreement and in any list of closing documents pertaining to the settlement of the sale of the Bonds.

Signed and dated this \_\_ day of \_\_\_\_\_, 2019.

BLACK & VEATCH MANAGEMENT  
CONSULTING, LLC

By: \_\_\_\_\_  
Name:  
Title:

## EXHIBIT G

### FORM OF BRINGDOWN OPINION OF CO-BOND COUNSEL

Re: \$127,740,000 City of Philadelphia, Pennsylvania  
Water and Wastewater Revenue Refunding Bonds, Series 2020 (Forward Delivery)

Ladies and Gentlemen:

We have acted as Co-Bond Counsel to the City of Philadelphia (the “City”) in connection with the issuance by the City of \$127,740,000 aggregate principal amount of its Water and Wastewater Revenue Refunding Bonds, Series 2020 (Forward Delivery) (the “Bonds”). The Bonds are issued under and pursuant to (a) The First Class City Revenue Bond Act, P.L. 955, Act No. 234 of the General Assembly of the Commonwealth of Pennsylvania, approved October 18, 1972 (the “Act”); (b) the City’s Restated General Water and Wastewater Revenue Bond Ordinance of 1989 approved June 24, 1993, as amended by an Ordinance approved on January 23, 2007 (as so amended, the “General Ordinance”), and as supplemented, including by the Nineteenth Supplemental Ordinance approved by the Mayor on December 8, 2015 (the “Nineteenth Supplemental Ordinance”) and by the Twentieth Supplemental Ordinance approved by the Mayor on April 18, 2018 (the “Twentieth Supplemental Ordinance” and, together with the Nineteenth Supplemental Ordinance, the “Supplemental Ordinances”) authorizing the issuance of the Bonds; and (c) the Bond Committee Determination dated February 20, 2019 (the “Bond Committee Determination”). Capitalized terms used but not defined herein have the meanings assigned to such terms in the General Ordinance.

The Bonds shall be issued for the purpose of providing funds that will be used to (a) refund all or a portion] of the City’s outstanding Water and Wastewater Revenue Bonds, Series 2011A (the “Refunded Bonds”); and (b) pay or reimburse the City for issuance costs of the Bonds.

The City previously has issued, pursuant to the General Ordinance, and there are outstanding Water and Wastewater Revenue Bonds, consisting of the Variable Rate Series 1997B, the Series 1999A, the Series 2009A, the Series 2009B, the Series 2009C, the Series 2009D, the Series 2010A, the Series 2010B, the Series 2010C, the Series 2011A, the Series 2011B, the Series 2012, the Series 2013A, the Series 2014A, the Series 2015A, the Series 2015B, the Series 2016, the Series 2017A, the Series 2017B, the Series 2018A (collectively, the “Outstanding Bonds”). The Outstanding Bonds, the Bonds and all other Water and Wastewater Revenue Bonds hereafter issued by the City under the General Ordinance are and will be equally and ratably secured to the extent provided in the General Ordinance and the Act by the pledge of, and the security interest created in, all Project Revenues derived from the System and all amounts on deposit in or standing to the credit of the funds and accounts (other than the Rebate Fund) established pursuant to the General Ordinance.

The City has covenanted in the Supplemental Ordinances and the Bond Committee Determination that it will make or permit no investment or other use of the proceeds of the Bonds that would cause the Bonds to be “arbitrage bonds” under Section 148 of the Internal Revenue

Code of 1986, as amended (the “Code”), and the rules promulgated thereunder, and that it will comply with the requirements of said Section throughout the term of the Bonds. The City has further covenanted that it will comply with the requirements of the Code that must be met after the issuance of the Bonds in order that interest on the Bonds be excluded from gross income for federal income tax purposes. An officer of the City has executed a certificate stating the reasonable expectations of the City on the date of issue of the Bonds as to future events that are material for purposes of Section 148 of the Code pertaining to arbitrage bonds. We have reviewed this certificate, and in our opinion the Bonds are not arbitrage bonds. The City is filing with the Internal Revenue Service a report of the issuance of the Bonds as required by Section 149(e) of the Code as a condition of the exclusion from gross income of the interest on the Bonds for federal income tax purposes. We have not undertaken to monitor compliance with respect to the aforesaid covenants or to advise any party as to changes in the law that may affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

We have examined such proceedings, documents, statutes and decisions, as we consider necessary as the basis for this opinion, including, inter alia, the Act, the General Ordinance, the Supplemental Ordinances, the Bond Committee Determination, and the executed and authenticated Bonds. We assume that all other Bonds have been similarly executed and authenticated. We also assume that all documents, records, certifications and other instruments examined by us are genuine (including the signatures thereon), accurate and complete and we have not undertaken, by independent investigation, to verify the factual matters set forth in any such documents, records, certifications or other instruments.

Based on the foregoing, it is our opinion that:

1. The City has the power under the Constitution and the laws of the Commonwealth of Pennsylvania (the “Commonwealth”) to perform its obligations under the General Ordinance, the Supplemental Ordinances, the Bond Committee Determination and the Bonds.

2. Under the Constitution and the laws of the Commonwealth, including the Act, the City is authorized to issue the Bonds, and the terms of the Bonds comply with the requirements of the Act, the General Ordinance, the Supplemental Ordinances and the Bond Committee Determination.

3. The purposes for which the Bonds have been issued are lawful purposes under the Act and the General Ordinance.

4. The General Ordinance and the Supplemental Ordinances have been duly enacted, and the Bond Committee Determination has been duly authorized, executed and delivered by the City, and each is a legal, valid and binding obligation of the City enforceable in accordance with its terms, except as the rights created thereunder and the enforcement thereof may be limited by bankruptcy, insolvency, moratorium or other laws or legal or equitable principles affecting the enforcement of creditors’ rights.

5. The Bonds have been duly authorized, executed, authenticated, issued and delivered and are legal, valid and binding obligations of the City, enforceable in accordance with their terms, except as enforcement may be limited as described in paragraph 4 above.

6. Under the Act and the General Ordinance, the Bonds constitute special obligations of the City payable solely from Project Revenues and all amounts on deposit in or standing to the credit of the funds and accounts (other than the Rebate Fund) established pursuant to the General Ordinance, together with interest earnings, if any, on amounts in such funds and accounts (other than the Rebate Fund). The Bonds do not pledge the credit or taxing power or create any debt or charge against the tax or general revenues of the City or create any lien against property of the City other than all amounts on deposit in or standing to the credit of the funds and accounts (other than the Rebate Fund) established pursuant to the General Ordinance, together with interest earnings on amounts in such funds and accounts (other than the Rebate Fund).

7. In the opinion of Co-Bond Counsel, interest on the Bonds is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date of initial delivery of the Bonds, assuming the accuracy of the certifications of the City and continuing compliance by the City with the requirements of the Code. Interest on the Bonds is exempt from individual federal alternative minimum tax. Co-Bond Counsel expresses no opinion regarding other federal tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

Original issue premium on a Bond issued at an issue price that exceeds its principal amount is amortizable periodically over the term of a Bond through reductions in the holder's tax basis for the Bond for determining taxable gain or loss from sale or from redemption prior to maturity. Amortization of premium does not create a deductible expense or loss.

In rendering this opinion, we have assumed compliance by the City with the covenants contained in the General Ordinance, the Supplemental Ordinances and the Bond Committee Determination that are intended to comply with the requirements in the Code relating to actions to be taken by the City in respect of the Bonds after the issuance thereof to the extent necessary to effect or maintain the federal exclusion from gross income of the interest on the Bonds. Failure to comply with such covenants could cause the interest on the Bonds to be includable in gross income retroactively to the date of issuance of the Bonds.

8. Under the laws of the Commonwealth, as enacted and construed on the date of the issuance of the Bonds, the Bonds are exempt from personal property taxes in Pennsylvania and interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax.

We render this opinion as of the date hereof on the basis of federal law and the laws of the Commonwealth as enacted and construed on the date hereof. We express no opinion as to any matter not set forth in the numbered paragraphs herein, including, without limitation, the accuracy or completeness of the preliminary or final official statement or other documents prepared or statements made in connection with the offering and sale of the Bonds, and make no representation that we have independently verified the contents thereof.

Very truly yours,

## EXHIBIT H

### FORM OF BRINGDOWN OPINION OF CITY SOLICITOR

1. The City is a corporation and body politic organized and existing under the laws of the Commonwealth.
2. The General Ordinance and the Bond Committee Determination are each in full force and effect, in accordance with the respective terms thereof, as of the date hereof.
3. The execution and delivery of the City Documents and all other actions taken by the City in connection with the issuance of the Bonds have been duly authorized by necessary actions of City Council.
4. No action or proceeding, at law or in equity before any court, governmental agency or arbitrator is pending or threatened in writing against the City that: (a) in any way contests the validity or enforceability of the Bonds, the General Ordinance, the Agreement or the other City Documents; (b) seeks to restrain or to enjoin the issuance or delivery of the Bonds or the execution and delivery of the City Documents; (c) challenges the existence of the City or the titles or powers of its officers signatory hereto or to the Bonds to their respective offices; (d) seeks to restrain or enjoin the collection of or pledge of the Project Revenues of the System (as defined in the General Ordinance) from which provision for payment of the principal of and interest on the Bonds is or will be made; (e) in any way contests the powers of the City with respect to the Bonds, the General Ordinance or the Agreement or the other City Documents; and (f) in which a final adverse determination would reasonably be expected to have a material adverse effect on the financial condition of the City as a whole or on the Water and Wastewater Funds.
5. The Tax Certificate has been duly authorized, executed and delivered by the City and, constitutes a valid and binding agreement on the part of the City, enforceable in accordance with its terms, except as enforcement hereof may be limited by laws relating to bankruptcy or insolvency or other similar laws or legal or equitable principles affecting the enforcement of creditors' rights generally or general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).
6. As of the Settlement Date, the City's agreements to provide wholesale water and/or wastewater service with each of Delaware County Regional Water Quality Control Authority, Bucks County Water and Sewer Authority, Upper Darby Township, Lower Southampton Township, Cheltenham Township, Lower Merion Township, Springfield Township, Bucks County Water and Sewer Authority on behalf of Bensalem Township, Abington Township, Lower Moreland Township, and Aqua Pennsylvania are duly and validly authorized and executed by the City and constitute valid, legal and binding obligations of the City enforceable by the City in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other similar laws or equitable principles affecting the enforcement of creditors' rights generally or general

principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

**EXHIBIT I**

**FORM OF BRINGDOWN CERTIFICATE OF DIRECTOR OF FINANCE**

**CERTIFICATE OF THE CITY OF PHILADELPHIA DIRECTOR OF FINANCE**

I, ROB DUBOW, the Director of Finance of the City of Philadelphia, a corporation and body politic existing under the laws of the Commonwealth of Pennsylvania (the "City"), hereby certify as follows:

1. This Certificate is being executed and delivered in connection with the issuance and sale by the City on the date hereof of its Water and Wastewater Revenue Refunding Bonds, Series 2020 (Forward Delivery) (the "Bonds").
2. The representations and warranties of the City contained in the Forward Delivery Bond Purchase Agreement, dated February 20, 2019, between the City and the purchaser identified therein (the "Agreement"), are true and correct as if made on the date hereof.
3. As Director of Finance of the City, I am the chief financial, accounting and budget officer of the City and am charged with the powers and duties concerning finances, accounting and budgeting in the executive branch of the government of the City in accordance with the Charter.
4. The City has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the date hereof pursuant to the Agreement with respect to the issuance of the Bonds.
5. The financial statements of the Water Fund for the fiscal year ended June 30, 2017 derived from the City's audited Comprehensive Annual Financial Report (the "Financial Statements") delivered to the Purchaser were prepared by the City of Philadelphia Water Department. To the best of my knowledge, the Financial Statements fairly present the financial position and results of operations of the Water Fund of the City as of the dates and for the periods set forth therein. To the best of my knowledge, the Financial Statements have been prepared both on the "legally enacted basis" of accounting and on the basis of generally accepted accounting principles as specified in Footnote 2 to the Financial Statements consistently applied and, to the extent the Financial Statements have been prepared on the accrual basis, they have been prepared on a basis substantially consistent with the audited financial statements of the City for the corresponding periods and reflect all material adjustments necessary for a fair and consistent presentation of the results for such periods.

Signed and dated this \_\_\_\_ day of \_\_\_\_\_, 2019.

THE CITY OF PHILADELPHIA

By: \_\_\_\_\_  
ROB DUBOW  
Director of Finance



**EXHIBIT J**

**FORM OF ISSUE PRICE CERTIFICATE**

**\$ 127,740,000**

**City of Philadelphia, Pennsylvania**

**Water and Wastewater Revenue Refunding Bonds, Series 2020 (Forward Delivery)**

**CERTIFICATE OF THE PURCHASER**

As of February 20, 2019 (the “Sale Date”), the undersigned, on behalf of [REDACTED] (the “Purchaser”), hereby certifies as set forth below with respect to the purchase of the above-captioned obligations (the “Bonds”).

1. **Purchase of the Bonds.** On February 20, 2019, the Purchaser agreed to purchase the Bonds for the aggregate amount of \$138,627,165.15 (consisting of the par amount of the Bonds (\$127,740,000.00) and premium on the Bonds (\$10,887,165.15)). The Purchaser is not acting as an Underwriter (as defined below) with respect to the Bonds. The Purchaser has no present intention to sell, reoffer, or otherwise dispose of the Bonds (or any portion of the Bonds or any interest in the Bonds); provided that the Purchaser may sell or transfer the Bonds to one or more affiliates of, parties related to, the Purchaser. The Purchaser has not contracted with any person pursuant to a written agreement to have such person participate in the initial sale of the Bonds and the Purchaser has not agreed with the City of Philadelphia, Pennsylvania (the “City”) pursuant to a written agreement to sell the Bonds to persons other than the Purchaser or a related party to the Purchaser.

2. **Defined Terms.**

(a) **Public** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than (i) the Purchaser or (ii) an Underwriter or a related party. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.

(b) **Underwriter** means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the certifications and representations set forth in the Tax Certificate, in the preparation of Internal Revenue Service Form 8038-G with respect to

compliance with the federal income tax rules affecting the Bonds, and by Ballard Spahr LLP and Ahmad Zaffarese LLC, co-bond counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, and other federal income tax advice that it may give to the City from time to time relating to the Bonds.

IN WITNESS WHEREOF, the undersigned Purchaser is signing this Certificate of Purchaser as of the Sale Date.



By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_