WIFIA & Norton Rose Fulbright
October 2, 2026
WIFIA CUSIP Number: [__]

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY

WIFIA LOAN AGREEMENT

for up to $111,050,791

with

CITY OF PASADENA, CALIFORNIA

and

PASADENA PUBLIC FINANCING AUTHORITY

for the

WATER INFRASTRUCTURE PROGRAM

(WIFIA ID – 24101CA)

Dated as of [__], 2026

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WIFIA LOAN AGREEMENT

THIS WIFIA LOAN AGREEMENT (this "**Agreement**" or the "**WIFIA Loan Agreement**"), dated as of the Effective Date, is by and among the City (as defined herein), the Authority (as defined herein) and the **UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**, an agency of the United States of America ("**EPA**"), acting by and through the Administrator of the Environmental Protection Agency (the "**Administrator**"), with an address at 1200 Pennsylvania Avenue NW, Washington, DC 20460 (the "**WIFIA Lender**").

RECITALS:

WHEREAS, the Congress of the United States of America enacted the Water Infrastructure Finance and Innovation Act, § 5021 *et seq.* of Public Law 113-121, as amended by Section 1445 of the Fixing America's Surface Transportation Act of 2015, as further amended by Section 5008 of the Water Infrastructure Improvements for the Nation Act of 2016, Section 4201 of America's Water Infrastructure Act of 2018, and by Sections 50214 and 50215 of the Infrastructure Investment and Jobs Act of 2021 (collectively, as the same may be amended from time to time, the "**Act**" or "**WIFIA**"), which is classified at 33 U.S.C. §§ 3901-3915;

WHEREAS, the Act authorizes the WIFIA Lender to enter into agreements to provide financial assistance with one or more eligible entities to make secured loans with appropriate security features to finance a portion of the eligible costs of projects eligible for assistance;

WHEREAS, the City desires to finance the Project (as defined herein);

WHEREAS, the City has determined that the financing of the Project is necessary and proper for the City and is in the public interest, and the Authority has determined to assist the City in the foregoing;

WHEREAS, the City has requested that the WIFIA Lender make the WIFIA Loan (as defined herein) available to the Authority (as defined herein) in a principal amount not to exceed the Maximum Principal Amount (as defined herein) to be used to pay a portion of the Eligible Project Costs (as defined herein) pursuant to the Application (as defined herein);

WHEREAS, in order to finance the Eligible Project Costs, the City will enter into a WIFIA Installment Purchase Agreement (as defined herein) with the Authority pursuant to which the City will purchase from the Authority a portion of the Project consisting of the Eligible Project Costs funded by the WIFIA Loan in exchange for the payment of the WIFIA Installment Payments (as defined herein) by the City to the Authority, such WIFIA Installment Payments being secured by a pledge of the Pledged Collateral (as defined herein);

WHEREAS, pursuant to the WIFIA Term Sheet (as defined herein), the Administrator has approved WIFIA financial assistance for the Project to be provided in the form of the WIFIA Loan pursuant to this Agreement, the WIFIA Installment Purchase Agreement and the WIFIA Note, subject to the terms and conditions contained herein;

WHEREAS, based on the Application and the representations, warranties and covenants set forth herein, and in consideration for the execution and delivery of the WIFIA Note by the Authority to the WIFIA Lender, the WIFIA Lender proposes to make funding available under this Agreement to the City, as agent of the Authority, by disbursing the proceeds of the WIFIA Loan, upon the terms and conditions set forth herein; and

WHEREAS, the WIFIA Lender has entered into this Agreement in reliance upon, among other things, the information and representations of the City set forth in the Application and the supporting information provided by the Borrower Related Parties.

NOW, THEREFORE, the premises being as stated above, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged to be adequate, and intending to be legally bound hereby, it is hereby mutually agreed by and among the City, the Authority and the WIFIA Lender as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1. Definitions. Capitalized terms used in this Agreement shall have the meanings set forth below in this Section 1 or as otherwise defined in this Agreement, except as otherwise expressly provided herein. Any term used in this Agreement that is defined by reference to any other agreement shall continue to have the meaning specified in such agreement, whether or not such agreement remains in effect.

"**Act**" has the meaning provided in the recitals hereto.

"**Additional Construction Contract**" means, with respect to the Project, each Construction Contract entered into after the Effective Date.

"**Additional Obligations**" means Additional Parity Obligations and Additional Subordinated Obligations.

"**Additional Parity Obligations Test**" has the meaning ascribed to such term in **Part D of Schedule I** (*WIFIA Loan Specific Terms*).

"**Additional Parity Obligations**" means any Parity Obligations permitted under Section 15(a) (*Indebtedness*) and under the WIFIA Installment Purchase Agreement, which Parity Obligations are issued or incurred after the Effective Date.

"**Additional Subordinated Obligations**" means any Subordinated Obligations permitted under Section 15(a) (*Indebtedness*) and under the WIFIA Installment Purchase Agreement, which Subordinated Obligations are issued or incurred after the Effective Date.

"**Administrator**" has the meaning provided in the preamble hereto.

"**Agreement**" has the meaning provided in the preamble hereto.

"**Application**" means the City's application for WIFIA financial assistance received by the WIFIA Lender on the Application Receipt Date.

"**Application Receipt Date**" has the meaning ascribed to such term in **Part A of Schedule I** (*WIFIA Loan Specific Terms*).

"**Authority**" has the meaning ascribed to such term in **Part A of Schedule I** (*WIFIA Loan Specific Terms*).

"**Authority Closing Certificate**" has the meaning provided in Section 11(a) (*Conditions Precedent to Effectiveness*).

"**Authority Resolution**" has the meaning ascribed to such term in **Part E of Schedule I** (*WIFIA Loan Specific Terms*).

"**Authority's Authorized Representative**" means any Person who shall be designated as such pursuant to Section 21 (*Authorized Representatives*).

"**Bankruptcy Related Event**" means, with respect to a Borrower Related Party, (a) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of such Borrower Related Party or any of its debts, or of a substantial part of the assets thereof, under any Insolvency Laws, or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for such Borrower Related Party or for a substantial part of the assets thereof and, in any case referred to in the foregoing sub-clauses (i) and (ii), such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered; (b) such Borrower Related Party shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official therefor or for a substantial part of the assets thereof, (ii) generally not be paying its debts as they become due unless such debts are the subject of a bona fide dispute, or become unable to pay its debts generally as they become due, (iii) solely with respect to the City, fail to make a payment of the WIFIA Installment Payments in accordance with the provisions of the WIFIA Installment Purchase Agreement and such failure is not cured within thirty (30) days following notification by the WIFIA Lender of failure to make such payment, (iv) make a general assignment for the benefit of creditors, (v) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (a) of this definition, (vi) commence a voluntary proceeding under any Insolvency Law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief, in each case under any Insolvency Law, (vii) file an answer admitting the material allegations of a petition filed against it in any proceeding or matter referred to in the foregoing sub-clauses (i) through (v), inclusive, of this clause (b), or (viii) take any action for the purpose of effecting any of the foregoing, including seeking approval or legislative enactment by any Governmental Authority to authorize commencement of a voluntary proceeding under any Insolvency Law; (c) (i) any Person shall commence a process pursuant to which all or a substantial part of the Pledged Collateral may be sold or otherwise disposed of in a public or private sale or disposition pursuant to a foreclosure of the Liens thereon securing the Parity Obligations, or (ii) any Person shall commence a process pursuant to which all or a substantial part of the Pledged Collateral may be sold or otherwise

disposed of pursuant to a sale or disposition of such Pledged Collateral in lieu of foreclosure; or (d) any receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official shall transfer, pursuant to directions issued by the holders of the Obligations, funds on deposit in any of the Water System Accounts upon the occurrence and during the continuation of an Event of Default under this Agreement or an event of default under any Other Financing Document for application to the prepayment or repayment of any principal amount of the Obligations other than in accordance with the provisions of the WIFIA Installment Purchase Agreement and this Agreement.

"**Base Case Financial Model**" means the financial model or plan, prepared by the City and delivered to the WIFIA Lender as part of the Application, forecasting the capital costs of the Water System (including the Project) and the estimated debt service coverage, rates, revenues, operating expenses and major maintenance requirements of the Water System (as may be applicable) for the Forecast Period and based upon assumptions and methodology provided by the City and acceptable to the WIFIA Lender as of the Effective Date, which model or plan shall have been provided to the WIFIA Lender as a fully functional Microsoft Excel-based financial model or such other format agreed with the WIFIA Lender.

"**Borrower Related Party**" means, individually or collectively, the City and the Authority.

"**Business Day**" means any day other than a Saturday, a Sunday or a day on which offices of the Federal Government or the State are authorized to be closed or on which commercial banks are authorized or required by law, regulation or executive order to be closed in New York, New York, the Trustee Location or the Project Location.

"**Capitalized Interest Period**" has, if applicable, the meaning ascribed to such term in **Part C of Schedule I** (*WIFIA Loan Specific Terms*), or if designated as "Not Applicable" in **Schedule I**, means capitalized interest shall not be applicable with respect to the WIFIA Loan hereunder.

"**City**" has the meaning ascribed to such term in **Part A of Schedule I** (*WIFIA Loan Specific Terms*).

"**City Act**" means the Charter of the City of Pasadena, dated as of January 24, 1901, as amended.

"**City Closing Certificate**" has the meaning provided in Section 11(a) (*Conditions Precedent to Effectiveness*).

"**City Fiscal Year**" means (a) as of the Effective Date, the Initial City Fiscal Year or (b) such other fiscal year as the City may hereafter adopt after giving thirty (30) days' prior written notice to the WIFIA Lender in accordance with **Part E of Schedule V** (*Reporting Requirements*).

"**City Resolution**" has the meaning ascribed to such term in **Part E of Schedule I** (*WIFIA Loan Specific Terms*).

"**City's Authorized Representative**" means any Person who shall be designated as such pursuant to Section 21 (*Authorized Representatives*).

"**Construction Contract**" means, with respect to the Project, any prime contract entered into by the City that involves any construction activity (such as demolition, site preparation, civil works construction, installation, remediation, refurbishment, rehabilitation, or removal and replacement services) for the Project. For the avoidance of doubt, "**Construction Contract**" shall include each Existing Construction Contract and, upon the effectiveness thereof, each Additional Construction Contract.

"**Construction Monitoring Report**" means a report on the status of the Project, substantially in the form of **Exhibit F** (*Form of Construction Monitoring Report*), unless otherwise agreed to be in a different form by the WIFIA Lender.

"**Construction Period Servicing Fee**" has the meaning ascribed to such term in **Part F of Schedule I** (*WIFIA Loan Specific Terms*).

"**Construction Schedule**" means (a) the initial schedule or schedules on which the construction timetables for the Project are set forth, attached hereto as **Part B of Schedule II** (*Project Details*), and (b) any updates thereto included in the Construction Monitoring Report most recently submitted to the WIFIA Lender in accordance with **Part C of Schedule V** (*Reporting Requirements*).

"**CPI**" means the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84=100 (not seasonally adjusted) or its successor, published by the Bureau of Labor Statistics and located at https://www.bls.gov/news.release/cpi.t01.htm.

"**Default**" means any event or condition that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"**Default Rate**" has the meaning ascribed to such term in **Part C of Schedule I** (*WIFIA Loan Specific Terms*).

"**Development Default**" means (a) the City abandons work or fails, in the reasonable judgment of the WIFIA Lender, to diligently prosecute the work related to the Project or (b) the City fails to achieve Substantial Completion of the Project by the Development Default Date, unless such failure to achieve Substantial Completion shall occur by reason of an Uncontrollable Force that is not due to the fault or gross negligence of the City (and which the City could not reasonably have avoided or mitigated), in which case the Development Default Date shall be extended by the number of days equal to the duration of such Uncontrollable Force.

"**Development Default Date**" has the meaning ascribed to such term in **Part B of Schedule I** (*WIFIA Loan Specific Terms*) unless a later date is otherwise agreed by the WIFIA Lender in its sole discretion.

"**Disbursement**" means a disbursement of WIFIA Loan proceeds, subject to and in accordance with this Agreement.

"**Dollars**" and "**$**" means the lawful currency of the U.S.

"**Effective Date**" means the date of this Agreement, as specified in **Part A of Schedule I** (*WIFIA Loan Specific Terms*).

"**Electronic Signature**" means any electronic symbol or process attached to or logically associated with a contract or other record and executed or adopted by a person with the intent to sign such contract or record pursuant to the California Uniform Electronic Transaction Act (Cal. Civ. Code § 1633.1, et seq.), as amended from time to time.

"**Eligible Project Costs**" means amounts in the Project Budget approved by the WIFIA Lender, which are paid by or for the account of the City in connection with the Project (including, as applicable, Project expenditures incurred prior to the receipt of WIFIA credit assistance), which shall arise from the following:

(a) development-phase activities, including planning, feasibility analysis (including any related analysis necessary to carry out an eligible project), revenue forecasting, environmental review, permitting, preliminary engineering and design work and other preconstruction activities;

(b) construction, reconstruction, rehabilitation, and replacement activities;

(c) the acquisition of real property or an interest in real property (including water rights, land relating to the Project and improvements to land), environmental mitigation (including acquisitions pursuant to 33 U.S.C. §3905(8)), construction contingencies, and acquisition of equipment; or

(d) capitalized interest (with respect to Obligations other than the WIFIA Installment Payments) necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses, and other carrying costs during construction;

provided, that Eligible Project Costs must be consistent with all other applicable federal law, including the Act.

"**Eligible Project Costs Documentation**" means all supporting documentation with respect to Eligible Project Costs, including copies of invoices and records evidencing incurred or previously paid Eligible Project Costs, containing sufficient detail satisfactory to the WIFIA Lender to evidence the incurrence or payment of such Eligible Project Costs (for construction progress payments for Eligible Project Costs, the supporting documentation should demonstrate that such progress payments are commensurate with the cost of the work that has been completed).

"**EMMA**" means the Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board, and its successors.

"**EPA**" has the meaning provided in the preamble hereto.

"**Event of Default**" has the meaning provided in Section 17(a) (*Events of Default and Remedies*).

"**Event of Loss**" means any event or series of events that causes any portion of the Water System to be damaged, destroyed or rendered unfit for normal use for any reason whatsoever, including through a casualty, a failure of title, or any loss of such property through eminent domain.

"**Existing Construction Contract**" means each Construction Contract in effect as of the Effective Date as set forth in **Part C of Schedule II** (*Project Details*).

"**Existing Indebtedness**" means Obligations that have been issued or incurred prior to the Effective Date, as listed and described in **Part A of Schedule III** (*City Disclosures*).

"**Existing Parity Obligations**" means the Existing Indebtedness listed and described in Section 1 (*Parity Obligations*) of **Part A of Schedule III** (*City Disclosures*).

"**Federal Fiscal Year**" means the fiscal year of the Federal Government, which is the twelve (12) month period that ends on September 30 of the specified calendar year and begins on October 1 of the preceding calendar year.

"**Federal Government**" means the U.S. and its departments and agencies.

"**FEIN**" means a Federal Employer Identification Number.

"**Final Disbursement Date**" means the earliest of (a) the date on which the WIFIA Loan has been disbursed in full; (b) the last anticipated date of disbursement set forth in the then-current WIFIA Loan Disbursement Schedule; (c) the date as of which the City has certified to the WIFIA Lender that it will not request any further disbursements under the WIFIA Loan; (d) the date on which the WIFIA Lender terminates its obligations relating to disbursements of any undisbursed amounts of the WIFIA Loan in accordance with Section 17 (*Events of Default and Remedies*); and (e) the date that is one (1) year after the Substantial Completion Date.

"**Final WIFIA Installment Payment Date**" has the meaning ascribed to such term in **Part C of Schedule I** (*WIFIA Loan Specific Terms*).

"**Financial Statements**" has the meaning provided in Section 12(q) (*Financial Statements*).

"**Flow of Funds**" has the meaning ascribed to such term in **Part D of Schedule I** (*WIFIA Loan Specific Terms*).

"**Forecast Period**" means, as of any date, the time period from and including the then-current City Fiscal Year until the later ending date of either (a) the five (5) immediately succeeding City Fiscal Years or (b) the end of the City Fiscal Year in which the City's then-currently effective capital improvement plan for the Water System concludes.

"**GAAP**" means generally accepted accounting principles for U.S. state and local governments, as established by the Government Accounting Standards Board (or any successor entity with responsibility for establishing accounting rules for governmental entities), in effect from time to time in the U.S.

"**Governmental Approvals**" means all authorizations, consents, approvals, waivers, exceptions, variances, filings, registrations, permits, orders, licenses, exemptions and declarations of or with any Governmental Authority.

"**Governmental Authority**" means any federal, state, provincial, county, city, town, village, municipal or other government or governmental department, commission, council, court, board, bureau, agency, authority or instrumentality (whether executive, legislative, judicial, administrative or regulatory), of or within the U.S. or its territories or possessions, including the State and its counties and municipalities, and their respective courts, agencies, instrumentalities and regulatory bodies, or any entity that acts "on behalf of" any of the foregoing, whether as an agency or authority of such body.

"**Gross Aggregate Revenues**" has the meaning ascribed to such term in **Part A of Schedule I** (*WIFIA Loan Specific Terms*).

"**Indemnitee**" has the meaning provided in Section 32 (*Indemnification*).

"**Initial City Fiscal Year**" has the meaning ascribed to such term in **Part A of Schedule I** (*WIFIA Loan Specific Terms*).

"**Initial Construction Period Servicing Fee**" has the meaning ascribed to such term in **Part F of Schedule I** (*WIFIA Loan Specific Terms*).

"**Insolvency Laws**" means the U.S. Bankruptcy Code, 11 U.S.C. § 101 *et seq*., as from time to time amended and in effect, and any state bankruptcy, insolvency, receivership, conservatorship or similar law now or hereafter in effect.

"**Interest Only Period**" has, if applicable, the meaning ascribed to such term in **Part C of Schedule I** (*WIFIA Loan Specific Terms*), or if designated as "Not Applicable" in **Schedule I**, means no interest only period shall be applicable with respect to the WIFIA Loan hereunder.

"**Interest Payment Date**" has the meaning ascribed to such term in **Part C of Schedule I** (*WIFIA Loan Specific Terms*).

"**Interim Financing**" means interim bond anticipation notes, commercial paper or other short-term temporary financing, in each case with a maturity not later than five (5) years following the issuance or incurrence thereof, the proceeds of which are applied to pay Eligible Project Costs.

"**Investment Grade Rating**" means a rating of 'BBB-', 'Baa3', 'bbb-', or 'BBB (low)', or higher, from a Nationally Recognized Rating Agency.

"**Legal Entity**" has the meaning ascribed to such term in **Part A of Schedule I** (*WIFIA Loan Specific Terms*).

"**Lien**" means any mortgage, pledge, hypothecation, assignment, mandatory deposit arrangement, encumbrance, attachment, lien (statutory or other), charge or other security interest, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever, including any sale-leaseback arrangement, any conditional sale or other title retention

agreement, any financing lease having substantially the same effect as any of the foregoing, and the filing of any financing statement or similar instrument under the UCC or any other applicable law.

"**Loss Proceeds**" means any proceeds of builders' risk or casualty insurance (other than any proceeds from any policy of business interruption insurance insuring against loss of revenues upon the occurrence of certain casualties or events covered by such policy of insurance) or proceeds of eminent domain proceedings resulting from any Event of Loss.

"**Material Adverse Effect**" means a material adverse effect on (a) the Water System, the Project, the Gross Aggregate Revenues or the Pledged Revenues, (b) the business, operations, properties, condition (financial or otherwise) or prospects of the City, (c) the legality, validity or enforceability of any material provision of any WIFIA Loan Document, (d) the ability of the Borrower Related Parties to enter into, perform or comply with any of their respective material obligations under any WIFIA Loan Document, (e) the validity, enforceability or priority of the Liens provided under the WIFIA Loan Documents on the Pledged Collateral or (f) the WIFIA Lender's rights or remedies available under any WIFIA Loan Document.

"**Maximum Principal Amount**" has the meaning ascribed to such term in **Part C of Schedule I** (*WIFIA Loan Specific Terms*).

"**Nationally Recognized Rating Agency**" means any nationally recognized statistical rating organization registered with, and identified as such by, the Securities and Exchange Commission, pursuant to 15 U.S.C. §78o-7.

"**NEPA**" means the National Environmental Policy Act of 1969, as amended, and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time.

"**NEPA Determination**" has the meaning ascribed to such term in **Part B of Schedule I** (*WIFIA Loan Specific Terms*).

"**Obligations**" means all bonds, notes, loan agreements, installment sale agreements, leases or other obligations of the City payable from and secured by a pledge of and lien on all or a portion of the Pledged Revenues, including the Parity Obligations and the Subordinated Obligations.

"**Operating Period Servicing Fee**" has the meaning ascribed to such term in **Part F of Schedule I** (*WIFIA Loan Specific Terms*).

"**Operation and Maintenance Expenses**" has the meaning ascribed to such term in **Part A of Schedule I** (*WIFIA Loan Specific Terms*).

"**Organizational Documents**" means: (a) the constitutional and statutory provisions that are the basis for the existence and authority of the Borrower Related Parties, including (i) any enabling statutes, ordinances or public charters, (ii) any other organic laws establishing such Borrower Related Parties (iii) with respect to the City, the City Act and (iv) with respect to the Authority, its articles of incorporation and (b) the resolutions, bylaws, or other organizational documents (including any amendments, modifications or supplements thereto) of or adopted by

the Borrower Related Parties by which such Borrower Related Parties, their powers, operations or procedures or their securities, bonds, notes or other obligations are governed or from which such powers are derived.

"**Other Financing Documents**" means any agreement, instrument, or document (excluding the WIFIA Loan Documents) entered into between any Borrower Related Party and a holder of Obligations (or a trustee or similar Person on behalf of any such holder) providing for the issuance of Obligations or otherwise governing any terms or conditions relating to Obligations. For the avoidance of doubt, Other Financing Documents include all Parity Obligation Documents (other than the WIFIA Loan Documents) and all Subordinated Obligation Documents.

"**Outstanding**" means (a) with respect to Obligations other than the WIFIA Loan (and the corresponding WIFIA Installment Payments), Obligations that have not been cancelled or legally defeased or discharged within the meaning of the applicable Other Financing Documents, and (b) with respect to the WIFIA Loan (and the corresponding WIFIA Installment Payments), the (i) entire amount available to be drawn under this Agreement (including amounts drawn and amounts that remain available to be drawn), plus, if applicable, capitalized interest added or projected to be added to the principal in accordance with this Agreement, less (ii) any amount that has been irrevocably determined will not be drawn under this Agreement, less (iii) the aggregate principal amount of the WIFIA Loan Balance (and the corresponding unpaid principal components of the WIFIA Installment Payments) that has been repaid or prepaid.

"**Parity Obligation Documents**" means the WIFIA Loan Documents, the Other Financing Documents with respect to the Existing Parity Obligations and any Other Financing Document providing for the issuance of any Additional Parity Obligations, together with each other agreement, instrument and document executed and delivered pursuant to or in connection with any of the foregoing.

"**Parity Obligations**" means the WIFIA Installment Payments and any Obligations issued or incurred on a parity with the WIFIA Installment Payments. Parity Obligations shall be limited to the WIFIA Installment Payments, the Existing Parity Obligations and any Additional Parity Obligations.

"**Patriot Act**" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended, and all regulations promulgated thereunder.

"**Payment Default**" has the meaning provided in Section 17(a)(i) (*Payment Default*).

"**Permitted Debt**" means:

(a) Existing Indebtedness;

(b) the WIFIA Installment Payments;

(c) Additional Parity Obligations that satisfy the requirements of Section 15(a) (*Indebtedness*) and the WIFIA Installment Purchase Agreement;

(d) Additional Subordinated Obligations that satisfy the requirements of Section 15(a) (*Indebtedness*) and the WIFIA Installment Purchase Agreement; and

(e) indebtedness incurred in respect of hedging transactions permitted under the WIFIA Loan Documents.

"**Permitted Investments**" means any investment permitted under applicable State law and the City's investment policies.

"**Permitted Liens**" means:

(a) Liens imposed pursuant to the WIFIA Loan Documents;

(b) Liens imposed pursuant to the Other Financing Documents in respect of Permitted Debt;

(c) Liens imposed by law, including Liens for taxes that are not yet due or are being contested in compliance with Section 14(j) (*Material Obligations*);

(d) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than thirty (30) days or are being contested in compliance with Section 14(j) (*Material Obligations*);

(e) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance, and other social security laws or regulations;

(f) deposits to secure the performance of trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(g) judgment Liens in respect of judgments that do not constitute an Event of Default under Section 17(a)(viii) (*Material Adverse Judgment*); and

(h) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that, in any case, do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the City.

"**Person**" means and includes an individual, a general or limited partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization and any Governmental Authority, including in each case such Person's successors and permitted assigns.

"**Pledged Collateral**" has the meaning ascribed to such term in **Part D of Schedule I** (*WIFIA Loan Specific Terms*).

"**Pledged Revenues**" has the meaning ascribed to such term in **Part A of Schedule I** (*WIFIA Loan Specific Terms*).

"**Principal Payment Date**" has the meaning ascribed to such term in **Part C of Schedule I** (*WIFIA Loan Specific Terms*).

"**Project**" has the meaning ascribed to such term in **Part B of Schedule I** (*WIFIA Loan Specific Terms*).

"**Project Budget**" means the budget for the Project attached to this Agreement as **Part A of Schedule II** (*Project Details*) showing a summary of Total Project Costs with a breakdown of all Eligible Project Costs and the estimated sources and uses of funds for the Project.

"**Project Location**" has the meaning ascribed to such term in **Part B of Schedule I** (*WIFIA Loan Specific Terms*).

"**Projected Substantial Completion Date**" has the meaning ascribed to such term in **Part B of Schedule I** (*WIFIA Loan Specific Terms*).

"**Public Benefits Report**" means the report, in the form attached hereto as **Exhibit C** (*Form of Public Benefits Report*).

"**Rate Covenant**" has the meaning ascribed to such term in **Part D of Schedule I** (*WIFIA Loan Specific Terms*).

"**Related Documents**" means the WIFIA Loan Documents and the Other Financing Documents.

"**Requisition**" means the request for Disbursement in the form attached hereto as **Exhibit D** (*Form of Requisition*).

"**SAM**" means the federal System for Award Management (www.SAM.gov) (or any successor system or registry).

"**Sanctions Laws**" means collectively, any applicable anti-drug trafficking, anti-terrorism, anti-money laundering, anti-bribery, or anti-corruption laws or regulations, as applicable, including those contained in the Bank Secrecy Act of 1970 (as amended) and the U.S. Patriot Act.

"**Servicer**" means such entity or entities as the WIFIA Lender shall designate from time to time to perform, or assist the WIFIA Lender in performing, certain duties hereunder.

"**Servicing Fee**" means the Servicing Set-Up Fee and any Construction Period Servicing Fee or Operating Period Servicing Fee.

"**Servicing Set-Up Fee**" has the meaning ascribed to such term in **Part F of Schedule I** (*WIFIA Loan Specific Terms*).

"**State**" has the meaning ascribed to such term in **Part A of Schedule I** (*WIFIA Loan Specific Terms*).

"**Subordinated Obligation Documents**" means any Other Financing Document providing for the issuance of or otherwise governing any Subordinated Obligations.

"**Subordinated Obligations**" means Obligations issued or incurred on a basis junior and subordinate to the Parity Obligations.

"**Substantial Completion**" means, with respect to the Project, the stage at which the Project is able to perform the functions for which the Project is designed.

"**Substantial Completion Date**" means the date on which the City certifies to the WIFIA Lender, with evidence satisfactory to the WIFIA Lender and notice to the WIFIA Lender in accordance with **Part E of Schedule V** (*Reporting Requirements*), that Substantial Completion has occurred.

"**Total Project Costs**" means (a) the costs paid or incurred or to be paid or incurred by the City in connection with or incidental to the acquisition, design, construction and equipping of the Project, including legal, administrative, engineering, planning, design, insurance and financing (including costs of issuance); (b) amounts, if any, required by the WIFIA Loan Documents or any Other Financing Document to be paid into any fund or account upon the incurrence of the WIFIA Loan or any other Obligations, in each case in respect of the Project; (c) payments when due (whether at the maturity of principal, the due date of interest, or upon optional or mandatory prepayment) in respect of any Obligations (other than the WIFIA Installment Payments), in each case in connection with the acquisition, design, construction and equipping of the Project; and (d) costs of equipment and supplies and initial working capital and reserves required by the City for the commencement of operation of the Project, including general administrative expenses and overhead of the City.

"**Trustee**" has, if applicable, the meaning ascribed to such term in **Part A of Schedule I** (*WIFIA Loan Specific Terms*), or if designated as "Not Applicable" in **Schedule I**, means a trustee shall not be applicable with respect to the WIFIA Loan hereunder.

"**Trustee Location**" has, if applicable, the meaning ascribed to such term in **Part A of Schedule I** (*WIFIA Loan Specific Terms*), or if designated as "Not Applicable" in **Schedule I**, means a trustee location shall not be applicable with respect to the WIFIA Loan hereunder.

"**Uncontrollable Force**" means any cause beyond the control of the City, including: (a) a hurricane, tornado, flood or similar occurrence, landslide, earthquake, fire or other casualty, strike or labor disturbance, freight embargo, act of a public enemy, explosion, war, blockade, terrorist act, insurrection, riot, general arrest or restraint of government and people, civil disturbance or similar occurrence, sabotage or pandemic (provided, that the City shall not be required to settle any strike or labor disturbance in which it may be involved) or (b) the order or judgment of any federal, state or local court, administrative agency or governmental officer or body, if it is not also the result of willful or negligent action or a lack of reasonable diligence of the City and the City does not control the administrative agency or governmental officer or body; provided, that the

diligent contest in good faith of any such order or judgment shall not constitute or be construed as a willful or negligent action or a lack of reasonable diligence of the City.

"**Unique Entity Identifier**" or "**UEI**" means, with respect to any Person, the unique entity identifier issued by the Federal Government (including through SAM.gov) for such Person.

"**Uniform Commercial Code**" or "**UCC**" means the Uniform Commercial Code, as in effect from time to time in the State.

"**Updated Financial Model/Plan**" means (a) an updated Base Case Financial Model or (b) a financial plan in a format agreed with the WIFIA Lender, in each case reflecting the then-current and projected conditions for the Forecast Period, in accordance with **Part A of Schedule V** (*Reporting Requirements*).

"**U.S.**" means the United States of America.

"**Water Fund**" has the meaning ascribed to such term in **Part D of Schedule I** (*WIFIA Loan Specific Terms*).

"**Water System**" has the meaning ascribed to such term in **Part A of Schedule I** (*WIFIA Loan Specific Terms*).

"**Water System Accounts**" has the meaning ascribed to such term in **Part D of Schedule I** (*WIFIA Loan Specific Terms*).

"**WIFIA**" has the meaning provided in the recitals hereto.

"**WIFIA CUSIP Number**" has the meaning ascribed to such term in **Part A of Schedule I** (*WIFIA Loan Specific Terms*).

"**WIFIA Debt Service**" means with respect to any WIFIA Installment Payment Date occurring on or after the WIFIA Installment Payment Commencement Date, the principal and interest components of the WIFIA Installment Payments in an amount equal to the principal portion of the WIFIA Loan Balance and any interest payable thereon (including interest accruing after the date of any filing by the City of any petition in bankruptcy or the commencement of any bankruptcy, insolvency or similar proceeding with respect to the City), in each case, (a) as set forth on the WIFIA Installment Payment Schedule and (b) due and payable on such WIFIA Installment Payment Date in accordance with the provisions of Section 8(a) (*Payment of WIFIA Debt Service*). For the avoidance of doubt and without limiting the foregoing, WIFIA Debt Service equates to the WIFIA Installment Payments, which are payable by the City to the Trustee, as assignee of the Authority's rights under the WIFIA Installment Purchase Agreement pursuant to the WIFIA Indenture, for the benefit of the WIFIA Lender, and payable by the Trustee to the WIFIA Lender pursuant to the WIFIA Note.

"**WIFIA Debt Service Account**" has, if applicable, the meaning ascribed to such term in **Part D of Schedule I** (*WIFIA Loan Specific Terms*), or if designated as "Not Applicable" in **Schedule I**, means a separate debt service fund designated for the WIFIA Lender shall not be applicable with respect to the WIFIA Loan hereunder.

"**WIFIA Debt Service Reserve Account**" has, if applicable, the meaning ascribed to such term in **Part D of Schedule I** (*WIFIA Loan Specific Terms*), or if designated as "Not Applicable" in **Schedule I**, means a separate debt service reserve fund designated for the WIFIA Lender shall not be applicable with respect to the WIFIA Loan hereunder.

"**WIFIA Debt Service Reserve Requirement**" has, if applicable, the meaning ascribed to such term in **Part D of Schedule I** (*WIFIA Loan Specific Terms*), or if designated as "Not Applicable" in **Schedule I**, means a separate debt service reserve requirement shall not be applicable with respect to the WIFIA Loan hereunder.

"**WIFIA Indenture**" has the meaning ascribed to such term in **Part E of Schedule I** (*WIFIA Loan Specific Terms*).

"**WIFIA Installment Payment Commencement Date**" means the earlier to occur of (a) the first WIFIA Installment Payment Date immediately following the later of (i) the first Disbursement or (ii) if there is a Capitalized Interest Period, the WIFIA Installment Payment Date immediately following the end of the Capitalized Interest Period (subject to Section 8(a)(iii) (*Payment of WIFIA Debt Service*) and the WIFIA Lender's right to end the Capitalized Interest Period as specified therein), in each case as set forth in the WIFIA Installment Payment Schedule; or (b) the WIFIA Installment Payment Date falling closest to, but not later than, the fifth anniversary of the Substantial Completion Date.

"**WIFIA Installment Payment Date**" means each Interest Payment Date and each Principal Payment Date.

"**WIFIA Installment Payment Schedule**" means the WIFIA Installment Payment Schedule reflected in **Schedule VI** (*WIFIA Installment Payment Schedule*), as amended from time to time in accordance with Section 8(c) (*WIFIA Lender Adjustments to WIFIA Installment Payment Schedule*).

"**WIFIA Installment Payments**" means the payments designated as "Series 2026 Installment Payments" and required to be paid by the City under Section 4.02 of the WIFIA Installment Purchase Agreement, including both the principal and interest components thereof.

"**WIFIA Installment Purchase Agreement**" has the meaning ascribed to such term in **Part E of Schedule I** (*WIFIA Loan Specific Terms*).

"**WIFIA Interest Rate**" has the meaning ascribed to such term in **Part C of Schedule I** (*WIFIA Loan Specific Term*).

"**WIFIA Lender**" has the meaning provided in the preamble hereto.

"**WIFIA Lender's Authorized Representative**" means the Administrator and any other Person who shall be designated as such pursuant to Section 22 (*WIFIA Lender's Authorized Representative*).

"**WIFIA Loan**" means the proceeds made available by the WIFIA Lender to the City, as agent of the Authority, on the terms and conditions set forth herein, pursuant to the Act, in a

principal amount not to exceed the Maximum Principal Amount, to be used in respect of Eligible Project Costs.

"**WIFIA Loan Balance**" means (a) the aggregate principal amount of the WIFIA Loan disbursed by the WIFIA Lender to the City, as agent of the Authority hereunder, *plus* (b) if applicable, capitalized interest added to the principal balance of the WIFIA Loan pursuant to Section 8(a)(iii) (*Payment of WIFIA Debt Service*), *minus* (c) the aggregate principal amount of the WIFIA Loan repaid or prepaid pursuant to the WIFIA Loan Documents, as reflected from time to time in the WIFIA Installment Payment Schedule in accordance with Section 8(c) (*WIFIA Lender Adjustments to WIFIA Installment Payment Schedule*).

"**WIFIA Loan Disbursement Schedule**" means the disbursement schedule set forth in **Schedule VI** (*WIFIA Installment Payment Schedule*), reflecting the anticipated disbursement of proceeds of the WIFIA Loan, as such schedule may be amended from time to time pursuant to Section 4(b) (*Disbursement Conditions*).

"**WIFIA Loan Documents**" means this Agreement, the WIFIA Installment Purchase Agreement, the WIFIA Note, the WIFIA Indenture, the City Resolution, the Authority Resolution and the WIFIA Term Sheet.

"**WIFIA Note**" has the meaning ascribed to such term in **Part E of Schedule I** (*WIFIA Loan Specific Terms*).

"**WIFIA Term Sheet**" has the meaning ascribed to such term in **Part E of Schedule I** (*WIFIA Loan Specific Terms*).

Section 2. Interpretation. The rules of interpretation set forth below in this Section 2 shall apply to this Agreement, except as otherwise expressly provided herein.

(a) Unless the context shall otherwise require, the words "hereto," "herein," "hereof" and other words of similar import refer to this Agreement as a whole.

(b) Words of any gender shall be deemed and construed to include correlative words of any other gender.

(c) Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise require.

(d) The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation."

(e) Whenever a Borrower Related Party's knowledge is implicated in this Agreement or the phrase "to the City's knowledge", "to the Authority's knowledge", or a similar phrase is used in this Agreement, the relevant Borrower Related Party's knowledge or such phrase(s) shall be interpreted to mean to the best of that Borrower Related Party's knowledge after reasonable and diligent inquiry.

(f) Unless the context shall otherwise require, references to preambles, recitals, sections, subsections, clauses, schedules, exhibits, appendices and provisions are to the applicable preambles, recitals, sections, subsections, clauses, schedules, exhibits, appendices and provisions of this Agreement.

(g) The recitals, schedules and exhibits to this Agreement, and the appendices and schedules to such exhibits, are hereby incorporated by reference and made an integral part of this Agreement.

(h) The headings or titles of this Agreement and its sections, schedules or exhibits, as well as any table of contents, are for convenience of reference only and shall not define or limit its provisions.

(i) Unless the context shall otherwise require, all references to any resolution, contract, agreement, lease or other document shall be deemed to include any amendments or supplements to, or modifications or restatements or replacements of, such documents that are approved from time to time in accordance with the terms thereof and hereof.

(j) Every request, order, demand, application, appointment, notice, statement, certificate, consent or similar communication or action hereunder by any party shall, unless otherwise specifically provided, be delivered in writing in accordance with Section 31 (*Notices*) and signed by a duly authorized representative of such party.

(k) References to "disbursements of WIFIA Loan proceeds" or similar phrasing shall be construed as meaning the same thing as "paying the purchase price of the WIFIA Note."

(l) Whenever this Agreement requires a change in principal amount, interest rate or amortization schedule of the WIFIA Loan, it is intended that such change be reflected in the WIFIA Installment Purchase Agreement and a corresponding change be reflected in the WIFIA Installment Payment Schedule. Whenever there is a prepayment of the WIFIA Loan, it is intended that such prepayment be implemented through a prepayment of the WIFIA Installment Payments.

(m) Whenever this Agreement sets forth a time period for a number of days by when a deliverable must be provided or an action must be taken, such time period shall be computed on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months.

ARTICLE II

THE WIFIA LOAN

Section 3. WIFIA Loan Amount. The maximum amount of Disbursements shall not exceed the Maximum Principal Amount.

Section 4. Disbursement Conditions.

(a) The Authority hereby appoints the City as its agent with respect to disbursements of the WIFIA Loan from time to time, and the City hereby accepts such appointment

and hereby assumes all rights, liabilities, duties and responsibilities of the Authority under this Agreement with respect to disbursements of the WIFIA Loan from time to time. WIFIA Loan proceeds shall be disbursed solely in respect of Eligible Project Costs paid or incurred and approved for payment by or for the account of the City in connection with the Project, including, for the avoidance of doubt and to the extent applicable, Eligible Project Costs that were initially funded with Interim Financing proceeds. Each Disbursement of the WIFIA Loan shall be made pursuant to the procedures of **Schedule IV** (*Requisition Procedures*) and subject to the requirements of this Section 4 and the conditions set forth in Section 11(b) (*Conditions Precedent to Disbursements*); provided, that no Disbursement shall be made after the Final Disbursement Date.

(b) Subject to this Section 4, any scheduled Disbursement (as reflected in the WIFIA Loan Disbursement Schedule) that remains undrawn as of its scheduled date shall automatically be available for the next scheduled Disbursement date, up to the Final Disbursement Date, with the effect of automatically updating the WIFIA Loan Disbursement Schedule (and the WIFIA Installment Payment Schedule) without need for the WIFIA Lender's approval. The City may also amend the WIFIA Loan Disbursement Schedule by submitting a revised version thereof to the WIFIA Lender no later than thirty (30) days prior to the proposed effective date of such amendment, together with a detailed explanation of the reasons for such revisions. Such revised WIFIA Loan Disbursement Schedule shall become effective upon the WIFIA Lender's approval thereof, which approval shall be deemed granted if the WIFIA Lender has not objected within thirty (30) days from receipt of the revised schedule, and which approval shall have the effect of updating the WIFIA Installment Payment Schedule to reflect the updated WIFIA Loan Disbursement Schedule. Notwithstanding the foregoing, the date of the first Disbursement shall not be earlier than the initial date of Disbursement set out in the WIFIA Installment Payment Schedule as of the Effective Date.

Section 5. Term. The term of the WIFIA Loan shall extend from the Effective Date to the Final WIFIA Installment Payment Date or to such earlier date as all amounts due or to become due to the WIFIA Lender hereunder have been irrevocably paid in full in immediately available funds.

Section 6. Interest Rate. Interest shall accrue and be computed on the WIFIA Loan Balance (and the corresponding unpaid principal components of the WIFIA Installment Payments) at the WIFIA Interest Rate, and the City shall pay the corresponding interest components of the WIFIA Installment Payments calculated at such WIFIA Interest Rate; provided, that, upon the occurrence of an Event of Default, interest shall accrue and be computed on the WIFIA Loan Balance (and the corresponding unpaid principal components of the WIFIA Installment Payments), at the Default Rate, and the City shall pay the corresponding interest components of the WIFIA Installment Payments at such Default Rate, (a) in the case of any Payment Default, from (and including) its due date to (but excluding) the date of actual payment of the overdue amount of principal of the WIFIA Loan (and the corresponding unpaid principal components of the WIFIA Installment Payments) and accrued interest thereon and (b) in the case of any other Event of Default, from (and including) the date of such occurrence to (but excluding) the earlier of the date on which (i) such Event of Default has been cured (if applicable) in accordance with the terms of this Agreement or waived by the WIFIA Lender and (ii) the WIFIA Loan Balance (and the corresponding unpaid principal components of the WIFIA Installment Payments), together with all interest accrued thereon and all fees and expenses with respect thereto, have been irrevocably paid in full in immediately available funds. Interest shall

(x) accrue on the WIFIA Loan (and the corresponding unpaid principal components of the WIFIA Installment Payments) commencing on the date of the first Disbursement of the WIFIA Loan, (y) be payable commencing on the WIFIA Installment Payment Commencement Date and (z) be computed on the WIFIA Loan Balance (and the corresponding unpaid principal components of the WIFIA Installment Payments) on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months.

Section 7. Security and Priority; Assignment; Flow of Funds.

(a) As security for the WIFIA Loan, and concurrently with the issuance and delivery of this Agreement, the Borrower Related Parties have irrevocably pledged, charged, assigned and granted to the Trustee for the benefit of the WIFIA Lender, Liens on the Pledged Collateral to the extent and in the manner and priority set forth in the WIFIA Loan Documents, as specified in **Part D of Schedule I** (*WIFIA Loan Specific Terms*). The Lien on the Pledged Revenues to secure the WIFIA Installment Payments is and shall be (i) on a parity in right of payment and right of security to the Lien on the Pledged Revenues in favor of the other Parity Obligations and (ii) senior in right of payment and right of security to any Lien on the Pledged Revenues in favor of any Subordinated Obligations. The WIFIA Installment Payments are Parity Obligations, entitled to all of the benefits of Parity Obligations under the WIFIA Loan Documents and all other Parity Obligation Documents. As evidence of the WIFIA Lender's direct, undivided interest in the WIFIA Installment Payments, the Borrower Related Parties shall cause the Trustee to authenticate and deliver to the WIFIA Lender, as the registered owner, on or prior to the Effective Date, the WIFIA Note.

(b) Amounts deposited in the Water Fund shall be applied in the order of priority described in, and in accordance with, the Flow of Funds.

Section 8. Repayments.

(a) Payment of WIFIA Debt Service.

(i) No WIFIA Debt Service (or the corresponding WIFIA Installment Payments) shall be due or payable prior to the WIFIA Installment Payment Commencement Date. The City shall pay (A) the WIFIA Installment Payments to the Trustee in the amounts and manner and on the dates corresponding to the WIFIA Installment Payment Dates as set forth in the WIFIA Installment Payment Schedule, as the same may be revised pursuant to Section 8(c) (*WIFIA Lender Adjustments to WIFIA Installment Payment Schedule*), and as specified in the WIFIA Installment Purchase Agreement, and (B) payments of any other amounts on each other date on which payment thereof is required to be made hereunder, which amounts shall be payable by the City directly to the WIFIA Lender pursuant to the WIFIA Installment Purchase Agreement; provided, that, in either case if any such date is not a Business Day, payment shall be made on the next Business Day following such date. WIFIA Loan proceeds borrowed and repaid may not be reborrowed.

(ii) Notwithstanding anything herein to the contrary, the WIFIA Installment Payments in an amount equal to the WIFIA Loan Balance and any accrued

interest thereon shall be due and payable in full on the Final WIFIA Installment Payment Date.

(iii) If a Capitalized Interest Period is applicable as set forth in **Part C of Schedule I** (*WIFIA Loan Specific Terms*), during the Capitalized Interest Period, no payment of WIFIA Installment Payments (or the corresponding principal of or interest on the WIFIA Loan) will be required to be made. On each Interest Payment Date occurring during the Capitalized Interest Period (including the day immediately following the end of the Capitalized Interest Period), interest accrued and not paid on the WIFIA Loan (and the corresponding unpaid principal components of the WIFIA Installment Payments) during each such six (6) month period ending immediately prior to such date (or such shorter period if the Capitalized Interest Period ends on a day other than one (1) day prior to an Interest Payment Date) shall be capitalized and added to the WIFIA Loan Balance (and the corresponding unpaid principal components of the WIFIA Installment Payments), as set forth in the WIFIA Installment Payment Schedule. Within thirty (30) days after the end of the Capitalized Interest Period, the WIFIA Lender shall give written notice to the City stating the WIFIA Loan Balance (and the corresponding unpaid principal components of the WIFIA Installment Payments) as of the close of business on the last day of the Capitalized Interest Period, which statement thereof shall be deemed conclusive absent manifest error; provided, however, that no failure to give or delay in giving such notice shall affect any of the obligations of the City hereunder or under any of the other WIFIA Loan Documents. Notwithstanding the foregoing, the Capitalized Interest Period shall end immediately upon written notification to the City by the WIFIA Lender that an Event of Default has occurred and that the WIFIA Lender has elected to end the Capitalized Interest Period, in which case interest shall no longer be capitalized, payments of interest on the WIFIA Loan (and the corresponding interest components of the WIFIA Installment Payments) shall be due and payable beginning on the next Interest Payment Date and payments of principal of the WIFIA Loan Balance (and the corresponding unpaid principal components of the WIFIA Installment Payments) shall be due and payable beginning on the next Principal Payment Date, in each case in accordance with the terms hereof and of the WIFIA Installment Purchase Agreement.

(iv) If an Interest Only Period is applicable as set forth in **Part C of Schedule I** (*WIFIA Loan Specific Terms*), during the Interest Only Period, the WIFIA Installment Payments payable by the City (and the corresponding WIFIA Debt Service) shall consist of one hundred percent (100%) of the amount of interest then due and payable on the WIFIA Loan Balance (and the corresponding unpaid principal components of the WIFIA Installment Payments), and no payment of principal on the WIFIA Loan (or the corresponding unpaid principal components of the WIFIA Installment Payments), will be due and payable during the Interest Only Period.

(v) Any defeasance of the WIFIA Installment Payments in accordance with the WIFIA Installment Purchase Agreement and applicable law shall not be deemed a repayment or prepayment of the WIFIA Loan in full, and the City shall comply with all of its obligations hereunder and under the other WIFIA Loan Documents (other than with respect to payments of WIFIA Installment Payments, which payments shall continue to be made in accordance with the WIFIA Installment Payment Schedule by the Trustee), unless

otherwise agreed by the WIFIA Lender, until the irrevocable payment in full in immediately available funds of the WIFIA Loan Balance (and the corresponding unpaid principal components of the WIFIA Installment Payments), together with all accrued interest (and the corresponding interest components of the WIFIA Installment Payments), fees and expenses with respect thereto.

(b) Manner of Payment. Payments under the WIFIA Loan Documents shall be made in Dollars and in immediately available funds (without counterclaim, offset or deduction) and, with respect to all payments due to the WIFIA Lender under the WIFIA Loan Documents, in accordance with the payment instructions provided by the WIFIA Lender prior to the relevant payment, as may be modified in writing from time to time by the WIFIA Lender; provided, that the failure to provide updated payment instructions shall not affect in any manner the payment of WIFIA Debt Service hereunder or the City's obligations under the WIFIA Installment Purchase Agreement or under any other WIFIA Loan Document.

(c) WIFIA Lender Adjustments to WIFIA Installment Payment Schedule. The WIFIA Lender may, from time to time, modify the WIFIA Installment Payment Schedule included in **Schedule VI** (*WIFIA Installment Payment Schedule*) to reflect (i) any change to the WIFIA Loan Balance, (ii) any change to the date and amount of any WIFIA Installment Payments due and payable or to become due and payable in accordance with this Agreement and the other WIFIA Loan Documents, (iii) any mathematical corrections as the WIFIA Lender may determine are necessary, and (iv) with the consent of the City (not to be unreasonably withheld), such other information as the WIFIA Lender may determine is necessary for administering the WIFIA Loan, this Agreement and the other WIFIA Loan Documents. Any calculations described above shall be rounded up to the nearest whole cent. Any adjustments or revisions to the WIFIA Installment Payment Schedule as a result of a decrease in the WIFIA Loan Balance shall be applied to reduce future payments due on the WIFIA Loan (and the corresponding unpaid principal components of the WIFIA Installment Payments) in inverse order of maturity, other than prepayments which shall be applied in accordance with Section 9(b) (*General Prepayment Instructions*). If the WIFIA Installment Payment Schedule is modified pursuant to this Section 8(c), the WIFIA Lender shall provide the City and the Trustee with a copy of such revised WIFIA Installment Payment Schedule, but no failure to provide or delay in providing the City or the Trustee with such copy shall affect any of the City's obligations under this Agreement or the other WIFIA Loan Documents. The WIFIA Lender may also, from time to time or when so requested by the City, advise the City and the Trustee by written notice of the amount of the WIFIA Loan Balance (and the corresponding unpaid principal components of the WIFIA Installment Payments) as of the date of such notice. Absent manifest error, the WIFIA Lender's determination of the WIFIA Loan Balance (and the corresponding unpaid principal components of the WIFIA Installment Payments) and all matters as set forth on the WIFIA Installment Payment Schedule shall be deemed conclusive evidence thereof; provided, that neither the failure to make any such determination, modification, or recordation nor any error in such determination, modification, or recordation shall affect in any manner the City's obligations hereunder or under any other WIFIA Loan Document.

(d) City Adjustments to WIFIA Installment Payment Schedule. The City shall have the right to propose adjustments to the WIFIA Installment Payment Schedule included in **Schedule VI** (*WIFIA Installment Payment Schedule*) exercisable once on or prior to the date that is one hundred twenty (120) days preceding the first Principal Payment Date, such adjustments to

be submitted by the City to the WIFIA Lender in the form of an updated **Schedule VI** (*WIFIA Installment Payment Schedule*), together with (i) an explanation setting out the reason for such proposed adjustments (such as material unforeseen changes to the Project schedule, costs or the City's funding strategy), and (ii) an updated rating affirmation or current public rating from a Nationally Recognized Rating Agency on the WIFIA Loan (or other Parity Obligations, as the WIFIA Lender may agree) demonstrating the City's continued creditworthiness; provided that (x) the form of and any adjustment to the WIFIA Installment Payment Schedule, together with the City's explanation and the rating affirmation, shall be acceptable to the WIFIA Lender, (y) the weighted average life of the WIFIA Loan shall not exceed forty-two (42) years measured as of the initial Disbursement date, and (z) the WIFIA Installment Payment Schedule shall comply with all applicable requirements under this Agreement and law. Such revised WIFIA Installment Payment Schedule shall become effective upon the approval by the WIFIA Lender in its sole discretion.

Section 9. Prepayment.

(a) Optional Prepayments. The City may prepay the unpaid principal components of the WIFIA Installment Payments, without penalty or premium, (i) in full on any date on or after the Final Disbursement Date or (ii) in part on any WIFIA Installment Payment Date on or after the Final Disbursement Date (and, if in part, the amounts thereof to be prepaid shall be determined by the City; provided, that such prepayment shall be in principal amounts of $1,000,000 or any integral multiple of $1.00 in excess thereof), in each case from time to time but not more than once annually in accordance with 33 U.S.C. § 3908(c)(4)(A). The City may make such prepayment by paying to the Trustee in accordance with the WIFIA Indenture such unpaid principal components of the WIFIA Installment Payments to be prepaid, together with the unpaid interest components of the WIFIA Installment Payments accrued on the principal amount of the WIFIA Installment Payments so prepaid to the date of such prepayment and all fees and expenses then due and payable to the WIFIA Lender. Each prepayment of the unpaid principal components of the WIFIA Installment Payments by the City pursuant to this Section 9(a) shall be made on such date and in such principal amount as shall be specified by the City in a written notice, signed by the City's Authorized Representative and delivered to the WIFIA Lender and the Trustee not less than thirty (30) days prior to the requested date of prepayment, unless otherwise agreed by the WIFIA Lender. At any time between delivery of such written notice and the applicable optional prepayment, the City may, without penalty or premium, rescind its announced optional prepayment by further written notice to the WIFIA Lender and the Trustee. Anything in this Section 9(a) to the contrary notwithstanding, the failure by the City to make any optional prepayment shall not constitute a breach or default under this Agreement.

(b) General Prepayment Instructions. Upon the WIFIA Lender's receipt of confirmation that payment in full in immediately available funds of the entire WIFIA Loan Balance and any unpaid interest, fees and expenses with respect thereto has occurred as a result of a prepayment, the WIFIA Lender shall surrender the WIFIA Note to the Trustee by mail in accordance with Section 31 (*Notices*) or as otherwise agreed between the parties hereto. If the City prepays only part of the unpaid principal components of the WIFIA Installment Payments, the WIFIA Lender may make a notation on the WIFIA Installment Payment Schedule indicating the amount of the WIFIA Installment Payments then being prepaid. Absent manifest error, the WIFIA Lender's determination of such matters as set forth on an updated WIFIA Installment Payment Schedule shall be conclusive evidence thereof; provided, that neither the failure to make

any such recordation nor any error in such recordation shall affect in any manner the City's obligations hereunder or under any other WIFIA Loan Document. All partial prepayments of principal shall be applied to reduce the WIFIA Loan Balance (and the corresponding unpaid principal components of the WIFIA Installment Payments) such that the remaining scheduled principal payments for the WIFIA Loan (and the corresponding unpaid principal components of the WIFIA Installment Payments) set out in the WIFIA Installment Payment Schedule are reduced substantially *pro rata*. If such funds have not been so paid on the prepayment date, such principal amount of the WIFIA Loan (and the corresponding unpaid principal components of the WIFIA Installment Payments) shall continue to bear interest until payment thereof at the rate provided for in Section 6 (*Interest Rate*).

Section 10. Fees and Expenses.

(a) Fees. The City shall pay to the WIFIA Lender pursuant to the WIFIA Installment Purchase Agreement:

(i) the Servicing Set-Up Fee, which shall be due and payable within thirty (30) days after receipt by the City of an invoice from the WIFIA Lender with respect thereto (or, if earlier, the date of the first Disbursement of the WIFIA Loan);

(ii) the Construction Period Servicing Fee, which shall accrue on the first Business Day of the then-current Federal Fiscal Year and shall be due and payable on or prior to each November 15 during the period beginning from the Effective Date through (and including) the earlier of (x) the end of the Federal Fiscal Year during which the Substantial Completion Date occurs and (y) the irrevocable payment or prepayment in full of the WIFIA Loan in immediately available funds; provided, that the Initial Construction Period Servicing Fee shall be due and payable within thirty (30) days after receipt by the City of an invoice from the WIFIA Lender with respect thereto (or, if earlier, the date of the first Disbursement of the WIFIA Loan); and

(iii) the Operating Period Servicing Fee, which shall accrue on the first Business Day of the then-current Federal Fiscal Year and shall be due and payable on or prior to each November 15, beginning with the first November 15 following the end of the Federal Fiscal Year during which the Substantial Completion Date occurs, until (and including) the earlier of (x) the irrevocable payment or prepayment in full of the WIFIA Loan in immediately available funds and (y) the Final WIFIA Installment Payment Date; provided, that the Operating Period Servicing Fee due and payable with respect to the Federal Fiscal Year during which the Final WIFIA Installment Payment Date occurs shall be equal to the *pro-rata* monthly portion of the then applicable Operating Period Servicing Fee multiplied by the number of partial or whole months remaining between October 1 and the Final WIFIA Installment Payment Date.

(b) The amount of each Construction Period Servicing Fee (other than the initial Construction Period Servicing Fee) and each Operating Period Servicing Fee shall be adjusted in proportion to the percentage change in CPI for the calendar year immediately preceding the calendar year during which such fee is due. The WIFIA Lender shall notify the City of the amount

of each such fee at least thirty (30) days before payment is due, which determination shall be conclusive absent manifest error.

(c) Expenses. The City agrees, whether or not the transactions hereby contemplated shall be consummated, to reimburse the WIFIA Lender on demand from time to time, pursuant to the WIFIA Installment Purchase Agreement and within thirty (30) days after receipt by the City of any invoice from the WIFIA Lender, for any and all fees, costs, charges, and expenses incurred by it (including the fees, costs, and expenses of its legal counsel, financial advisors, auditors and other consultants and advisors) in connection with the negotiation, preparation, execution, delivery, and performance of this Agreement and the other WIFIA Loan Documents and the transactions hereby and thereby contemplated, including attorneys', and engineers' fees and professional costs, including all such fees, costs, and expenses incurred as a result of or in connection with: (i) the enforcement of or attempt to enforce, or the monitoring, protection or preservation of any right or claim under, the Liens on the Pledged Collateral or any provision of this Agreement or any of the other WIFIA Loan Documents or the rights of the WIFIA Lender thereunder; (ii) any amendment, modification, re-execution, waiver, or consent with respect to this Agreement or any other WIFIA Loan Document; and (iii) any work-out, restructuring, or similar arrangement of the obligations of the Borrower Related Parties under this Agreement or the other WIFIA Loan Documents, including during the pendency of any Event of Default.

(d) The obligations of the City under this Section 10 shall survive the payment or prepayment in full or transfer of the WIFIA Loan, the enforcement of any provision of this Agreement or the other WIFIA Loan Documents, any amendments, waivers or consents with respect thereto, any Event of Default, and any work-out, restructuring, or similar arrangement of the obligations of the Borrower Related Parties under this Agreement or the other WIFIA Loan Documents.

ARTICLE III

CONDITIONS PRECEDENT

Section 11. Conditions Precedent.

(a) Conditions Precedent to Effectiveness. Notwithstanding anything in this Agreement to the contrary, this Agreement shall not become effective until each of the following conditions precedent has been satisfied or waived in writing by the WIFIA Lender in its sole discretion:

(i) (A) The City shall have duly executed and delivered to the WIFIA Lender this Agreement, the WIFIA Installment Purchase Agreement, the WIFIA Indenture and the City Resolution, each in form and substance satisfactory to the WIFIA Lender; (B) the Authority shall have duly executed and delivered to the WIFIA Lender this Agreement, the WIFIA Installment Purchase Agreement, the WIFIA Indenture and the Authority Resolution, each in form and substance satisfactory to the WIFIA Lender; and (C) the Authority shall have caused the Trustee to have authenticated and delivered to the WIFIA Lender the WIFIA Note, each in form and substance satisfactory to the WIFIA Lender.

(ii) The City shall have delivered to the WIFIA Lender complete and fully executed copies of (A) the Parity Obligation Documents and (B) any Other Financing Document with respect to which all or a portion of the proceeds are or will be applied to fund all or any portion of Total Project Costs, in each case that has been entered into on or prior to the Effective Date, along with a certification in the City Closing Certificate that each such document is complete, fully executed and in full force and effect, and that all conditions contained in the Related Documents that are necessary to the closing of the WIFIA transaction contemplated by the WIFIA Loan Documents (if any) have been fulfilled.

(iii) The City shall have delivered to the WIFIA Lender fully executed copies of each Existing Construction Contract, together with any amendments, waivers or modifications thereto.

(iv) Counsel to the City shall have rendered to the WIFIA Lender legal opinions satisfactory to the WIFIA Lender in its sole discretion (including those opinions set forth on **Exhibit H-1** (*Opinions Required from Counsel to City*)), counsel to the Authority shall have rendered to the WIFIA Lender legal opinions satisfactory to the WIFIA Lender in its sole discretion (including those opinions set forth on **Exhibit H-2** (*Opinions Required from Counsel to Authority*)), and special counsel to the City shall have rendered to the WIFIA Lender legal opinions satisfactory to the WIFIA Lender in its sole discretion (including those opinions set forth on **Exhibit H-3** (*Opinions Required from Special Counsel*)).

(v) The City shall have delivered to the WIFIA Lender a certificate, signed by the City's Authorized Representative, substantially in the form attached hereto as **Exhibit B-1** (*Form of City Closing Certificate*) (the "**City Closing Certificate**"), designating the City's Authorized Representative, confirming such person's position and incumbency, and certifying as to the satisfaction of the certain conditions precedent (and, if requested by the WIFIA Lender, has provided evidence satisfactory to the WIFIA Lender of such satisfaction), including the following:

(A) as of the Effective Date, (1) the Maximum Principal Amount, together with the amount of any other credit assistance provided under the Act to the City, does not exceed forty-nine percent (49%) of reasonably anticipated Eligible Project Costs; (2) the aggregate amount of Eligible Project Costs previously incurred prior to the Effective Date does not exceed fifty-one percent (51%) of Eligible Project Costs; and (3) the total federal assistance provided to the Project, including the Maximum Principal Amount, does not exceed eighty percent (80%) of Total Project Costs;

(B) the City is in compliance with NEPA and any applicable federal, state or local environmental review and approval requirements with respect to the Project;

(C) Each of the City and the Authority has (1) obtained a FEIN (as evidenced by the delivery of a copy of its W-9), (2) obtained a UEI, and (3) registered with SAM and obtained confirmation of active SAM registration status with no exclusions;

(D) the City has obtained the WIFIA CUSIP Number;

(E) the representations and warranties of the Borrower Related Parties set forth in this Agreement and in each other WIFIA Loan Document to which it is a party are true and correct on and as of the date hereof, except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct as of such earlier date;

(F) no Material Adverse Effect, or any event or condition that could reasonably be expected to have a Material Adverse Effect, has occurred or arisen since the date of the Application; and

(G) upon the execution and delivery of the WIFIA Installment Purchase Agreement and the incurrence of the WIFIA Loan, the City is in compliance with all requirements and conditions set forth in the Parity Obligation Documents in effect as of the Effective Date with respect to the Parity Obligation status of the WIFIA Installment Payments and has provided evidence satisfactory to the WIFIA Lender demonstrating such compliance.

(vi) The Authority shall have delivered to the WIFIA Lender a certificate, signed by the Authority's Authorized Representative, substantially in the form attached hereto as **Exhibit B-2** (*Form of Authority Closing Certificate*) (the "**Authority Closing Certificate**") designating the Authority's Authorized Representative, confirming such person's position and incumbency, and certifying as to the other matters specified therein (and, if requested by the WIFIA Lender, has provided evidence satisfactory to the WIFIA Lender of the matters certified therein).

(vii) The City shall have provided evidence to the WIFIA Lender's satisfaction, prior to the Effective Date, of the assignment by at least one (1) Nationally Recognized Rating Agency of a public Investment Grade Rating on the WIFIA Loan, along with a certification in the City Closing Certificate that no such rating has been reduced, withdrawn or suspended as of the Effective Date.

(viii) The City shall have delivered to the WIFIA Lender the Public Benefits Report.

(ix) The City shall have paid in full all invoices delivered by the WIFIA Lender to the City as of the Effective Date for any applicable Servicing Fees and the fees and expenses of the WIFIA Lender's counsel and financial advisors and any auditors or other consultants retained by the WIFIA Lender for the purposes hereof.

(b) Conditions Precedent to Disbursements. Notwithstanding anything in this Agreement to the contrary, the WIFIA Lender shall have no obligation to make any Disbursement of the WIFIA Loan to the City as agent of the Authority (including the initial Disbursement hereunder) until each of the following conditions precedent has been satisfied or waived in writing by the WIFIA Lender in its sole discretion:

(i) The City shall have delivered to the WIFIA Lender a Requisition that complies with the provisions of Section 4 (*Disbursement Conditions*), **Schedule IV** (*Requisition Procedures*) and **Exhibit D** (*Form of Requisition*), including satisfactory Eligible Project Costs Documentation relating to such Requisition. The City's Authorized Representative shall also certify in such Requisition that:

(A) at the time of, and immediately after giving effect to, any Disbursement of WIFIA Loan proceeds then currently requested, (1) no Default or Event of Default and no event of default under any other Related Document has occurred and is continuing and (2) no event that, with the giving of notice or the passage of time or both, would constitute an event of default under any other Related Document, has occurred and is continuing;

(B) no Material Adverse Effect, or any event or condition that could reasonably be expected to result in a Material Adverse Effect, has occurred since the Effective Date;

(C) the aggregate amount of all Disbursements (including the requested Disbursement amount but excluding any interest that is capitalized in accordance with the terms hereof) does not exceed (1) the maximum principal amount of the WIFIA Loan or (2) the amount of Eligible Project Costs paid or incurred by the City;

(D) the Eligible Project Costs for which reimbursement or payment is being requested has not been reimbursed or paid by any previous disbursement of (1) WIFIA Loan proceeds or (2) any other source of funding for the Project (other than any Interim Financing or cash of the City) as identified in the Project Budget;

(E) (1) the City, and, to the best of its knowledge, each of its contractors and subcontractors at all tiers with respect to the Project, has complied with all applicable laws, rules, regulations and requirements, including 40 U.S.C. §§3141-3144, 3146, and 3147 (relating to Davis-Bacon Act requirements) (and regulations relating thereto) and 33 U.S.C. §3914 (relating to American iron and steel products); and (2) supporting documentation, such as certified payroll records and certifications for all iron and steel products used for the Project, are being maintained and are available for review upon request by the WIFIA Lender;

(F) the representations and warranties of the City set forth in this Agreement and in each other WIFIA Loan Document are true and correct

as of each date on which any disbursement of the WIFIA Loan is made, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties are true and correct as of such earlier date);

(G) the City has delivered all required deliverables under and in compliance with the requirements of **Schedule V** (*Reporting Requirements*), except as has been otherwise agreed by the WIFIA Lender; and

(H) the amount being requested for Disbursement is with respect to Eligible Project Costs for which all or a portion of the Eligible Project Costs Documentation was previously submitted to and approved by the WIFIA Lender in accordance with **Schedule IV** (*Requisition Procedures*) and **Schedule V** (*Reporting Requirements*), and/or the City has set out in the Requisition (or attached separately to the Requisition) a summary of any Eligible Project Costs that have not otherwise been previously submitted to the WIFIA Lender for approval, together with supporting Eligible Project Costs Documentation.

(ii) If applicable, to the extent necessary to make the representations and warranties in Section 12(f) (*Litigation*) and Section 12(j)(iii) (*Compliance with Laws*) true, correct and complete as of the date of the applicable Disbursement, the City shall have delivered an updated **Schedule III** (*City Disclosures*).

(iii) The City shall have paid in full (A) any outstanding Servicing Fees due and payable under Section 10 (*Fees and Expenses*) and (B) all invoices delivered by the WIFIA Lender to the City, for the fees and expenses of the WIFIA Lender's counsel and financial advisors and any auditors or other consultants retained by the WIFIA Lender for the purposes hereof.

(iv) As a condition to the initial Disbursement of the WIFIA Loan, the City shall have demonstrated to the WIFIA Lender's satisfaction that (A) the NHPA section 106 consultation process relating to the Project has concluded; (B) the City has not carried out any destruction, excavation, mobilization or other ground-disturbing work prior to the conclusion of the NHPA section 106 consultation; and (C) the City shall have provided to the WIFIA Lender supporting documentation, such as consultation and concurrence letters, as part of the requisition process.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 12. Representations and Warranties of Borrower Related Parties. Each Borrower Related Party hereby represents and warrants that, as of the Effective Date and, as to each of the representations and warranties below other than those contained in Section 12(b) (*Officers'*

Authorization), Section 12(k) (*Credit Ratings*) and the first sentence of Section 12(m) (*Construction Contracts*), as of each date on which any Disbursement of the WIFIA Loan is requested or made:

(a) Organization; Power and Authority. The City is a Legal Entity duly organized and validly existing under its Organizational Documents and the laws of the State, has full legal right, power and authority to do business in the State and to enter into the WIFIA Loan Documents then in existence and to which it is a party, to execute and deliver this Agreement and the WIFIA Installment Purchase Agreement, to cause the Trustee to authenticate and deliver the WIFIA Note to the WIFIA Lender and to carry out and consummate all transactions contemplated hereby and thereby and has duly authorized the execution, delivery and performance of this Agreement, the WIFIA Installment Purchase Agreement and the other WIFIA Loan Documents. Other than such Organizational Documents, including the City Resolution, there are no additional instruments or documents necessary for the City to execute and deliver, or to perform its obligations under, the WIFIA Loan Documents to which it is a party and to consummate and implement the transactions contemplated by the WIFIA Loan Documents. The Authority is a nonprofit public benefit corporation duly organized and validly existing under its Organizational Documents and under the laws of the State, has full legal right, power and authority to do business in the State and to enter into the WIFIA Loan Documents then in existence and to which it is a party, to execute and deliver this Agreement and the WIFIA Installment Purchase Agreement, to cause the Trustee to authenticate and deliver the WIFIA Note to the WIFIA Lender and to carry out and consummate all transactions contemplated hereby and thereby and has duly authorized the execution, delivery and performance of this this Agreement, the WIFIA Installment Purchase Agreement and the other WIFIA Loan Documents. Other than such Organizational Documents, including the Authority Resolution, there are no additional instruments or documents necessary for the Authority to execute and deliver, or to perform its obligations under, the WIFIA Loan Documents to which it is a party and to consummate and implement the transactions contemplated by the WIFIA Loan Documents.

(b) Officers' Authorization. As of the Effective Date, the officers of each Borrower Related Party executing (or that previously executed) the WIFIA Loan Documents, and any certifications or instruments related thereto, to which such Borrower Related Party is a party are (or were at the time of such execution) duly and properly in office and fully authorized to execute the same.

(c) Due Execution; Enforceability. Each of the WIFIA Loan Documents in effect as of any date on which this representation and warranty is made, and to which a Borrower Related Party is a party, has been duly authorized, executed and delivered by such Borrower Related Party and constitutes the legal, valid and binding agreement of such Borrower Related Party enforceable against such Borrower Related Party in accordance with its terms, except as such enforceability (i) may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and (ii) is subject to general principles of equity (regardless of whether enforceability is considered in equity or at law).

(d) Non-Contravention. The execution and delivery of the WIFIA Loan Documents to which a Borrower Related Party is a party, the consummation of the transactions contemplated by the WIFIA Loan Documents, and the fulfillment of or compliance with the terms and conditions of all of the WIFIA Loan Documents, do not and will not (i) conflict with such

Borrower Related Party's Organizational Documents, (ii) conflict in any material respect with, or constitute a violation, breach or default (whether immediately or after notice or the passage of time or both) by such Borrower Related Party of or under, any applicable law, administrative rule or regulation, any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which such Borrower Related Party is a party or by which it or its properties or assets are otherwise subject or bound, or (iii) result in the creation or imposition of any Lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of such Borrower Related Party, other than Permitted Liens.

(e) Consents and Approvals. All Governmental Approvals required as of the Effective Date and required as of any subsequent date on which this representation is made (or deemed made) for the undertaking, construction and completion by the City of the Project and the operation and maintenance of the Water System, and for each Borrower Related Party to execute and deliver and perform its obligations under the WIFIA Loan Documents and the Construction Contracts to which it is a party, have been obtained or effected and are in full force and effect. No Borrower Related Party is in default with respect to any Governmental Approval, which default could reasonably be expected to result in a Material Adverse Effect. No consent or approval of any trustee, holder of any obligations (including any installment payment obligations) of a Borrower Related Party or any other Person is necessary in connection with the execution, delivery, and performance by such Borrower Related Party of the WIFIA Loan Documents and the consummation of any transaction contemplated thereunder, except as have been obtained or made and as are in full force and effect.

(f) Litigation. Except as set forth in **Part B of Schedule III** (*City Disclosures*), there is no action, suit, proceeding or, to the knowledge of the Borrower Related Parties, any inquiry or investigation, in any case before or by any court or other Governmental Authority pending or, to the knowledge of the Borrower Related Parties, threatened against or affecting the Water System, the Project or the ability of the Borrower Related Parties to execute, deliver and perform their respective obligations under the WIFIA Loan Documents or that in any case could reasonably be expected to result in a Material Adverse Effect.

(g) Security Interests.

(i) Pursuant to Section 5451 of the California Government Code, the City has taken all necessary action to pledge, assign, and grant a legal, valid, binding and enforceable Lien on the Pledged Revenues, pursuant to and in accordance with the WIFIA Installment Purchase Agreement, irrespective of whether any Person has notice of the pledge and without the need for any physical delivery, recordation, filing or further act, and if applicable, the security interest created in the Pledged Revenues has been duly perfected under applicable State law. Such Lien is in full force and effect and is not subordinate or junior to any other Liens in respect of the Pledged Revenues except for the Liens arising by operation of law, and not *pari passu* with any Liens other than the Liens on the Pledged Revenues in favor of the Parity Obligations.

(ii) The Borrower Related Parties are not in breach of any covenant set forth in Section 14(b) (*Securing Liens*) or in any Parity Obligation Document with respect

to the matters described in Section 14(b) (*Securing Liens*). As of the Effective Date and as of each other date this representation and warranty is made, (A) all documents and instruments have been recorded or filed for record in such manner and in such places as are required and all other action as is necessary or desirable has been taken to establish a legal, valid, binding, and enforceable and, if applicable, perfected, Lien on the Pledged Collateral in favor of the Trustee (for the benefit of the WIFIA Lender) to the extent contemplated by the WIFIA Loan Documents, and (B) all taxes and filing fees that are due and payable in connection with the execution, delivery or recordation of any WIFIA Loan Document or any instruments, certificates or financing statements in connection with the foregoing, have been paid. Neither the attachment, validity, enforceability, priority or, if applicable, perfection, of the security interest in the Pledged Collateral granted pursuant to the WIFIA Installment Purchase Agreement is governed by Article 9 of the UCC.

(h) No Debarment. Each Borrower Related Party has fully complied with its verification obligations under 2 C.F.R. § 180.320 and confirms, based on such verification, that no Borrower Related Party nor any of its respective principals (as defined in 2 C.F.R. § 180.995 and supplemented by 2 C.F.R § 1532.995) (i) is debarred, suspended or voluntarily excluded from participation in Government contracts, procurement or non-procurement matters, (ii) is presently indicted for or otherwise criminally or civilly charged by a Governmental Authority with commission of any of the offenses contemplated by 2 C.F.R. Part 180 or 2 C.F.R. Part 1532; and (iii) has, within the three (3) year period preceding the Effective Date, (x) been convicted for or had a civil judgment rendered against it or them for any of the offenses within such period or (y) had any public transactions (federal, state or local) terminated for cause or default.

(i) No Lobbying. Pursuant to 31 U.S.C. §1352, (A) no Federal appropriated funds have been paid or will be paid, by or on behalf of the City, to any Person for influencing or attempting to influence an officer or employee of an agency, a member (or employee of a member), officer, or employee of the U.S. Congress, in connection with the making of the WIFIA Loan, execution (including amendments or modifications) of the WIFIA Loan Documents, or any other federal action under 31 U.S.C. §1352(a)(2); and (B) if any funds other than Federal appropriated funds have been paid or will be paid to any Person for influencing or attempting to influence an officer or employee of any agency, a member (or employee of a member), officer, or employee of the U.S. Congress in connection with the WIFIA Loan, each Borrower Related Party has completed and submitted to the WIFIA Lender Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(j) Compliance with Laws.

(i) The City, and to the best of its knowledge, each of its contractors and subcontractors at all tiers with respect to the Project, has complied with all applicable laws, rules, regulations and requirements, including 40 U.S.C. §§3141-3144, 3146, and 3147 (relating to Davis-Bacon Act requirements) (and regulations relating thereto), 33 U.S.C. §3914 (relating to American iron and steel products), 2 C.F.R. §180.320 and 2 C.F.R. Part 1532 (relating to non-debarment), 31 U.S.C. §1352 and 40 C.F.R. §34.100 (relating to non-lobbying), and any applicable Sanctions Laws.

(ii) To ensure such compliance, the City has included in all contracts with respect to the Project (A) the contract clauses relating to applicable federal requirements (such as Davis-Bacon and Equal Employment Opportunity) and (B) requirements that its contractors (1) shall comply with all applicable laws, rules, regulations, and requirements set forth in this Section 12(j) and follow applicable federal guidance and (2) incorporate in all subcontracts (and cause all subcontractors to include in lower tier subcontracts) such terms and conditions as are required to be incorporated therein by any applicable laws, rules, regulations and requirements set forth in this Section 12(j).

(iii) Except as set forth in **Part C of Schedule III** (*City Disclosures*), the City is in compliance with all laws applicable to the Water System (including the Project) relating to environmental, health or safety matters.

(k) Credit Ratings. The WIFIA Loan has received a public Investment Grade Rating from at least one (1) Nationally Recognized Rating Agency, written evidence of such rating has been provided to the WIFIA Lender prior to the Effective Date, and such rating has not been reduced, withdrawn or suspended as of the Effective Date.

(l) No Defaults. No Default or Event of Default, and no default or event of default by any Borrower Related Party under any other Related Document, has occurred and is continuing.

(m) Construction Contracts. **Part C of Schedule II** (*Project Details*) sets forth a list of the Existing Construction Contracts as of the Effective Date. With respect to each Construction Contract executed as of any date on which this representation and warranty is made, such Construction Contract is in full force and effect.

(n) Information. The information furnished by, or on behalf of, the Borrower Related Parties to the WIFIA Lender, when taken as a whole, is true and correct in all material respects (other than for projections and other forward-looking statements contained in the Base Case Financial Model and any Updated Financial Model/Plan which have been made in good faith and based on reasonable assumptions) and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading as of the date made or furnished.

(o) Insurance. The City is in compliance with all insurance obligations required under each Construction Contract and the WIFIA Loan Documents (including Section 14(f) (*Insurance*) hereof) as of the date on which this representation and warranty is made. To the extent the City self-insures, the City's self-insurance program is actuarially sound.

(p) No Prohibited Liens. Except for Permitted Liens, no Borrower Related Party has created, nor is under any obligation to create, and has not entered into any transaction or agreement that would result in the imposition of, any Lien on the Pledged Collateral, the Water System, the Project, the Gross Aggregate Revenues or the Pledged Revenues, or the City's respective rights in any of the foregoing.

(q) Financial Statements. Each income statement, balance sheet and statement of operations and cash flows (collectively, "**Financial Statements**") delivered to the WIFIA

Lender pursuant to **Part B of Schedule V** (*Reporting Requirements*) has been prepared in accordance with GAAP and presents fairly, in all material respects, the financial condition (including any liabilities or obligations that are required to be disclosed in accordance with GAAP) of the City as of the respective dates of the balance sheets included therein and the results of operations of the City for the respective periods covered by the statements of income included therein.

(r) Securities Laws. Under existing law, the WIFIA Note may be executed and delivered and sold to the WIFIA Lender without registration under the Securities Act of 1933, as amended, and any State blue sky laws.

(s) No Delinquent Taxes or Federal Debt. Each Borrower Related Party has paid all applicable taxes and other material taxes and assessments payable by it that have become due (other than those taxes or assessments that it is contesting in good faith and by appropriate proceedings, for which adequate reserves have been established to the extent required by GAAP). No Borrower Related Party has delinquent federal debt (including tax liabilities but excluding any delinquencies that have been resolved with the appropriate federal agency in accordance with the standards of the Debt Collection Improvement Act of 1996).

(t) Sufficient Funds. The amount of the WIFIA Loan, when combined with all other funds committed for the development and construction of the Project as set forth under the various sources of funds in the Project Budget, will be sufficient to carry out the Project, pay all Total Project Costs anticipated for the development and construction of the Project and achieve Substantial Completion by the Projected Substantial Completion Date. The total federal assistance provided to the Project, including the Maximum Principal Amount, does not exceed eighty percent (80%) of Total Project Costs. The Updated Financial Model/Plan most recently delivered to the WIFIA Lender pursuant to **Part A of Schedule V** (*Reporting Requirements*) demonstrates that the projected Revenues are sufficient to meet the WIFIA Installment Payment Schedule. The City has developed, and identified adequate revenues to implement, a plan for operating, maintaining, and repairing the Project over the useful life of the Project.

(u) Sovereign Immunity. The City either has no immunity from the jurisdiction of any court of competent jurisdiction or from any legal process therein which could be asserted in any action to enforce the obligations of the City under any of the WIFIA Loan Documents to which it is a party or the transactions contemplated hereby or thereby, including the obligations of the City hereunder and thereunder, or, to the extent that the City has such immunity, the City has waived such immunity pursuant to Section 14(m) (*Immunity*). The Authority either has no immunity from the jurisdiction of any court of competent jurisdiction or from any legal process therein which could be asserted in any action to enforce the obligations of the Authority under any of the WIFIA Loan Documents to which it is a party or the transactions contemplated hereby or thereby, including the obligations of the Authority hereunder and thereunder, or, to the extent that the Authority has such immunity, the Authority has waived such immunity pursuant to Section 14(m) (*Immunity*).

(v) Sufficient Rights. The City possesses either valid legal and beneficial title to, leasehold title in, or other valid legal rights with respect to the real property relating to the Water System (including the Project), in each case as is necessary and sufficient as of the Effective

Date and necessary and sufficient as of any subsequent date on which this representation is made (or deemed made) for the construction, operation, maintenance and repair of the Water System (including the Project). As of any date on which this representation and warranty is made, the Construction Contracts then in effect and the Governmental Approvals that have been obtained and are then in full force and effect create rights in the City sufficient to enable the City to own, construct, operate, maintain and repair the Project and to perform its obligations under the Construction Contracts to which it is a party. The City has water rights with such amounts, priorities and qualities as are necessary to service adequately the City's customers and members. The City controls, owns, or has access to all such water rights free and clear of the interest of any third party and has not suffered or permitted any transfer or encumbrance of such water rights, has not abandoned such water rights, or any of them, and has not done any act or thing which would impair or cause the loss of any such water rights.

(w) Accuracy of Representations and Warranties. The representations, warranties and certifications of the Borrower Related Parties set forth in this Agreement and the other WIFIA Loan Documents are true, correct, and complete, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true, correct, and complete as of such earlier date).

Section 13. Representations and Warranties of WIFIA Lender. The WIFIA Lender represents and warrants that:

(a) Power and Authority. The WIFIA Lender has all requisite power and authority to provide the WIFIA Loan and to perform all transactions contemplated by the WIFIA Loan Documents to which it is a party.

(b) Due Execution; Enforceability. The WIFIA Loan Documents to which it is a party have been duly authorized, executed and delivered by the WIFIA Lender, and are legally valid and binding agreements of the WIFIA Lender, enforceable against the WIFIA Lender in accordance with their terms.

(c) Officers' Authorization. The officers of the WIFIA Lender executing each of the WIFIA Loan Documents to which the WIFIA Lender is a party are duly and properly in office and fully authorized to execute the same on behalf of the WIFIA Lender.

ARTICLE V

COVENANTS

Section 14. Affirmative Covenants. Each Borrower Related Party covenants and agrees as follows until, subject to such longer periods as are provided for under Section 14(o) (*Access; Records*), the date all WIFIA Installment Payments and all of the obligations of the City under this Agreement and the WIFIA Installment Purchase Agreement (other than contingent indemnity obligations) are irrevocably paid in full in immediately available funds and the WIFIA Lender no longer has any commitment to make Disbursements under this Agreement, unless the WIFIA Lender waives compliance in writing:

(a) Rate Covenant. (i) The City shall comply with all requirements and conditions specified in the Rate Covenant.

If:

(A) the forecast furnished by the City in the most recent Updated Financial Model/Plan delivered by the City pursuant to **Part A of Schedule V** (*Reporting Requirements*) demonstrates that projected Pledged Revenues may be inadequate to satisfy the Rate Covenant for any City Fiscal Year during the Forecast Period, the City shall propose a remedial course of action, which plan shall demonstrate to the WIFIA Lender's satisfaction that such plan will generate an equivalent or greater increase to the Pledged Revenues so as to satisfy the Rate Covenant; and/or

(B) the City fails to satisfy the Rate Covenant for the most recently ended City Fiscal Year, the City and the WIFIA Lender shall meet and confer within fifteen (15) days of the date of such notice to determine a course of action acceptable to the WIFIA Lender. If (1) the City and the WIFIA Lender fail to agree upon a course of action within forty-five (45) days of the date of such notice or (2) following an agreement upon a course of action by the City and the WIFIA Lender, the City fails to implement the agreed upon course of action within sixty (60) days of the date of such agreement, then any such failure shall constitute a Default hereunder, subject to the City's rights to cure the Default in accordance with Section 17(b)(v) (*Covenant Default*).

(b) Securing Liens. Each Borrower Related Party shall at any and all times, to the extent permitted by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable in connection with assuring, conveying, granting, assigning, securing and confirming the Liens on the Pledged Collateral (whether now existing or hereafter arising) granted to, on behalf of or for the benefit of, the WIFIA Lender for its benefit pursuant to the WIFIA Loan Documents, or intended so to be granted pursuant to the WIFIA Loan Documents, or which a Borrower Related Party may become bound to grant. The Borrower Related Parties shall at all times maintain the Pledged Collateral free and clear of any Lien that has priority over, or equal rank with, the Liens created by the WIFIA Loan Documents, other than Permitted Liens, and all organizational, regulatory or other necessary action on the part of the Borrower Related Parties to that end shall be duly and validly taken at all times. The Borrower Related Parties shall at all times, to the extent permitted by law, defend, preserve and protect the Liens on the Pledged Collateral granted pursuant to the WIFIA Loan Documents and for the benefit of the WIFIA Lender under the WIFIA Loan Documents against all claims and demands of all Persons whomsoever, subject to Permitted Liens.

(c) Use of Proceeds. The City shall use the proceeds of the WIFIA Loan solely for purposes permitted by applicable law, this Agreement and the other WIFIA Loan Documents.

(d) Prosecution of Work; Verification Requirements.

(i) The City shall diligently prosecute the work relating to the Project and complete the Project in accordance with the Construction Schedule (and on or prior to the Development Default Date), the Governmental Approvals in connection with the Project, and prudent utility and industry practice.

(ii) The City shall comply with Subpart C of 2 C.F.R. Part 180, as supplemented by Subpart C of 2 C.F.R. Part 1532 (relating to non-debarment), including the verification requirements set forth in 2 C.F.R. §§ 180.300 and 180.320, and shall include in its contracts with respect to the Project similar terms or requirements for compliance.

(e) Operations and Maintenance. The City shall operate and maintain the Water System (including the Project) substantially in accordance with the Updated Financial Model/Plan most recently delivered by the City to the WIFIA Lender pursuant to **Part A of Schedule V** (*Reporting Requirements*) and its operations and maintenance plan (that incorporates the Project). The City shall operate and maintain the Water System (including the Project) in a reasonable and prudent manner and in good repair, working order and condition and in accordance with the requirements of all applicable laws and each applicable WIFIA Loan Document. The City shall at all times do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect the Governmental Approvals and any other rights, licenses, franchises, and authorizations material to the conduct of its business and the operation and maintenance of the Water System.

(f) Insurance.

(i) The City shall at all times procure and maintain or cause to be maintained insurance on the Water System and the construction of the Project, with responsible insurers, or as part of a reasonable system of self-insurance that is actuarially sound and adequately funded, in such amounts and against such risks (including damage to or destruction of the Water System) as are customarily maintained with respect to works and properties of like character against accident to, loss of, or damage to such works or properties, including insurance against public liability, property damage, workers' compensation, and builders' risk, casualty and liability, as appropriate, and otherwise in accordance with the Parity Obligation Documents and the Construction Contracts. The insurance policies shall be available at all reasonable times for inspection upon request by the WIFIA Lender, its agents and representatives.

(ii) The City shall cause all liability insurance policies that it maintains (excluding property damage, automobile or workers' compensation insurance), to reflect the WIFIA Lender as an additional insured to the extent of its insurable interest.

(g) Maintain Legal Structure. The City shall maintain its existence as a Legal Entity organized and existing under its Organizational Documents and the laws of the State. The Authority shall maintain its existence as a nonprofit public benefit corporation duly organized and existing under its Organizational Documents and the laws of the State.

(h) Water System Accounts; Permitted Investments.

(i) The City shall maintain the Water Fund in accordance with the terms hereof and the WIFIA Installment Purchase Agreement. All Gross Aggregate Revenues received shall be deposited into the Water Fund in accordance with Section 5.02 of the WIFIA Installment Purchase Agreement. The City shall not apply any portion of the Gross Aggregate Revenues or the Pledged Revenues in contravention of this Agreement or the WIFIA Installment Purchase Agreement. Any funds then on deposit in the WIFIA Debt Service Account shall be held in trust for the benefit of the WIFIA Lender and shall only be used for payments of WIFIA Debt Service to the WIFIA Lender in accordance with the WIFIA Loan Documents.

(ii) If any Additional Parity Obligations providing funding for the Project have a debt service reserve funded by any Borrower Related Party, the City shall maintain the WIFIA Debt Service Reserve Account in an amount equal to the amount of such debt service reserve. Any funds then on deposit in the WIFIA Debt Service Reserve Account shall be held in trust for the benefit of the WIFIA Lender and shall be used solely for the purpose of making transfers to the WIFIA Debt Service Account in the event of any deficiency at any time in the WIFIA Debt Service Account of the amount then required for payments of WIFIA Debt Service to the WIFIA Lender in accordance with the WIFIA Loan Documents.

(iii) Amounts on deposit in the Water System Accounts shall be held uninvested or invested in Permitted Investments. Permitted Investments must mature or be redeemable at the election of the holder at such times as may be necessary to ensure that funds will be available within the applicable account to be applied towards the purpose for which the applicable account has been established.

(i) Compliance with Laws.

(i) The City shall, and shall require its contractors and subcontractors at all tiers with respect to the Project to, comply with all applicable laws, rules, regulations and requirements, including 40 U.S.C. §§3141-3144, 3146, and 3147 (relating to Davis-Bacon Act requirements) (and regulations relating thereto), 33 U.S.C. §3914 (relating to American iron and steel products), 2 C.F.R. § 180.320 and 2 C.F.R. Part 1532 (relating to non-debarment), 31 U.S.C. §1352 (relating to non-lobbying), and any applicable Sanctions Laws.

(ii) To ensure such compliance, the City shall include in all contracts with respect to the Project (A) the contract clauses relating to applicable federal requirements (such as Davis-Bacon and Equal Employment Opportunity) and (B) requirements that its contractors (1) shall comply with all applicable laws, rules, regulations, and requirements set forth in this Section 14(i) and follow applicable federal guidance and (2) incorporate in all subcontracts (and cause all subcontractors to include in lower tier subcontracts) such terms and conditions as are required to be incorporated therein by any applicable laws, rules, regulations and requirements set forth in this Section 14(i).

(j) Material Obligations. The City shall pay its material obligations payable from the Gross Aggregate Revenues or the Pledged Revenues promptly and in accordance with their terms and pay and discharge promptly all taxes, assessments and governmental charges or levies imposed upon it or upon the Pledged Collateral or other assets of the Water System, before the same shall become delinquent or in default, as well as all lawful and material claims for labor, materials and supplies or other claims which, if unpaid, might give rise to a Lien upon the Water System or any part thereof or on the Gross Aggregate Revenues or the Pledged Revenues or the Pledged Collateral; provided, however, that such payment and discharge shall not be required with respect to any such tax, assessment, charge, levy, claim or Lien so long as the validity or amount thereof shall be contested by the City in good faith by appropriate proceedings and so long as the City shall have set aside adequate reserves with respect thereto in accordance with and to the extent required by GAAP, applied on a consistent basis.

(k) SAM Registration and UEI. Each of the City and the Authority shall obtain and maintain, on or prior to the Effective Date through (i) the Final Disbursement Date, an active SAM registration status and (ii) the Final WIFIA Installment Payment Date, a UEI.

(l) Events of Loss; Loss Proceeds. If an Event of Loss shall occur with respect to the Water System (including the Project) or any part thereof, the City shall (i) diligently pursue all of its rights to compensation against all relevant insurers, reinsurers and Governmental Authorities, as applicable, in respect of such Event of Loss and (ii) apply all Loss Proceeds (after excluding any proceeds of delay-in-start-up insurance and proceeds covering liability of the City to third parties) in respect of such Event of Loss in accordance to repair, reconstruct, or replace the portion of the Water System in respect of which the applicable Loss Proceeds were received. The Borrower Related Parties shall begin such repair, reconstruction or replacement promptly after such damage or destruction shall occur, and shall continue and properly complete such repair, reconstruction or replacement as expeditiously as possible, and shall pay out of such Loss Proceeds (after excluding any proceeds of delay-in-start-up insurance and proceeds covering liability of the Borrower Related Parties to third parties) all costs and expenses in connection with such repair, reconstruction or replacement so that the same shall be completed and the Water System shall be free and clear of all claims and Liens.

(m) Immunity. To the fullest extent permitted by applicable law, the City agrees that it will not assert any immunity (and hereby waives any such immunity) it may have as a governmental entity from lawsuits, other actions and claims, and any judgments with respect to the enforcement of any of the obligations of the City under this Agreement, the WIFIA Installment Purchase Agreement or any other WIFIA Loan Document. To the fullest extent permitted by applicable law, the Authority agrees that it will not assert any immunity (and hereby waives any such immunity) it may have as a governmental entity from lawsuits, other actions and claims, and any judgments with respect to the enforcement of any of the obligations of the Authority under this Agreement, the WIFIA Installment Purchase Agreement or any other WIFIA Loan Document.

(n) Accounting and Audit Procedures.

(i) The City shall establish fiscal controls and accounting procedures sufficient to assure proper accounting for all (A) Gross Aggregate Revenues, operating expenses, capital expenses, depreciation, reserves, debt issued and outstanding and debt

payments and (B) Project-related costs, Requisitions submitted, WIFIA Loan proceeds received, payments made by the City with respect to the Project, and other sources of funding for the Project (including amounts paid from such sources for Project costs so that audits may be performed to ensure compliance with and enforcement of this Agreement). The City shall use accounting, audit and fiscal procedures conforming to GAAP, including, with respect to the WIFIA Loan (and the corresponding WIFIA Installment Payments), accounting of principal and interest payments, disbursements, prepayments and calculation of interest and principal amounts Outstanding.

(ii) The City shall have a single or program-specific audit conducted in accordance with 2 C.F.R. Part 200 Subpart F and 31 U.S.C. § 7502 from (and including) the first City Fiscal Year in which a Disbursement is made under this Agreement and annually thereafter to the extent required by applicable law, except in all cases to the extent biennial audits are permitted for the City pursuant to 2 C.F.R. § 200.504 and 31 U.S.C. § 7502(b). Upon reasonable notice, the City shall cooperate fully in the conduct of any periodic or compliance audits conducted by the WIFIA Lender, or designees thereof, pursuant to 40 C.F.R. Part 35, 31 U.S.C. § 7503(b), or 31 U.S.C. § 6503(h) and shall provide full access to any books, documents, papers or other records that are pertinent to the Project or the WIFIA Loan, to the WIFIA Lender, or the designee thereof, for any such project or programmatic audit.

(o) Access; Records.

(i) So long as the WIFIA Loan or any portion thereof shall remain Outstanding and until five (5) years after the WIFIA Loan shall have been paid in full, the WIFIA Lender shall have the right, upon reasonable prior notice, to visit, monitor and/or inspect any portion of the Project and its operations, to examine books of account and records of the City relating to the Project, to make copies and extracts therefrom at the City's expense, and to discuss the City's affairs, finances and accounts relating to the Project with, and to be advised as to the same by, its officers and employees and its independent public accountants (and by this provision the City irrevocably authorizes its independent public accountants to discuss with the WIFIA Lender the affairs, finances and accounts of the City, whether or not any representative of the City is present, it being understood that nothing contained in this Section 14(o) is intended to confer any right to exclude any such representative from such discussions), all at such reasonable times and intervals as the WIFIA Lender may request. The City agrees to pay, pursuant to the WIFIA Installment Purchase Agreement, all out-of-pocket expenses incurred by the WIFIA Lender in connection with the WIFIA Lender's exercise of its rights under this Section 14(o) at any time when an Event of Default shall have occurred and be continuing.

(ii) The City shall maintain and retain all pertinent files relating to the Project and the WIFIA Loan, as may be necessary for the WIFIA Lender to facilitate an effective and accurate audit and performance evaluation of the Project, until five (5) years after the later of the date on which (A) all rights and duties under this Agreement and under the WIFIA Installment Purchase Agreement and the WIFIA Note (including payments) have been fulfilled and any required audits have been performed and (B) any litigation relating to the Project, the WIFIA Loan, this Agreement or any other WIFIA Loan

Document is finally resolved or, if the WIFIA Lender has reasonable cause to extend such date, a date to be mutually agreed upon by the WIFIA Lender and the City. The City shall provide to the WIFIA Lender in a timely manner all records and documentation relating to the Project that the WIFIA Lender may reasonably request from time to time.

(p) Special Revenues. To the extent permitted by law, each Borrower Related Party shall take a position in any bankruptcy, insolvency or related legal proceedings that the Pledged Revenues that are pledged to secure the WIFIA Installment Payments as Parity Obligations pursuant to the WIFIA Loan Documents are "special revenues" within the meaning of 11 U.S.C. § 902(2) and similar provisions of other applicable Insolvency Laws, that those special revenues are, pursuant to the WIFIA Loan Documents, subject to a lien resulting from a security agreement, that the automatic stay of 11 U.S.C. § 362(a) and § 922(a) and similar provisions of other applicable Insolvency Laws will not operate as a stay of the application of the Pledged Revenues to payment of the WIFIA Installment Payments as Parity Obligations in a manner consistent with the provisions of the Insolvency Laws, and that the Pledged Revenues acquired by the City after the commencement of a bankruptcy case shall remain subject to the lien on the Pledged Revenues resulting from the WIFIA Loan Documents.

Section 15. Negative Covenants. Each Borrower Related Party covenants and agrees as follows until the date all WIFIA Installment Payments and all of the obligations of the City under this Agreement and the WIFIA Installment Purchase Agreement (other than contingent indemnity obligations) are irrevocably paid in full in immediately available funds and the WIFIA Lender no longer has any commitment to make Disbursements under this Agreement, unless the WIFIA Lender waives compliance in writing:

(a) Indebtedness.

(i) Program Requirements. The City may not create, incur or suffer to exist any Obligations (A) the payments with respect to which are senior or prior in right of payment by the City of the Parity Obligations or (B) secured by a Lien on the Pledged Revenues that is senior to the Lien on the Pledged Revenues in favor of the Trustee for the benefit of the WIFIA Lender or (C) all or a portion of the proceeds of which are or will be applied at any time to fund all or any portion of Total Project Costs, that are secured by a Lien on any assets or property of the City other than the Pledged Revenues.

(ii) Issuance of Additional Parity Obligations. The City shall not issue or incur any Additional Parity Obligations except in accordance with all requirements and conditions set forth in the Additional Parity Obligations Test.

(iii) Issuance of Additional Subordinated Obligations. The City shall not create, incur or suffer to exist any Subordinated Obligation unless such Obligation is fully subordinated to the Parity Obligations in priority of payment (as to both principal and interest), voting and priority of security interest in the Pledged Revenues, including with respect to payment from revenues and reserves and payment upon default or acceleration of any such Obligations; provided that no Subordinated Obligation Document shall supersede or conflict with any provision of this Section 15(a) or the WIFIA Installment

Purchase Agreement or contain a right to accelerate without the consent of the WIFIA Lender.

(b) No Lien Extinguishment or Adverse Amendments. No Borrower Related Party shall, nor permit any Person to, without the prior written consent of the WIFIA Lender, (i) extinguish the Rate Covenant; (ii) extinguish or impair the Liens on the Pledged Collateral or any dedicated source of repayment of the WIFIA Loan or any other Obligations (the proceeds of which are applied to fund Total Project Costs), in each case granted pursuant to the Related Documents, (iii) amend, modify, replace or supplement any Related Document or permit a waiver of any provision thereof in a manner that could adversely affect the WIFIA Lender or could reasonably be expected to result in a Material Adverse Effect (which, for the avoidance of doubt, includes amending terms defined herein by cross-reference to a Related Document), or (iv) terminate, assign or replace any Related Document in a manner that could adversely affect the WIFIA Lender or could reasonably be expected to have a Material Adverse Effect.

(c) No Prohibited Liens. Except for Permitted Liens, the City shall not create, incur, assume or permit to exist any Lien on the Project, the Pledged Collateral, the Gross Aggregate Revenues or the Pledged Revenues, or the City's respective rights in any of the foregoing and the Pledged Collateral will be free and clear of any Lien that is of equal rank with or senior to the pledge of the City created under the WIFIA Loan Documents for the benefit of the WIFIA Lender. The Authority shall not create, incur, assume or permit to exist any Lien on the proceeds of the WIFIA Loan, the Project or the Authority's respective rights therein, nor create, incur, assume or permit to exist any Lien on any right or interest in the WIFIA Installment Payments, the WIFIA Debt Service Account, or the moneys and Permitted Investments held by the Trustee.

(d) Restricted Payments and Transfers. The City shall not permit Gross Aggregate Revenues, Pledged Revenues or other assets of the Water System, or any funds in any accounts held under the WIFIA Installment Purchase Agreement or in any other fund or account held by or on behalf of the City with Gross Aggregate Revenues or Pledged Revenues on deposit therein, to be paid or transferred or otherwise applied for purposes other than ownership, operation or maintenance of the Water System.

(e) No Prohibited Sale, Lease or Assignment. The City shall not sell, lease or assign its rights in and to the Water System or a substantial portion of the assets included in the Water System, unless such sale, lease or assignment (i) could not reasonably be expected to have a Material Adverse Effect and (ii) is made by the City in the ordinary course of business.

(f) Mergers and Acquisitions. The City shall not, and shall not agree to, reorganize, consolidate with or merge into another Person unless (i) such reorganization, merger or consolidation is with or into another entity established by State law and such reorganization, merger or consolidation is permitted by State law, and in each case, does not adversely affect or impair to any extent or in any manner (A) the Gross Aggregate Revenues or the Pledged Revenues or other elements of the Pledged Collateral or (B) the availability of the Pledged Revenues for the payment and security of the obligations of the City under the WIFIA Installment Purchase Agreement or this Agreement; and (ii) the City provides to the WIFIA Lender notice of such reorganization, consolidation or merger in accordance with **Part E of Schedule V** (*Reporting*

Requirements) and such other information concerning such reorganization, consolidation or merger as shall have been reasonably requested by the WIFIA Lender. The Authority shall not, and shall not agree to, reorganize, consolidate with or merge into another Person.

(g) Hedging. The City shall not enter into any swap or hedging transaction, including any such transaction that is speculative or creates extraordinary leverage or risk, without the prior written consent of the WIFIA Lender.

(h) Ground Disturbing Work. The City shall not, with respect to the Project, perform any destruction, excavation or other ground-disturbing work (including (i) construction, reconstruction, rehabilitation and replacement activities; (ii) modifying, removing or demolishing structures; and (iii) changing the visual, atmospheric, audible or land use characteristics of an area) until the City has demonstrated to the WIFIA Lender's satisfaction that the NHPA section 106 consultation process relating to the Project has concluded.

Section 16. Reporting Requirements. The City agrees to comply with each of the reporting requirements set out in **Schedule V** (*Reporting Requirements*), unless otherwise agreed or waived by the WIFIA Lender in writing.

ARTICLE VI

EVENTS OF DEFAULT AND REMEDIES

Section 17. Events of Default and Remedies.

(a) An "**Event of Default**" shall exist under this Agreement if any of the following occurs; provided, that the occurrence of an event set forth in sub-clauses (v) through (and including) (ix) below shall not constitute an Event of Default under this Agreement until the WIFIA Lender has provided a notice of such Event of Default to the Borrower Related Parties; provided, further, that nothing in this paragraph is intended to limit any obligation of the Borrower Related Parties hereunder, including any obligation to cure any event or condition contemplated under this Section 17(a):

(i) Payment Default. The City shall fail to pay when due any part of the principal or interest components of the WIFIA Installment Payments (including WIFIA Installment Payments required to have been paid pursuant to the provisions of Section 8 (*Repayments*)) or shall fail to cause the Trustee to timely pay when due any part of the principal amount of or interest on the WIFIA Loan (including WIFIA Debt Service required to have been paid pursuant to the provisions of Section 8 (*Repayments*)) as payments of principal and interest represented by the WIFIA Note, and such failure continues for a period of five (5) days, when and as the payment thereof shall be required under this Agreement or under the WIFIA Installment Purchase Agreement or on the Final WIFIA Installment Payment Date (each such failure, a "**Payment Default**").

(ii) Occurrence of a Bankruptcy Related Event. A Bankruptcy Related Event shall occur with respect to a Borrower Related Party.

(iii) Acceleration of Obligations. Any acceleration shall occur of the maturity of any Obligation, or any such Obligation shall not be paid in full upon the final maturity thereof.

(iv) Invalidity of WIFIA Loan Documents. (A) Any WIFIA Loan Document ceases to be in full force and effect (other than as a result of the termination thereof in accordance with its terms) or becomes void, voidable, illegal or unenforceable, or the City contests in any manner the validity or enforceability of any WIFIA Loan Document to which it is a party or denies it has any further liability under any WIFIA Loan Document to which it is a party, or purports to revoke, terminate or rescind any WIFIA Loan Document to which it is a party; (B) any WIFIA Loan Document or Related Document ceases (other than as expressly permitted thereunder) to be effective or to grant a valid and binding security interest on any material portion of the Pledged Collateral other than as a result of actions or a failure to act by, and within the control of, the Trustee, the WIFIA Lender, or any other holder of Obligations secured by the Pledged Collateral, and with the priority purported to be created thereby; or (C) any event occurs that results in the impairment in the validity, enforceability, perfection or priority of the WIFIA Lender's security interest in the Pledged Collateral.

(v) Covenant Default. A Borrower Related Party shall fail to observe or perform any covenant, agreement or obligation of such Borrower Related Party under this Agreement, the WIFIA Installment Purchase Agreement, the WIFIA Note or any other WIFIA Loan Document (other than in the case of any Payment Default or any Development Default), and such failure shall not be cured within thirty (30) days after the earlier to occur of (A) receipt by such Borrower Related Party from the WIFIA Lender of written notice thereof or (B) such Borrower Related Party's knowledge of such failure; provided, that if such failure is capable of cure but cannot reasonably be cured within such thirty (30) day cure period, then such thirty (30) day cure period shall be extended by up to one hundred fifty (150) additional days, if and so long as (x) within such thirty (30) day cure period such Borrower Related Party shall commence actions reasonably designed to cure such failure and shall diligently pursue such actions until such failure is cured and (y) such failure is cured within one hundred eighty (180) days of the date specified in either (A) or (B) above, as applicable.

(vi) Misrepresentation Default. Any of the representations, warranties or certifications of the Borrower Related Parties made in or delivered pursuant to the WIFIA Loan Documents (or in any certificates delivered by the Borrower Related Parties in connection with the WIFIA Loan Documents) shall prove to have been false or misleading in any material respect when made or deemed made; provided, that no Event of Default shall be deemed to have occurred under this Section 17(a)(vi) if and so long as (A) such misrepresentation is not intentional, (B) such misrepresentation is not a misrepresentation in respect of Section 12(g) (*Security Interests*), Section 12(h) (*No Debarment*), Section 12(i) (*No Lobbying*), or Section 12(j) (*Compliance with Laws*), (C) in the reasonable determination of the WIFIA Lender, such misrepresentation has not had, and would not reasonably be expected to result in, a Material Adverse Effect, (D) in the reasonable determination of the WIFIA Lender, the underlying issue giving rise to the misrepresentation is capable of being cured and (E) the underlying issue giving rise to the

misrepresentation is cured by the applicable Borrower Related Party within thirty (30) days after the date on which such Borrower Related Party first became aware (or reasonably should have become aware) of such misrepresentation.

(vii) Enforcement of Other Financing Documents. The holder(s) of Obligations under any Other Financing Document exercises remedies permitted thereunder for an event of default that has occurred and is continuing (and has not been cured or waived by the expiration of any applicable grace period), in respect of the performance of any covenant, agreement or obligation of the Borrower Related Parties under such Other Financing Document.

(viii) Material Adverse Judgment. Any final, non-appealable judgment related to the Pledged Collateral that results in the impairment of (A) a Borrower Related Party's ability to comply with any of its payment obligations under the WIFIA Installment Purchase Agreement or any other WIFIA Loan Document or (B) the existence, priority or perfection (if applicable) of the WIFIA Lender's security interest in the Pledged Collateral.

(ix) Development Default. A Development Default shall occur.

(b) Upon the occurrence of any Bankruptcy Related Event, all obligations of the WIFIA Lender hereunder with respect to the Disbursement of any undisbursed amounts of the WIFIA Loan shall automatically be deemed terminated.

(c) Upon the occurrence of any Event of Default, the WIFIA Lender, by written notice to the Borrower Related Parties, may exercise any or all of the following remedies:

(i) the WIFIA Lender may suspend or terminate all of its obligations hereunder with respect to the Disbursement of any undisbursed amounts of the WIFIA Loan;

(ii) the WIFIA Lender may cease permitting interest on the WIFIA Loan to be capitalized (if applicable);

(iii) the WIFIA Lender may apply the Default Rate provisions of Section 6 (*Interest Rate*);

(iv) the WIFIA Lender may suspend or debar a Borrower Related Party from further participation in any Government program administered by the WIFIA Lender and notify other departments and agencies of such default; and

(v) the WIFIA Lender shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of any sums due and unpaid hereunder or under the WIFIA Installment Purchase Agreement, the WIFIA Note or the other WIFIA Loan Documents, and may prosecute any such judgment or final decree against the City and collect in the manner provided by law out of the property of the City the moneys adjudged or decreed to be payable, and the WIFIA Lender shall have all of the rights and remedies of a creditor, including all rights and remedies of a secured creditor under the Uniform Commercial Code (if applicable), and may take such other actions at

law or in equity as may appear necessary or desirable to collect all amounts payable by Borrower Related Parties under this Agreement, the WIFIA Installment Purchase Agreement, the WIFIA Note or the other WIFIA Loan Documents then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower Related Parties under this Agreement, the WIFIA Installment Purchase Agreement, the WIFIA Note or the other WIFIA Loan Documents.

(d) Pursuant to Section 8.01 of the WIFIA Installment Purchase Agreement, upon the occurrence and continuance of any Event of Default, so long as such Event of Default shall not have been cured, the WIFIA Lender may declare (or cause the Trustee to declare) the unpaid principal components of the WIFIA Installment Payments to be, and the same shall thereupon forthwith become, immediately due and payable, together with the interest accrued thereon and all fees, costs, expenses, indemnities and other amounts payable under this Agreement, the WIFIA Installment Purchase Agreement, the WIFIA Note or the other WIFIA Loan Documents, all without presentment, demand, notice, declaration, protest or other requirements of any kind, all of which are hereby expressly waived.

(e) No action taken pursuant to this Section 17 shall (i) relieve a Borrower Related Party from its obligations pursuant to this Agreement, the WIFIA Installment Purchase Agreement, the WIFIA Note or the other WIFIA Loan Documents, all of which shall survive any such action or (ii) limit the WIFIA Lender's rights under the WIFIA Loan Documents, including Article VIII (*Events of Default and Remedies of the Authority*) of the WIFIA Installment Purchase Agreement.

ARTICLE VII

MISCELLANEOUS

Section 18. Disclaimer of Warranty. The WIFIA Lender makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for a particular purpose or fitness for use of the Project or any portion thereof or any other warranty with respect thereto. In no event shall the WIFIA Lender be liable for any incidental, indirect, special or consequential damages incidental to or arising out of this Agreement or the Water System (including the Project) or the existence, furnishing, functioning or use of the Project or any item or products or services provided for in this Agreement.

Section 19. No Personal Recourse. No official, employee or agent of the WIFIA Lender or any Borrower Related Party or any Person executing this Agreement or any of the other WIFIA Loan Documents shall be personally liable on this Agreement or such other WIFIA Loan Documents by reason of the issuance, delivery or execution hereof or thereof.

Section 20. No Third-Party Rights. The parties hereby agree that this Agreement creates no third-party rights against the City, the Authority, the Federal Government, or the WIFIA Lender, solely by virtue of the WIFIA Loan, and that no third-party creditor of the City shall have any right against the WIFIA Lender with respect to the WIFIA Loan made pursuant to this Agreement.

Section 21. Authorized Representatives. The City shall at all times have appointed an City's Authorized Representative by designating such Person or Persons from time to time to act on the City's behalf pursuant to a written certificate furnished to the WIFIA Lender and the Servicer, if any, containing the specimen signature or signatures of such Person or Persons and signed by the City. The Authority shall at all times have appointed a Authority's Authorized Representative by designating such Person or Persons from time to time to act on the Authority's behalf pursuant to a written certificate furnished to the WIFIA Lender and the Servicer, if any, containing the specimen signature or signatures of such Person or Persons and signed by the Authority.

Section 22. WIFIA Lender's Authorized Representative. The WIFIA Lender hereby appoints the Director of the WIFIA Program, whose notice details are set forth below in Section 31 (*Notices*), to serve as the WIFIA Lender's Authorized Representative under this Agreement until such time as a successor or successors shall have been appointed. Thereafter, the successor in office shall serve as the WIFIA Lender's Authorized Representative. The WIFIA Lender shall provide notice to the City within a reasonable time period following the succession.

Section 23. Servicer. The WIFIA Lender may from time to time designate another entity or entities to perform, or assist the WIFIA Lender in performing, the duties of the Servicer or specified duties of the WIFIA Lender under this Agreement and the WIFIA Note. The WIFIA Lender shall give the Borrower Related Parties written notice of the appointment of any successor or additional Servicer and shall enumerate the duties or any change in duties to be performed by any Servicer. Any references in this Agreement to the WIFIA Lender shall be deemed to be a reference to the Servicer with respect to any duties which the WIFIA Lender shall have delegated to such Servicer. The WIFIA Lender may at any time assume the duties of any Servicer under this Agreement and the WIFIA Note. The Borrower Related Parties shall cooperate and respond to any reasonable request of the Servicer for information, documentation or other items reasonably necessary for the performance by the Servicer of its duties hereunder.

Section 24. Amendments, Waivers and Termination. No amendment, modification, termination, or waiver of any provision of this Agreement, the WIFIA Installment Purchase Agreement or the WIFIA Note shall in any event be effective without the prior written consent of each of the parties hereto. Notwithstanding the foregoing sentence, if the first Disbursement of the WIFIA Loan has not occurred on or prior to the Final Disbursement Date, the WIFIA Lender or the City may terminate this Agreement upon no less than ten (10) Business Days' prior written notice to the other party. Once terminated, this Agreement may not be reinstated.

Section 25. Governing Law. This Agreement shall be governed by the federal laws of the United States of America if and to the extent such federal laws are applicable and the internal laws of the State, if and to the extent such federal laws are not applicable.

Section 26. Severability. In case any provision in or obligation under this Agreement shall be invalid, illegal, or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 27. Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective permitted successors and assigns and shall inure to the benefit of the parties

hereto and their permitted successors and assigns. Neither the City's rights or obligations hereunder or under the other WIFIA Loan Documents nor any interest herein or therein may be assigned or delegated by the City without the prior written consent of the WIFIA Lender. Neither the Authority's rights or obligations hereunder or under the other WIFIA Loan Documents nor any interest herein or therein may be assigned or delegated by the Authority without the prior written consent of the WIFIA Lender.

Section 28. Remedies Not Exclusive. No remedy conferred herein or in any other WIFIA Loan Document or reserved to the WIFIA Lender is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the other WIFIA Loan Documents or now or hereafter existing at law or in equity or by statute.

Section 29. Delay or Omission Not Waiver. No delay or omission of the WIFIA Lender to exercise any right or remedy provided hereunder or under the other WIFIA Loan Documents upon a default of a Borrower Related Party (except a delay or omission pursuant to a written waiver) shall impair any such right or remedy or constitute a waiver of any such default or acquiescence therein. Every right and remedy given by this Agreement or under the other WIFIA Loan Documents or by law to the WIFIA Lender may be exercised from time to time, and as often as may be deemed expedient by the WIFIA Lender.

Section 30. Counterparts and Electronic Signatures. This Agreement and any amendments, waivers, consents or supplements hereto or in connection herewith may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. Electronic Signatures are effective and enforceable. Electronic delivery of an executed counterpart of a signature page of this Agreement or of any document or instrument delivered in connection herewith in accordance with Section 31 (*Notices*) shall be effective as delivery of an original executed counterpart of this Agreement or such other document or instrument, as applicable.

Section 31. Notices.

(a) All notices, requests, or communication hereunder shall be given in writing.

(b) Notices to the WIFIA Lender should be made by (i) email to the email address noted below for the WIFIA Lender or (ii) submission through another electronic medium designated by the WIFIA Lender in accordance with this Section 31, unless otherwise instructed by the WIFIA Lender:

If to the WIFIA Lender:	Environmental Protection Agency WJC-E 7334A 1200 Pennsylvania Avenue NW Washington, D.C. 20460 Attention: WIFIA Director Email: WIFIA_Portfolio@epa.gov

(c) Notices to the City or the Authority should be made by (i) nationally recognized courier service, (ii) hand delivery, (iii) email, to the email address noted below for the City or the Authority, or (iv) another electronic medium designated by the City or the Authority in accordance with this Section 31, unless otherwise instructed by the City's Authorized Representative or the Authority's Authorized Representative:

If to the City:	The notice details set forth in **Part G of Schedule I** (*WIFIA Loan Specific Terms*)
If to the Authority:	The notice details set forth in **Part G of Schedule I** (*WIFIA Loan Specific Terms*)

(d) Notices to the Trustee should be made by (i) nationally recognized courier service, (ii) hand delivery, (iii) email, to the email address noted below for the Trustee, or (iv) another electronic medium designated by the Trustee, unless otherwise instructed by the Trustee:

If to the Trustee:	The notice details set forth in **Part G of Schedule I** (*WIFIA Loan Specific Terms*)

(e) Each such notice, request or communication shall be effective (x) if delivered by hand or by nationally recognized courier service, when delivered at the address specified in this Section 31 (or in accordance with the latest unrevoked written direction from the receiving party), and (y) if given by email or other electronic method, when such email is delivered to the email address specified in this Section 31 or submitted to the electronic medium as directed by the receiving party, in each case with the sender's receipt of an acknowledgement from the intended recipient (such as by a "read receipt," return email, or other written acknowledgement) (or in accordance with the latest unrevoked written direction from the receiving party); provided, that notices received on a day that is not a Business Day or after 5:00 p.m. Eastern Time on a Business Day will be deemed to be effective on the next Business Day. The parties shall act reasonably in designating any electronic method other than email for notices, requests or communications hereunder, and neither party shall designate an alternative electronic method to which the other party has a reasonable objection.

Section 32. Indemnification. The City shall, to the extent permitted by law, indemnify the WIFIA Lender, the Servicer (if any), and any official, employee, agent, advisor or representative of the WIFIA Lender (each such Person being herein referred to as an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities, fines, penalties, costs and expenses (including the fees, charges and disbursements of any counsel for any Indemnitee and the costs of environmental remediation),

whether known, unknown, contingent or otherwise, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (a) the execution, delivery and performance of this Agreement, the WIFIA Installment Purchase Agreement, the WIFIA Note, any Construction Contract, or any Related Document, (b) the WIFIA Loan or the use of the proceeds thereof, or (c) the violation of any law, rule, regulation, order, decree, judgment or administrative decision relating to the environment, the preservation or reclamation of natural resources, the management, release or threatened release of any hazardous material or to health and safety matters; in each case arising out of or in direct relation to the Project; provided, that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities, fines, penalties, costs or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. In case any action or proceeding is brought against an Indemnitee by reason of any claim with respect to which such Indemnitee is entitled to indemnification hereunder, the City shall be entitled, at its expense, to participate in the defense thereof; provided, that such Indemnitee has the right to retain its own counsel, at the City's expense, and such participation by the City in the defense thereof shall not release the City of any liability that it may have to such Indemnitee. Any Indemnitee against whom any indemnity claim contemplated in this Section 32 is made shall be entitled, after consultation with the City and upon consultation with legal counsel wherein such Indemnitee is advised that such indemnity claim is meritorious, to compromise or settle any such indemnity claim. Any such compromise or settlement shall be binding upon the Borrower Related Parties for purposes of this Section 32. Nothing herein shall be construed as a waiver of any legal immunity that may be available to any Indemnitee. To the extent permitted by applicable law, none of the City, the Authority or the WIFIA Lender shall assert, and each of the City, the Authority and the WIFIA Lender hereby waives, any claim against any Indemnitee or the City or the Authority, respectively, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, the WIFIA Installment Purchase Agreement, the WIFIA Note, any Construction Contract, or any Related Document, the other transactions contemplated hereby and thereby, the WIFIA Loan or the use of the proceeds thereof, provided, that nothing in this sentence shall limit the City's indemnity obligations to the extent such damages are included in any third party claim in connection with which an Indemnitee is entitled to indemnification hereunder. All amounts due to any Indemnitee under this Section 32 shall be payable promptly upon demand therefor. The obligations of the City under this Section 32 shall survive the payment or prepayment in full or transfer of the WIFIA Loan (and the corresponding WIFIA Installment Payments), the enforcement of any provision of this Agreement, the WIFIA Installment Purchase Agreement, the WIFIA Note or the other Related Documents, any amendments, waivers (other than amendments or waivers in writing with respect to this Section 32) or consents in respect hereof or thereof, any Event of Default, and any workout, restructuring or similar arrangement of the obligations of the City hereunder or thereunder.

Section 33. Sale of WIFIA Loan. The WIFIA Lender shall not sell its rights in the WIFIA Loan Documents at any time prior to the later of (a) the Substantial Completion Date and (b) other than with respect to a sale or transfer to another governmental entity within the Federal Government, the Final Disbursement Date. After such date, the WIFIA Lender may sell its rights in the WIFIA Loan Documents to another entity or reoffer such rights into the capital markets only in accordance with the provisions of this Section 33. Such sale or reoffering shall be on such terms as the WIFIA Lender shall deem advisable. However, in making such sale or reoffering the WIFIA

Lender shall not change the terms and conditions of the WIFIA Loan Documents without the prior written consent of the Borrower Related Parties in accordance with Section 24 (*Amendments and Waivers*). Prior to any sale or reoffering of its rights in the WIFIA Loan Documents, the WIFIA Lender shall provide reasonable written notice to the Borrower Related Parties of the WIFIA Lender's intention to consummate such a sale or reoffering. The provision of any notice pursuant to this Section 33 shall neither (x) obligate the WIFIA Lender to sell nor (y) provide the Borrower Related Parties with any rights or remedies in the event the WIFIA Lender, for any reason, does not sell its rights in the WIFIA Loan Documents.

Section 34. Effectiveness. This Agreement shall be effective on the Effective Date.

Section 35. Release of Lien. Upon the irrevocable payment in full in immediately available funds of the WIFIA Loan Balance, together with all accrued interest, fees and expenses with respect thereto, the WIFIA Lender shall cancel and discharge the Lien on the Pledged Collateral and surrender the WIFIA Note to the Trustee in accordance with Section 9(b) (*General Prepayment Instructions*).

Section 36. Survival. The indemnification requirements of Section 32 (*Indemnification*), the reporting and record keeping requirements of Section 14(o) (*Access; Records*) and the payment requirements of Section 10 (*Fees and Expenses*) shall survive the termination of this Agreement as provided in such Sections, as well as the waiver of any sovereign immunity pursuant to Section 12(u) (*Sovereign Immunity*) of this Agreement.

Section 37. Integration. This Agreement, together with the other WIFIA Loan Documents, constitutes the entire contract between the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

[*The remainder of this page intentionally left blank; signature pages immediately follow.*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

CITY OF PASADENA, CALIFORNIA,
by its authorized representative

By: _____
Name:
Title:

PASADENA PUBLIC FINANCING AUTHORITY,
by its authorized representative

By: _____
Name:
Title:

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, acting by and through the Administrator of the Environmental Protection Agency

By: _____
Name: Lee Zeldin
Title: Administrator

SCHEDULE I

WIFIA LOAN SPECIFIC TERMS

No.	Item	WIFIA Loan Specific Term
PART A. Key City Metrics		
1.	Effective Date	[__], 2026.
2.	City	City of Pasadena, California.
3.	Legal Entity	City.
4.	State	State of California.
5.	City FEIN	[95-6000759].
6.	City UEI	[__].
7.	Initial City Fiscal Year	The fiscal year of the City commencing on [July 1] of any given calendar year and ending on [June 30] of the immediately succeeding calendar year.
8.	Application Receipt Date	[July 22, 2025].
9.	WIFIA CUSIP Number	[__], as the CUSIP number for the WIFIA Loan for purposes of monitoring through EMMA.
10.	Water System	The entire system and facilities of the City for the purchase, storage, sale and distribution of water as said system now exists and including all additions, extensions and improvements thereto later constructed or acquired.
11.	Pledged Revenues	All Gross CIC Revenues and all Net Other Water Revenues.
12.	Gross CIC Revenues	All CIC Revenues, all amounts deposited in the CIC Account (as defined in the WIFIA Installment Purchase Agreement) and all interest earnings or income thereon or therefrom.
13.	CIC Revenues	All capital improvement charges collected and received pursuant to Chapter 13.20.035 of the Pasadena Municipal Code and interest earned thereon.
14.	Net Other Water Revenues	All Other Water Revenues, all amounts deposited in the Water Fund and all interest earnings or income thereon or therefrom, less all Operation and Maintenance Expenses.
15.	Other Water Revenues	Means all the revenues from rates, fees and charges for providing water service to persons and real property and

No.	Item	WIFIA Loan Specific Term
		all other fees, rents and charges and other revenues derived by the City from the ownership, operation, use or service of the Water System, including contributions in aid of construction, but not including the CIC Revenues.
16.	Maintenance and Operation Costs	The amount required to pay the expenses of management, repair and other costs necessary to operate, maintain and preserve the Water System in good repair and working order, including but not limited to, the expenses conducting the Water System, including, but not limited to, the cost of supply and delivery of water under long-term contracts or otherwise and the expenses of conducting the Water Division of the Water and Power Department of the City but excluding depreciation. "Maintenance and Operation Costs" shall include all amounts required to be paid by the City under contract with a joint powers agency for purchase of water capacity, transmission or distribution capability or any other commodities or services in connection with the foregoing, which contract requires payments by the City to be made under the Indenture to be treated as Maintenance and Operation Costs.
17.	Gross Aggregate Revenues	All Gross CIC Revenues and Other Water Revenues,· all amounts deposited in the Water Fund and all interest earnings or income thereon or therefrom.
18.	Trustee	Bank of New York Mellon Trust Company, N.A.
19.	Trustee Location	Los Angeles, California.
20.	Authority	Pasadena Public Financing Authority.
21.	Authority FEIN	[__].
22.	Authority UEI	[__].

No.	Item	WIFIA Loan Specific Term
PART B. Key Project Metrics		
23.	Project	The City of Pasadena's Water Infrastructure Program will include the planning, design, and construction of three (3) project components: 1) The Sunset Complex Project, which includes components such as a storage reservoir, groundwater treatment plant, and pump station replacement and improvement project, 2) Drinking Water Main Replacement Project, which consists of replacing existing aging and leaking water mains in the Pasadena Water Service area for up to five (5) years at an approximate replacement and relining rate of 2.25 miles/year, and 3) The Advanced Metering Infrastructure Project, which consists of replacing and retrofitting existing advanced water meters in the Pasadena Water Service Area.
24.	Project Location	The City of Pasadena, located within Los Angeles County, California.
25.	Projected Substantial Completion Date	July 1, 2032, as such date may be adjusted in accordance with **Part C of Schedule V** (*Reporting Requirements*).
26.	Development Default Date	[__].
27.	NEPA Determination	[Finding of No Significant Impact][Categorical Exclusion][Record of Decisions] for the Project issued by EPA on [__], 202[__] in accordance with NEPA.
28.	[Reserved]	Not Applicable.
PART C. Key Loan Metrics		
29.	Maximum Principal Amount	Principal amount up to $111,050,791 (excluding interest that is capitalized in accordance with this Agreement).
30.	WIFIA Interest Rate	[__]% per annum.
31.	Default Rate	Interest rate equal to the sum of (a) the WIFIA Interest Rate plus (b) 200 basis points.
32.	Interest Payment Date	Each June 1 and December 1, beginning on the WIFIA Installment Payment Commencement Date.

No.	Item	WIFIA Loan Specific Term
33.	Capitalized Interest Period	The period from (and including) the first Disbursement to (but excluding) the date that is six (6) months prior to the first WIFIA Installment Payment Date, subject to earlier termination as set forth in Section 8(a)(iii) (*Payment of WIFIA Debt Service*).
34.	Interest Only Period	Not Applicable.
35.	Principal Payment Date	Each June 1, beginning on June 1, 2037.[1]
36.	Final WIFIA Installment Payment Date	The earliest of (a) June 1, 2067; (b) the date on which the maturity of the WIFIA Loan (and the corresponding WIFIA Installment Payments) have been accelerated or subject to mandatory redemption or prepayment (as the case may be) prior to maturity thereof; and (c) the WIFIA Installment Payment Date immediately preceding the date that is thirty-five (35) years following the Substantial Completion Date.
37.	[Reserved]	Not Applicable.
PART D.	***Key Security Metrics***	
38.	Lien priority	Senior lien.
39.	Springing lien	Not Applicable.
40.	Dedicated revenue source	Pledged Revenues.
41.	Pledged Collateral	The WIFIA Loan shall be secured by all of the interests of the Authority in (a) the Revenues (as defined in the WIFIA Indenture) and (b) all amounts set forth in the WIFIA Debt Service Account, including all amounts on deposit therein or credited thereto.
42.	Water System Accounts	The Water Fund, the WIFIA Debt Service Account, and [*other accounts TBD*].

[1] **Note to Borrower**: This date assumes a substantial completion date of July 2032.

No.	Item	WIFIA Loan Specific Term
43.	Water Fund	The fund or funds established and held by the City with respect to the Water System, into which all or any part of the Gross Aggregate Revenues are deposited.
44.	WIFIA Debt Service Account	The Bond Payment Fund established and held by the Trustee under the WIFIA Indenture.
45.	WIFIA Debt Service Reserve Account	[__], only if required by Section 14(h)(ii) (*Water System Accounts; Permitted Investments*).
46.	WIFIA Debt Service Reserve Requirement	Not Applicable.
47.	Rate Covenant	The rate covenant set forth in Section 6.10 of the WIFIA Installment Purchase Agreement, a copy of which is attached hereto for reference as **Annex A**.
48.	Additional Parity Obligations Test	The requirements and conditions set forth in Section 5.03 of the WIFIA Installment Purchase Agreement, a copy of which is attached hereto for reference as **Annex B**.
49.	Flow of Funds	The requirements and conditions specified in Section 5.02 of the WIFIA Installment Purchase Agreement, a copy of which is attached hereto for reference as **Annex C**.
PART E.	***Other Key WIFIA Loan Documents***	
50.	WIFIA Note	The WIFIA Note authenticated and delivered by the Trustee in substantially the form of **Exhibit A** (*Form of WIFIA Note*) hereto.
51.	WIFIA Installment Purchase Agreement	That certain WIFIA Installment Purchase Agreement, dated as of [__], 2026, between the City and the Authority, as originally executed and entered into and as it may from time to time be amended or supplemented in accordance therewith.
52.	WIFIA Indenture	That certain Indenture of Trust, dated as of [___], 2026, between the Authority, the City and the Trustee, as originally executed and entered into and as it may from time to time be amended or supplemented in accordance therewith.
53.	WIFIA Term Sheet	WIFIA term sheet, dated as of the Effective Date, among the City, the Authority and the WIFIA Lender.

No.	Item	WIFIA Loan Specific Term
54.	City Resolution	[__].
55.	Authority Resolution	[__].
PART F. Fees		
56.	Servicing Set-Up Fee	A servicing set-up fee equal to $20,140.00.
57.	Construction Period Servicing Fee	An annual construction period servicing fee equal to $20,140.00.
58.	Initial Construction Period Servicing Fee	The initial Construction Period Servicing Fee in a pro-rated amount equal to $[__].[2]
59.	Operating Period Servicing Fee	An annual operating period servicing fee equal to $10,070.00.

PART G. Borrower Related Party and Trustee Notices[3]		
60.	City notice details	City of Pasadena 100 N. Garfield Avenue Pasadena, CA 91101 Attention: City Manager
61.	Authority notice details	Pasadena Public Financing Authority 100 N. Garfield Avenue Pasadena, CA 91101 Attention: Executive Director
62.	Trustee notice details	The Bank of New York Mellon Trust Company, N.A. 333 South Hope Street, Suite 2525 Los Angeles, CA 90071 Attention: Corporate Trust

[2] **Note to Borrower**: Subject to final Closing Date.
[3] **Note to Borrower**: Please confirm.

ANNEX A

RATE COVENANT

Reference is made to Section 6.10 (*Amount of Rates and Charges*) of the WIFIA Installment Purchase Agreement, which is set forth verbatim below. Capitalized terms used in this **Annex A** and not otherwise defined herein shall have the respective meanings assigned to such terms in the WIFIA Installment Purchase Agreement.

The City shall prescribe, revise and collect such charges for the services, facilities and water furnished by the Water System which will be at least sufficient to pay the following amounts in the order set forth:

(i) the interest on, and principal and redemption price of, the outstanding City Bonds and any Contracts as the same shall become due and payable;

(ii) all payments required for compliance with the City Bonds Indenture and the Indenture, including payments to be made into any Parity Reserve Fund established in the City Bond Indenture;

(iii) all payments required to be made with respect to any Subordinate Debt;

(iv) all Maintenance and Operation Costs; and

(v) all payments required to meet any other obligations of the City which are charges, liens, encumbrances upon or payable from the Gross Aggregate Revenues or any portion thereof;

and the charges shall be fixed so that in each Fiscal Year Gross Aggregate Revenues less Maintenance and Operation Costs shall be at least equal to 1.10 times the amount of the Annual Debt Service.

ANNEX B

ADDITIONAL PARITY OBLIGATIONS TEST

Reference is made to Section 5.03(b) (*Additional Obligations*) of the WIFIA Installment Purchase Agreement, which is set forth verbatim below. Capitalized terms used in this **Annex B** and not otherwise defined herein shall have the respective meanings assigned to such terms in the WIFIA Installment Purchase Agreement.

(b) The City shall have placed on file with the Trustee a certificate of the City certifying that "A" less "B" shall be at least equal to 1.10 times the amount of Annual Debt Service during the immediately succeeding Fiscal Year on all City Bonds or Contracts then outstanding and the additional City Bonds or Contracts then proposed to be issued.

"A" equals the sum of (i) Gross Aggregate Revenues for any period of twelve (12) consecutive months during the eighteen (18) months immediately preceding the date on which any additional City Bonds or Contracts will become outstanding, plus (ii) the amount by which the City projects Gross Aggregate Revenues for any such period described in clause (i) above would have increased had increases in rates, fees and charges during such period of twelve (12) months been in effect throughout such period of twelve (12) months, plus (iii) the amount by which the City projects Gross Aggregate Revenues will increase during a period of twelve (12) months commencing on the date of issuance of any such additional City Bonds or Contracts as a result of increases in rates, fees and charges approved by the City Council prior to such date of issuance (other than those referenced in (ii) above) and which will be imposed during such twelve (12) month period.

"B" equals the amount projected for Maintenance and Operation Costs in the twelve (12) month period following the date of issuance of any such additional City Bonds or Contracts or in the twelve (12) month period following completion of improvements to the Water System to be financed with the proceeds of such additional City Bonds or Contracts, whichever is greater.

provided, however, no such requirement contained in this subsection (b) shall be required in the case of a refunding where the aggregate Annual Debt Service with respect to any such refunding City Bonds or Contracts through the dates of maturity thereof shall not exceed the aggregate Annual Debt Service with respect to the City Bonds or Contracts being refunded.

ANNEX C

FLOW OF FUNDS

Reference is made to Section 5.02 (*Allocation of Gross Aggregate Revenues*) of the WIFIA Installment Purchase Agreement, which is set forth verbatim below. Capitalized terms used in this **Annex C** and not otherwise defined herein shall have the respective meanings assigned to such terms in the WIFIA Installment Purchase Agreement.

SECTION 5.02. Payments Into Other Funds.

As soon as practicable in each month after the deposit of Gross Aggregate Revenues into the Water Fund, but in any case no later than the Business Day prior to each Interest Payment Date, the City shall withdraw or transfer from the CIC Account and Other Water Revenues Account and pay or deposit such amounts for the following purposes in the following order, the amounts set forth below:

a) from the CIC Account to the Trustee, for deposit in the Bond Payment Fund established pursuant to the Indenture, the amount, if any, required so that the balance in said fund, including any subaccounts therein, to the extent moneys in such subaccounts are available to pay Debt Service as of such Interest Payment Date, shall equal the Debt Service due on such Interest Payment Date;

b) from the CIC Account to the Trustee for deposit in the Parity Reserve Fund established pursuant to the City Indenture, the amount, if any, required so that the amount credited to such fund shall be at least equal to the Reserve Fund Requirement as of such Interest Payment Date;

c) from the Other Water Revenues Account, such amounts that the City shall require to provide for Maintenance and Operation Costs;

d) from the Other Water Revenues Account to the Trustee for deposit in the Bond Payment Fund established pursuant to the Indenture, the amount, if any, required so that the balance in said fund, including any subaccounts therein, to the extent moneys in such subaccounts are available to pay Debt Service as of such Interest Payment Date, shall equal the Debt Service due on such Interest Payment Date;

e) from the Other Water Revenues Account to the Trustee for deposit in the Parity Reserve Fund established pursuant to the City Indenture, the amount, if any, required so that the amount credited to such fund shall be at least equal to the Reserve Fund Requirement as of such Interest Payment Date;

f) from the CIC Account to any fund established with respect to, or any trustee for or holder of, any Subordinate Debt, the amount, if any, required to pay principal then due and accrued interest on such Subordinate Debt, and any amount necessary to replenish any reserve account with respect to such Subordinate Debt;

g) from the Other Water Revenues Account to any fund established with respect to, or any trustee for or bolder of, any Subordinate Debt, the amount, if any, required to pay principal then due and accrued interest on such Subordinate Debt, and any amount necessary to replenish any ·reserve account with respect to such Subordinate Debt; and

h) from the CIC Account and the Other Water Revenues Account to the City, for any lawful purpose,

provided, that on a parity with the deposits required by paragraphs (a), (b), (d) and (e) above, the City shall set aside or transfer amounts to the appropriate accounts with respect to outstanding City Bonds and Contracts as provided in the proceedings for such City Bonds and Contracts (which shall be proportionate in the event such amounts are insufficient to provide for all deposits required as of any date to be made with respect to the WIFIA Notes and such City Bonds and Contracts).

SCHEDULE II

PROJECT DETAILS

PART A. Project Budget.

SOURCES OF FUNDS	AMOUNT ($USD)	PERCENTAGE (%)
WIFIA Loan	111,050,791	49.0%
Revenue Bonds	60,000,000	26.5%
Borrower Cash	51,149,887	22.6%
Other (Grant)	959,752	0.4%
Previously Incurred Eligible Costs	3,473,838	1.5%
Total Sources of Funds	**226,634,268**	**100%**
USES OF FUNDS	**AMOUNT ($USD)**	**PERCENTAGE (%)**
Construction	178,861,050	78.9%
Design	9,739,149	4.3%
Planning	456,776	0.2%
Program Contingency	36,757,943	16.2%
Financing Costs	819,350	0.4%
Total Uses of Funds	**226,634,268**	**100%**
Total Eligible Project Costs	**226,634,268**	**100%**
Total Project Costs	**226,634,268**	**100%**

PART B. Construction Schedule.

Projected Substantial Completion Date: July 1, 2032

PROJECT ELEMENT	DESIGN COMPLETION	CONSTRUCTION START	CONSTRUCTION END
Sunset Complex Project	10/2025	7/2027	8/2029
Drinking Water Main Replacement Project		7/2027	7/2032
Advanced Metering Infrastructure (AMI)	4/2027	6/2027	3/2029

PART C. Existing Construction Contracts.[1]

Contract Name	Effective Date	Amount	Parties	Description

PART D. Project Description.

The City of Pasadena's Water Infrastructure Program (the "**Project**") is located in Pasadena, California within Los Angeles County. The Project will include the planning, design, and construction of three (3) project components: 1) The Sunset Complex Project, which includes components such as a storage reservoir, groundwater treatment plant, and pump station replacement and improvement project, 2) Drinking Water Main Replacement Project, which consists of replacing existing aging and leaking water mains in the Pasadena Water Service area for up to five (5) years at an approximate replacement and relining rate of 2.25 miles/year, and 3) The Advanced Metering Infrastructure Project, which consists of replacing and retrofitting existing advanced water meters in the Pasadena Water Service Area.

Sub-Project	Description

[1] **Note to Borrower**: Please confirm no existing construction contracts.

SCHEDULE III

CITY DISCLOSURES

PART A. Existing Indebtedness.

I. Parity Obligations

	Agreement/Series	Outstanding Principal as of Effective Date
1.		
2.		
3.		
4.		
5.		

II. Subordinated Obligations

	Agreement/Series	Outstanding Principal as of Effective Date
1.		

PART B. **Litigation Disclosure.**

[None].[1]

PART C. **Environmental Matter Disclosure.**

[None].[2]

[1] **Note to Draft**: Include "None" if no litigation disclosures are necessary.
[2] **Note to Draft**: Include "None" if no environmental matter disclosures are necessary.

SCHEDULE IV

REQUISITION PROCEDURES

This **Schedule IV** sets out the procedures which the City, as agent of the Authority, agrees to follow in submitting Requisitions for any Disbursement of the WIFIA Loan. The City expressly agrees to the terms hereof, and further agrees that (i) the rights of the WIFIA Lender contained herein are in addition to (and not in lieu of) any other rights or remedies available to the WIFIA Lender under the WIFIA Loan Documents, and (ii) nothing contained herein shall be construed to limit the rights of the WIFIA Lender to take actions including administrative enforcement action and actions for breach of contract against the City if it fails to carry out its obligations under the WIFIA Loan Agreement during the term thereof.

PART A. General Requirements.

(a) Manner of Request: All requests by the City, as agent of the Authority, for a Disbursement shall be made in writing by electronic submission to the WIFIA Lender, in accordance with Section 31 (*Notices*) of the WIFIA Loan Agreement.

(b) Required Documentation: Any request by the City should include the submission of:

(i) a Requisition, in the form attached as **Exhibit D** (*Form of Requisition*), completed and executed by the City's Authorized Representative, and otherwise in form and substance satisfactory to the WIFIA Lender; and

(ii) all Eligible Project Costs Documentation that has not otherwise been provided to the WIFIA Lender in accordance with **Part C of Schedule V** (*Reporting Requirements*) of the WIFIA Loan Agreement.

(c) Timing: Any request for a Disbursement must be received by the WIFIA Lender and the Servicer (if any) at or before 5:00 P.M. (Eastern Time) on either:

(i) the first (1st) Business Day of a calendar month in order to obtain the requested Disbursement by the fifteenth (15th) day of such calendar month;

(ii) the fifteenth (15th) day of a calendar month, in order to obtain the requested Disbursement by the first (1st) day of the immediately following calendar month;

provided, that, (x) if any such day is not a Business Day, the Disbursement request or payment (as the case may be) shall be made by the next succeeding Business Day; (y) the City shall not request to receive more than one (1) Disbursement per month or every thirty (30) days (whichever is longer); and (z) no Disbursements shall be made after the Final Disbursement Date.

PART B. WIFIA Lender Review Process.

(a) The WIFIA Lender shall review the Requisition and the Eligible Project Costs Documentation for compliance with WIFIA Disbursement requirements.

(b) If a Requisition is approved by the WIFIA Lender, the WIFIA Lender will notify the City of such approval and of the amount so approved. A Requisition containing an apparent mathematical error will be corrected by the WIFIA Lender, after telephonic or email notification to the City, and will thereafter be treated as if submitted in the corrected amount. If the amount requested for Disbursement in the Requisition exceeds the available balance of the WIFIA Loan proceeds remaining to be disbursed, the Disbursement request will be treated as if submitted in the amount of the balance so remaining, and the WIFIA Lender will so notify the City.

(c) The WIFIA Lender shall be entitled to withhold approval (in whole or in part) of any pending or subsequent requests for the Disbursement of WIFIA Loan proceeds if: (i) a Default or an Event of Default shall have occurred and be continuing or (ii) the City (1) knowingly takes any action, or omits to take any action, amounting to fraud or violation of any applicable law, in connection with the transactions contemplated hereby; (2) prevents or materially impairs the ability of the WIFIA Lender to monitor compliance by the City with applicable law pertaining to the Project or with the terms and conditions of the WIFIA Loan Agreement; (3) fails to observe or comply with any applicable law, or any term or condition of the WIFIA Loan Agreement; (4) fails to satisfy the conditions set forth in Section 4 (*Disbursement Conditions*) and Section 11(b) (*Conditions Precedent to Disbursements*) of the WIFIA Loan Agreement; or (5) fails to deliver Eligible Project Costs Documentation satisfactory to the WIFIA Lender at the times and in the manner specified by the WIFIA Loan Agreement; provided, that in such case of sub-clause (5) above, the WIFIA Lender may, in its sole discretion, partially approve a Requisition in respect of any amounts for which adequate Eligible Project Costs Documentation has been provided and may, in its sole discretion, disburse in respect of such properly documented amounts. The WIFIA Lender will notify the City of any withholding, and the reasons therefor.

(d) A Requisition may be rejected in whole or in part by the WIFIA Lender if it is: (i) submitted without signature; (ii) submitted under signature of a Person other than a City's Authorized Representative; (iii) submitted after prior Disbursement of all proceeds of the WIFIA Loan; or (iv) submitted without adequate Eligible Project Costs Documentation. The WIFIA Lender will notify the City of any Requisition so rejected, and the reasons therefor. Any Requisition rejected for the reasons specified under this paragraph (d) must be resubmitted in proper form in order to be considered for approval.

SCHEDULE V

REPORTING REQUIREMENTS

PART A. Updated Financial Model/Plan.

The City shall provide to the WIFIA Lender, not later than two hundred seventy (270) days after the end of each City Fiscal Year, an Updated Financial Model/Plan. The Updated Financial Model/Plan shall reflect the City's reasonable expectations, using assumptions that the City believes to be reasonable, and include: (a) the City's capital improvement plan, major maintenance plan, projected rates and charges, projected debt outstanding and annual debt service, projected Revenues and projected Operation and Maintenance Expenses for a reasonable projection period consistent with the City's operating and financial planning and demonstrating that the City has developed and identified adequate revenues to implement a plan for operating, maintaining, and repairing the Project; (b) evidence of compliance with the Rate Covenant for the most recent City Fiscal Year for which the City's Financial Statements are available and the projected debt service coverage ratios (including projected Rate Covenant coverages) through the Forecast Period; and (c) a written narrative identifying any material changes to the underlying assumptions from the previous Updated Financial Model/Plan.

PART B. Annual Financial Statements.

The City shall deliver to the WIFIA Lender, as soon as available, but no later than one hundred eighty (180) days after the end of each City Fiscal Year, a copy of the audited income statement and balance sheet of the City as of the end of such City Fiscal Year and the related audited statements of operations and of cash flow of the City for such City Fiscal Year, (a) setting forth in each case in comparative form the figures for the previous fiscal year, (b) certified without qualification or exception, or qualification as to the scope of the audit, by an independent public accounting firm selected by the City and (c) which shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein (except, with respect to the annual financial statements, for changes approved or required by the independent public accountants certifying such statements and disclosed therein); provided, that the failure of the City to deliver to the WIFIA Lender the annual audited financial statements required under this paragraph within such 180-day period shall not constitute a Default or an Event of Default so long as the Borrower delivers such financial statements within ninety (90) days after the end of such period.

PART C. Construction Monitoring.

(a) The WIFIA Lender shall have the right in its sole discretion to monitor (or direct its agents to monitor) the development of the Project, including environmental compliance, design, and construction of the Project. The City shall be responsible for administering construction oversight of the Project in accordance with applicable federal, state and local governmental requirements. The City agrees to cooperate in good faith with the WIFIA Lender in the conduct of such monitoring by promptly providing the WIFIA Lender with such reports, documentation or other information as shall be requested by the WIFIA Lender or its agents, including any independent engineer reports, documentation or information.

(b) Construction Monitoring Report. The City shall furnish to the WIFIA Lender, on a quarterly basis commencing with the first quarterly period ending [__], the Construction Monitoring Report. The Construction Monitoring Report shall be delivered to the WIFIA Lender within thirty (30) days of the end of each such quarter (or if such day is not a Business Day, on the next following Business Day). If the then-current projection for the Substantial Completion Date is a date different than the Projected Substantial Completion Date, the City shall provide in the Construction Monitoring Report a description in reasonable detail to the reasonable satisfaction of the WIFIA Lender of the reasons for such projected delay or difference. The Projected Substantial Completion Date shall automatically be adjusted to the new date specified by the City in the Construction Monitoring Report unless the WIFIA Lender objects to the adjustment in writing to the City within sixty (60) days following receipt of such Construction Monitoring Report on the basis that such report does not demonstrate the matters specified in this paragraph.

(c) Quarterly Certification of Eligible Project Costs. If requested by the WIFIA Lender, on a basis not more frequently than quarterly, the City shall submit to the WIFIA Lender, concurrently with the delivery of the Construction Monitoring Report, a certificate, in the form of **Exhibit E** (*Form of Certification of Eligible Project Costs Documentation*), signed by the City's Authorized Representative, and attaching Eligible Project Costs Documentation as applicable. If there are no applicable Eligible Project Costs for such quarter, the City may notify the WIFIA Lender by written confirmation of the same by email in accordance with Section 31 (*Notices*) of the WIFIA Loan Agreement. Within sixty (60) days following the receipt of such certificate and accompanying Eligible Project Costs Documentation (if applicable), the WIFIA Lender shall notify the City confirming (i) which Eligible Project Costs incurred by the City set forth in the certification have been approved or denied (and, if denied, the reasons therefor) and (ii) the cumulative amount of Eligible Project Costs that have been approved as of the date of such notice. Any such approved amounts of Eligible Project Costs shall then be deemed to be available for Disbursement at such time as the City submits a Requisition in respect of such approved amounts in accordance with Section 4 (*Disbursement Conditions*).

(d) Final Specifications. The City shall deliver to the WIFIA Lender, on or prior to the Effective Date, a copy of the final specifications relating to the development and construction of the Project (or such sub-project or component, as the case may be), demonstrating compliance with all applicable federal requirements and including a summary of the scope of work thereunder.

PART D. Public Benefits Report.

The City shall deliver to the WIFIA Lender the Public Benefits Report (a) no later than thirty (30) days prior to the Effective Date, (b) within ninety (90) days following the Substantial Completion Date and (c) within ninety (90) days following the fifth (5^{th}) anniversary of the Substantial Completion Date. The City agrees that information described in the Public Benefits Report may be made publicly available by the WIFIA Lender at its discretion.

PART E. Notices.

(a) The City shall, within fifteen (15) days (or such other time as may be specified below) after the City learns of the occurrence, give the WIFIA Lender notice of any of the following events or receipt of any of the following notices, as applicable, setting forth details of such event:

(i) Substantial Completion: the occurrence of Substantial Completion, such notice to be provided in the form set forth in **Exhibit G** (*Form of Certificate of Substantial Completion*);

(iii) Defaults; Events of Default: any Default or Event of Default;

(iv) Litigation: (1) the filing of any litigation, suit or action, or the commencement of any proceeding, against any Borrower Related Party before any arbitrator, Governmental Authority, alternative dispute resolution body, or other neutral third-party, that could reasonably be expected to have a Material Adverse Effect, and (2) any final, non-appealable judgment related to the Pledged Collateral that could reasonably be expected to result in the impairment of (A) such Borrower Related Party's ability to comply with any of its payment obligations under the WIFIA Installment Purchase Agreement or (B) the existence, priority or perfection (if applicable) of the WIFIA Lender's security interest in the Pledged Collateral;

(v) Delayed Governmental Approvals: any failure to receive or delay in receiving any Governmental Approval or making any required filing, notice, recordation or other demonstration to or with a Governmental Authority, in each case to the extent such failure or delay will or could reasonably be expected to result in a delay to any major milestone date (including the Projected Substantial Completion Date) set forth in the Construction Schedule, together with a written explanation of the reasons for such failure or delay and the City's plans to remedy or mitigate the effects of such failure or delay;

(vi) Environmental Notices: any material notice of violation related to the Project or any material change to the Project that could reasonably be expected to affect the NEPA Determination;

(vii) Amendments: except as otherwise agreed by the WIFIA Lender in writing, copies of any fully executed amendments, modifications, replacements or supplements to any Related Document; provided, that such notice may be accomplished through the posting of the relevant documents on EMMA under the WIFIA CUSIP Number with a reference to the relevant WIFIA provision of this Agreement;

(viii) Related Document Defaults: any material breach or default or event of default on the part of a Borrower Related Party or any other party under any Related Document; provided, that such notice may be accomplished through the posting of the relevant documents on EMMA under the WIFIA CUSIP Number with a reference to the relevant WIFIA provision of this Agreement;

(ix) Uncontrollable Force: the occurrence of any Uncontrollable Force that could reasonably be expected to materially and adversely affect the Project;

(x) Ratings Changes: any change in the rating assigned to the WIFIA Loan or any Obligations, in each case by any Nationally Recognized Rating Agency that has provided a public rating on such indebtedness, and any notices, reports or other written materials (other than those that are ministerial in nature) received from any such rating agencies; provided, that such notice may be accomplished through the posting of the relevant documents on EMMA under the WIFIA CUSIP Number with a reference to the relevant WIFIA provision of this Agreement;

(xi) 2 C.F.R. § 180.350 Notices: any notification required pursuant to 2 C.F.R. § 180.350, whether attributable to a failure by a Borrower Related Party to disclose information previously required to have been disclosed or due to a Borrower Related Party or any of its principals meeting any of the criteria set forth in 2 C.F.R. § 180.335;

(xii) Issuance of Obligations: copies of any final issuing instrument (together with any continuing disclosure documents, ordinances, official statement, certifications or cash flow projections in connection therewith), prepared in connection with the incurrence of any Permitted Debt (including any Additional Obligations), together with a confirmation by the City that such additional indebtedness satisfies the applicable requirements under the definition of "Permitted Debt"; provided, that such notice may be accomplished through the posting of the relevant documents on EMMA under the WIFIA CUSIP Number with a reference to the relevant WIFIA provision of this Agreement;

(xiii) Postings on EMMA: the posting of any document on EMMA in accordance with the requirements of any continuing disclosure agreement or similar document with respect to any Outstanding Obligations relating to annual financial information and operating data and the reporting of significant events; provided, that such notice may be accomplished through the posting of the relevant document on EMMA under the WIFIA CUSIP Number with a reference to the relevant WIFIA provision of this Agreement;

(xiv) SAM / UEI: any change in a Borrower Related Party's SAM registration status (including any exclusions, expiration or inactive registration) or UEI (including any expiration or change in effectiveness); provided, that such notice may be accomplished through the posting of the relevant document on EMMA under the WIFIA CUSIP Number with a reference to the relevant WIFIA provision of this Agreement;

(xv) Reorganization, Consolidation or Merger: the occurrence of any reorganization, consolidation, or merger, together with the agreements and documents authorizing the reorganization, consolidation or merger; and

(xvi) Fiscal Year: any change to or adoption of any fiscal year other than the Initial City Fiscal Year; provided, that such notice may be accomplished through the posting of the relevant document on EMMA under the WIFIA CUSIP Number with a reference to the relevant WIFIA provision of this Agreement;

(xvii) Other Adverse Events: the occurrence of any other event or condition, including without limitation any notice of breach from a contract counterparty or any holder of any Obligations, that could reasonably be expected to result in a Material Adverse Effect; and

(b) The City shall, at any time while the WIFIA Loan remains Outstanding, promptly deliver to the WIFIA Lender such additional information regarding the business, financial, legal or organizational affairs of the City or regarding the Water System, the Project, the Gross Aggregate Revenues or the Pledged Revenues as the WIFIA Lender may from time to time reasonably request. The City agrees that the delivery of any documents or information under and pursuant to this Agreement shall not be construed as compliance with, or affect in any manner, any obligations of the City under any other contracts, agreements, decrees, Governmental Approvals, or other documents with EPA (other than the WIFIA Loan Documents) or the Federal Government.

SCHEDULE VI

WIFIA INSTALLMENT PAYMENT SCHEDULE

[*To be attached with final interest rate on the Effective Date*]

EXHIBIT A

FORM OF WIFIA NOTE

PASADENA PUBLIC FINANCING AUTHORITY

WATER INFRASTRUCTURE PROGRAM

(WIFIA ID – 24101CA)
WIFIA NOTE

Interest Rate	Final WIFIA Installment Payment Date	Dated Date	WIFIA CUSIP
[___]%, subject to the Default Rate (as defined and in accordance with the WIFIA Loan Agreement)	[___], subject to adjustment as set forth in the WIFIA Loan Agreement	[___]	[___]

Registered Owner	**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, acting by and through the Administrator of the Environmental Protection Agency**
Maximum Principal Amount	**$111,050,791 (excluding capitalized interest, if any)**

PASADENA PUBLIC FINANCING AUTHORITY, a joint exercise of powers agency under the laws of the State of California (the "**Authority**"), for value received, hereby promises to pay to the order of the **UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**, acting by and through the Administrator of the United States Environmental Protection Agency, or its assigns (the "**WIFIA Lender**"), the lesser of (x) the Maximum Principal Amount set forth above and (y) the aggregate unpaid principal amount of all Disbursements made by the WIFIA Lender (such lesser amount, together with any interest that is capitalized and added to principal in accordance with the provisions of the WIFIA Loan Agreement (as defined below), being hereinafter referred to as the "**Outstanding Principal Sum**"), together with accrued and unpaid interest (including, if applicable, interest at the Default Rate, as defined in the WIFIA Loan Agreement) on the Outstanding Principal Sum and all fees, costs and other amounts payable in connection therewith, all as more fully described in that certain WIFIA Loan Agreement, dated as of the date hereof, among the WIFIA Lender and the City of Pasadena and the Authority (the

"**WIFIA Loan Agreement**"). All capitalized terms used in this WIFIA Note and not defined herein shall have the meanings set forth in the WIFIA Loan Agreement.

The WIFIA Debt Service hereof shall be payable in the amounts, manner and on the WIFIA Installment Payment Dates as set forth in the WIFIA Installment Payment Schedule in accordance with the WIFIA Loan Agreement (which WIFIA Installment Payment Schedule may be revised from time to time in accordance with the WIFIA Loan Agreement), until paid in full (which WIFIA Installment Payment Schedule, as modified from time to time in accordance with the terms of the WIFIA Loan Agreement, is incorporated in and is a part of this WIFIA Note). The WIFIA Lender is hereby authorized to modify the WIFIA Installment Payment Schedule from time to time to reflect the amount of each Disbursement made thereunder and the date and amount of principal or interest paid by the City thereunder and otherwise in accordance with the terms of the WIFIA Loan Agreement. Absent manifest error, the WIFIA Lender's determination of such matters as set forth on the WIFIA Installment Payment Schedule to the WIFIA Loan Agreement shall be conclusive evidence thereof; provided, however, that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner the City's obligations hereunder or under any other WIFIA Loan Document.

Payments hereon are to be made in accordance with Section 8(b) (*Manner of Payment*) and Section 31 (*Notices*) of the WIFIA Loan Agreement as the same become due. Principal of and interest on this WIFIA Note shall be made in Dollars and in immediately available funds (without counterclaim, offset or deduction). Any payment in respect of the WIFIA Note shall be treated as a payment in respect of the WIFIA Loan and any prepayment of principal in respect of the WIFIA Loan shall be treated as a redemption in respect of the WIFIA Note. If the Final WIFIA Installment Payment Date is adjusted in accordance with the WIFIA Loan Agreement, the due date of this WIFIA Note shall be deemed to be amended to change the due date to such revised Final WIFIA Installment Payment Date without any further action required on the part of the City or the WIFIA Lender and such amendment shall in no way amend, modify or affect the other provisions of this WIFIA Note without the prior written agreement of the WIFIA Lender. Any such amendment shall be reflected in a revised WIFIA Installment Payment Schedule.

This WIFIA Note has been executed under and pursuant to the WIFIA Loan Documents and is issued to evidence the obligation of the Authority under the WIFIA Loan Documents to repay the loan made by the WIFIA Lender and any other payments of any kind required to be paid by the Authority under the WIFIA Loan Agreement or the other WIFIA Loan Documents referred to therein. Reference is made to the WIFIA Loan Agreement for all details relating to the Authority's obligations hereunder.

Payment of the obligations of the Authority under this WIFIA Note is secured pursuant to the WIFIA Loan Agreement. This WIFIA Note is entitled to all of the benefits granted under the WIFIA Indenture. The Lien on the Pledged Collateral securing this WIFIA Note for the benefit of the WIFIA Lender is (i) on a parity in right of payment and right of security to the Lien on the Pledged Collateral in favor of the Parity Obligations and (b) senior in right of payment and right of security to the Lien on the Pledged Collateral in favor of the Subordinated Obligations.

This WIFIA Note may be prepaid at the option of the Authority in whole or in part (and, if in part, the principal installments and amounts thereof to be prepaid are to be determined in

accordance with the WIFIA Loan Agreement; provided, however, such prepayments shall be in principal amounts of at least $1,000,000 or any integral multiple of $1 in excess thereof), without penalty or premium, and otherwise in accordance with the WIFIA Loan Agreement.

Any delay on the part of the WIFIA Lender in exercising any right hereunder shall not operate as a waiver of any such right, and any waiver granted with respect to one default shall not operate as a waiver in the event of any subsequent default.

All acts, conditions and things required by the Constitution and laws of the State to happen, exist, and be performed precedent to and in the issuance of this WIFIA Note have happened, exist and have been performed as so required. This WIFIA Note is issued with the intent that the federal laws of the United States of America shall govern its construction to the extent such federal laws are applicable and the internal laws of the State shall govern its construction to the extent such federal laws are not applicable.

IN WITNESS WHEREOF, the Authority has caused this WIFIA Note to be executed in its name and its seal to be affixed hereto and attested by its duly authorized officer, all as of the Effective Date set forth above.

PASADENA PUBLIC FINANCING AUTHORITY,
by its authorized representative

(SEAL)

By:_____
Name:
Title:

ATTEST:

By:_____
Name:
Title:

CERTIFICATE OF AUTHENTICATION

This WIFIA Note is the WIFIA Note described in the within-mentioned WIFIA Loan Agreement.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

By: _____
Authorized Signer

(FORM OF ASSIGNMENT)

For value received the undersigned do(es) hereby sell, assign and transfer unto

_____

_____

_____

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within registered Note and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor institution (banks, stockbrokers, saving and loan associations and credit unions with membership in an approved signature medallion program) pursuant to Securities and Exchange Commission Rule 17Ad-15.

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Certificate in every particular without alteration or enlargement or any change whatsoever.

EXHIBIT B-1

FORM OF CITY CLOSING CERTIFICATE

Reference is made to that certain WIFIA Loan Agreement for the Pasadena Water Infrastructure Program (WIFIA ID – 24101CA) dated as of [__], 2026 (the "**WIFIA Loan Agreement**"), by and among the City of Pasadena, California (the "**City**"), the Pasadena Public Financing Authority (the "**Authority**") and the United States Environmental Protection Agency, acting by and through the Administrator (the "**WIFIA Lender**"). Capitalized terms used in this certificate and not defined shall have the respective meanings ascribed to such terms in the WIFIA Loan Agreement.

In connection with Section 11(a) (*Conditions Precedent to Effectiveness*) of the WIFIA Loan Agreement, the undersigned, as the City's Authorized Representative, does hereby certify on behalf of the City and not in his/her personal capacity, as of the date hereof:

(a) pursuant to Section 11(a)(v) of the WIFIA Loan Agreement, attached hereto as Annex A is an incumbency certificate that lists all persons, together with their positions and specimen signatures, who are duly authorized by the City to execute the WIFIA Loan Documents to which the City is or will be a party, and who have been appointed as an City's Authorized Representative in accordance with Section 21 (*Authorized Representatives*) of the WIFIA Loan Agreement;

(b) pursuant to Section 11(a)(i) of the WIFIA Loan Agreement, the City has delivered to the WIFIA Lender copies of the WIFIA Loan Agreement and the WIFIA Installment Purchase Agreement, and each such document is complete, fully executed, and in full force and effect;

(c) pursuant to Section 11(a)(i) of the WIFIA Loan Agreement, the City has delivered to the WIFIA Lender a copy of the City Resolution, a true, correct and complete copy of which is included in the closing transcripts for the WIFIA Loan, which City Resolution has been duly adopted by the Board of Directors of the City and is in full force and effect;

(d) pursuant to Section 11(a)(ii) of the WIFIA Loan Agreement, the City has delivered to the WIFIA Lender copies of (i) the Parity Obligation Documents and (ii) any Other Financing Document with respect to which all or a portion of the proceeds are or will be applied to fund all or any portion of Total Project Costs, in each case that has been entered into on or prior to the Effective Date, and each such document is complete, fully executed, and in full force and effect, and all conditions contained in the Related Documents that are necessary to the closing of the WIFIA transaction contemplated by the WIFIA Loan Documents (if any) have been fulfilled;

(e) pursuant to Section 11(a)(v)(A) of the WIFIA Loan Agreement, (i) the Maximum Principal Amount, together with the amount of any other credit assistance provided under the Act to the City, does not exceed forty-nine percent (49%) of reasonably anticipated Eligible Project Costs; (ii) the aggregate amount of Eligible Project

Costs previously incurred prior to the Effective Date does not exceed fifty-one percent (51%) of Eligible Project Costs, and (iii) the total federal assistance provided to the Project, including the Maximum Principal Amount, does not exceed eighty percent (80%) of Total Project Costs;

(f) pursuant to Section 11(a)(v)(B) of the WIFIA Loan Agreement, the City is in compliance with NEPA and any applicable federal, state or local environmental review and approval requirements with respect to the Project;

(g) pursuant to Section 11(a)(v)(C) of the WIFIA Loan Agreement, the City has (i) obtained a FEIN, as evidenced by a copy of the City's W-9 which is included in the closing transcripts for the WIFIA Loan, and a UEI, in each case as set forth on Part A of Schedule I (*WIFIA Loan Specific Terms*) to the WIFIA Loan Agreement, and (ii) registered with SAM and obtained confirmation of active SAM registration status with no exclusions, which confirmation is included in the closing transcripts for the WIFIA Loan;

(h) pursuant to Section 11(a)(v)(D) of the WIFIA Loan Agreement, the City has obtained the WIFIA CUSIP Number, as set forth on Part A of Schedule I (*WIFIA Loan Specific Terms*) to the WIFIA Loan Agreement, and which confirmation is included in the closing transcripts for the WIFIA Loan;

(i) pursuant to Section 11(a)(v)(E) of the WIFIA Loan Agreement, the representations and warranties of the City set forth in the WIFIA Loan Agreement and in each other WIFIA Loan Document to which the City is a party are true and correct on and as of the date hereof, except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct as of such earlier date;

(j) pursuant to Section 11(a)(v)(F) of the WIFIA Loan Agreement, no Material Adverse Effect, or any event or condition that could reasonably be expected to have a Material Adverse Effect, has occurred or arisen since the date of the Application;

(k) pursuant to Section 11(a)(v)(G) of the WIFIA Loan Agreement, upon execution and delivery of the WIFIA Installment Purchase Agreement and the incurrence of the WIFIA Loan, the City is in compliance with all requirements and conditions set forth in the Parity Obligation Documents in effect as of the date hereof with respect to the Parity Obligation status of the WIFIA Installment Payments and attached hereto [as Annex B] is evidence demonstrating such compliance; and

(l) pursuant to Section 11(a)(vii) of the WIFIA Loan Agreement, the rating letter delivered to the WIFIA Lender pursuant to such Section 11(a)(vii) has not been reduced, withdrawn or suspended as of the Effective Date.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date first mentioned above.

CITY OF PASADENA, CALIFORNIA,
by its authorized representative

By: _____
Name: [__]
Title: [__]

ANNEX A TO EXHIBIT B

CITY INCUMBENCY CERTIFICATE

The undersigned certifies that he/she is the Secretary of the City of Pasadena, a special district organized and existing under the Constitution and laws of the State of California (the "**City**"), and as such he/she is authorized to execute this certificate and further certifies that the following persons have been elected or appointed, are qualified, and are now acting as officers or authorized persons of the City in the capacity or capacities indicated below, and that the signatures set forth opposite their respective names are their true and genuine signatures. He/she further certifies that any of the officers listed below is authorized to sign agreements and give written instructions with regard to any matters pertaining to the WIFIA Loan Documents as the City's Authorized Representative (each as defined in that certain WIFIA Loan Agreement for the Water Infrastructure Program (WIFIA ID – [__]) dated as of [__], 2026, by and among the City, the Pasadena Public Financing Authority and the United States Environmental Protection Agency, acting by and through the Administrator):

Name	Title	Signature
[_____]	[_____]	_____
[_____]	[_____]	_____
[_____]	[_____]	_____
[_____]	[_____]	_____
[_____]	[_____]	_____

IN WITNESS WHEREOF, the undersigned has executed this certificate as of this [__] day of [__].

CITY OF PASADENA, CALIFORNIA,
by its authorized representative

By: _____
Name: [__]
Title: [__]

EXHIBIT B-2

FORM OF AUTHORITY CLOSING CERTIFICATE

Reference is made to that certain WIFIA Loan Agreement for the Pasadena Water Infrastructure Program (WIFIA ID – 24101CA) dated as of [__], 2026 (the "**WIFIA Loan Agreement**"), by and among the City of Pasadena, California (the "**City**"), the Pasadena Public Financing Authority (the "**Authority**") and the United States Environmental Protection Agency, acting by and through the Administrator (the "**WIFIA Lender**"). Capitalized terms used in this certificate and not defined shall have the respective meanings ascribed to such terms in the WIFIA Loan Agreement.

In connection with Section 11(a) (*Conditions Precedent to Effectiveness*) of the WIFIA Loan Agreement, the undersigned, as the Authority's Authorized Representative, does hereby certify on behalf of the Authority and not in his/her personal capacity, as of the date hereof:

(a) pursuant to Section 11(a)(vi) of the WIFIA Loan Agreement, attached hereto as Annex A is an incumbency certificate that lists all persons, together with their positions and specimen signatures, who are duly authorized by the Authority to execute the WIFIA Loan Documents to which the Authority is or will be a party, and who have been appointed as a Authority's Authorized Representative in accordance with Section 21 (*Authorized Representatives*) of the WIFIA Loan Agreement;

(b) pursuant to Section 11(a)(i) of the WIFIA Loan Agreement, the Authority has delivered to the WIFIA Lender copies of the WIFIA Loan Agreement and the WIFIA Installment Purchase Agreement, and each such document is complete, fully executed, and in full force and effect;

(c) pursuant to Section 11(a)(i) of the WIFIA Loan Agreement, the Authority has delivered to the WIFIA Lender a copy of the Authority Resolution, a true, correct and complete copy of which is included in the closing transcripts for the WIFIA Loan, which Authority Resolution has been duly adopted by the Board of Directors of the Authority and is in full force and effect;

(d) pursuant to Section 11(a)(v)(C) of the WIFIA Loan Agreement, the Authority has (i) obtained a FEIN, as evidenced by the Authority's W-9 which is included in the closing transcripts for the WIFIA Loan, and a UEI, in each case as set forth on Part A of Schedule I (*WIFIA Loan Specific Terms*) to the WIFIA Loan Agreement, and (ii) registered with SAM, and obtained confirmation of active SAM registration status with no exclusions, which confirmation is included in the closing transcripts for the WIFIA Loan; and

(e) pursuant to Section 11(a)(v)(E) of the WIFIA Loan Agreement, the representations and warranties of the Authority set forth in the WIFIA Loan Agreement and in each other WIFIA Loan Document to which the Authority is a party are true and correct on and as of the date hereof, except to the extent that such representations and

warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct as of such earlier date.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date first mentioned above.

PASADENA PUBLIC FINANCING AUTHORITY,
by its authorized representative

By: _____
Name: [__]
Title: [__]

ANNEX A TO EXHIBIT B

AUTHORITY INCUMBENCY CERTIFICATE

The undersigned certifies that he/she is the Secretary of the Pasadena Public Financing Authority, a nonprofit public benefit corporation organized and existing under the laws of the State of California (the "**Authority**"), and as such he/she is authorized to execute this certificate and further certifies that the following persons have been elected or appointed, are qualified, and are now acting as officers or authorized persons of the Authority in the capacity or capacities indicated below, and that the signatures set forth opposite their respective names are their true and genuine signatures. He/She further certifies that any of the officers listed below is authorized to sign agreements and give written instructions with regard to any matters pertaining to the WIFIA Loan Documents as the Authority's Authorized Representative (each as defined in that certain WIFIA Loan Agreement for [__] (WIFIA ID – [__]) dated as of [__], 2026, by and among the City of Pasadena, California, the Authority and the United States Environmental Protection Agency, acting by and through the Administrator):

Name	Title	Signature
[_____]	[_____]	_____
[_____]	[_____]	_____
[_____]	[_____]	_____
[_____]	[_____]	_____
[_____]	[_____]	_____

IN WITNESS WHEREOF, the undersigned has executed this certificate as of this [__] day of [__].

PASADENA PUBLIC FINANCING AUTHORITY,
by its authorized representative

By: _____
Name: [__]
Title: [__]

EXHIBIT C

FORM OF PUBLIC BENEFITS REPORT

Pursuant to Section 11(a)(ix) and Part D of Schedule V (*Reporting Requirements*) of the WIFIA Loan Agreement (as defined below), the City of Pasadena, California (the "**City**") is providing this Public Benefits Report in connection with the Pasadena Water Infrastructure Program (WIFIA ID – 24101CA). Capitalized terms used in this certificate and not defined shall have the respective meanings ascribed to such terms in the WIFIA Loan Agreement dated as of [__] (the "**WIFIA Loan Agreement**"), by and among the City, the Pasadena Public Financing Authority and the United States Environmental Protection Agency, acting by and through the Administrator.

Reporting Period: [Prior to the Effective Date][within ninety (90) days following the Substantial Completion Date][within ninety (90) following the fifth (5^{th}) anniversary of the Substantial Completion Date]

(i) The number of total jobs and direct jobs projected to be created by the Project during the period between the Effective Date and the Substantial Completion Date:

WIFIA projects that the Project will create [__] total jobs, of which the City projects [__] will be direct jobs.

(ii) Indicate (yes or no) whether the Project will assist the City in complying with applicable regulatory requirements, and if yes, describe how the Project assists with regulatory compliance:

Yes

If yes, additional description:

No ☐

(iii) The Project will assist the City with the following environmental measure:

Value: [__]

EXHIBIT D

FORM OF REQUISITION

VIA EMAIL
United States Environmental Protection Agency[1]
1200 Pennsylvania Avenue NW
WJC-E 7334A
Washington, D.C. 20460
Attention: WIFIA Director
Email: WIFIA_Portfolio@epa.gov

Re: Pasadena Water Infrastructure Program (WIFIA ID – 24101CA)

Ladies and Gentlemen:

Pursuant to Section 4 (*Disbursement Conditions*) and Schedule IV (*Requisition Procedures*) of the WIFIA Loan Agreement, dated as of [__], 2026 (the "**WIFIA Loan Agreement**"), by and among the CITY OF PASADENA, CALIFORNIA (the "**City**"), the PASADENA PUBLIC FINANCING AUTHORITY (the "**Authority**") and the UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, acting by and through the Administrator (the "**WIFIA Lender**"), the City, as agent of the Authority, hereby requests a Disbursement in the amount set forth below in respect of Eligible Project Costs paid or incurred by the City. Capitalized terms used but not defined herein have the meaning set forth in the WIFIA Loan Agreement.

In connection with this Requisition, the undersigned, as the City's Authorized Representative, hereby represents and certifies the following:

1.	**Project name**	[Water Infrastructure Program]
2.	**City name**	City of Pasadena, California
3.	**WIFIA Loan ID**	24101CA
4.	**City UEI**	[__]
5.	**City FEIN number**	[__]
6.	**Requisition number**	[__]
7.	**Requested Disbursement amount**	$[__]
8.	**Requested date of Disbursement (the "Disbursement Date")**[2]	[__]
9.	**Total amounts previously disbursed under the WIFIA Loan Agreement**	$[__]
10.	**Wire or ACH transfer instructions (please specify method)**	[___]

[1] If there is a Servicer for the WIFIA Loan, provide a copy to the Servicer as well and include its notice details here.
[2] Note this should be the actual disbursement date on which the City requests to receive the funds, not the date that this Requisition form is submitted to the WIFIA Lender.

11. As of the date hereof, and immediately after giving effect to the Disbursement of WIFIA Loan proceeds requested under this Requisition, (a) no Default or Event of Default and no event of default under any other Related Document shall have occurred and be continuing and (b) no event that, with the giving of notice or the passage of time or both, would constitute an event of default under any other Related Document, shall have occurred and be continuing.

12. No Material Adverse Effect, or any event or condition that could reasonably be expected to have a Material Adverse Effect, has occurred since the Effective Date.

13. The aggregate amount of all Disbursements (including the requested Disbursement amount under this Requisition but excluding any interest that is capitalized in accordance with the WIFIA Loan Agreement) does not exceed (a) the maximum principal amount of the WIFIA Loan or (b) the amount of Eligible Project Costs paid or incurred by the City.

14. The Eligible Project Costs for which reimbursement or payment is being requested has not been reimbursed or paid by any previous disbursement of (a) WIFIA Loan proceeds or (b) any other source of funding for the Project as identified in the Project Budget.

15. The City, and each of its contractors and subcontractors at all tiers with respect to the Project, has complied with all applicable laws, rules, regulations and requirements, including 40 U.S.C. §§3141-3144, 3146, and 3147 (relating to Davis-Bacon Act requirements) (and regulations relating thereto) and 33 U.S.C. §3914 (relating to American iron and steel products). Supporting documentation, such as certified payroll records and certifications for all iron and steel products used for the Project, are being maintained and are available for review upon request by the WIFIA Lender.

16. The representations and warranties of the City set forth in the WIFIA Loan Agreement and in each other WIFIA Loan Document are true and correct as of the date hereof and as of the Disbursement Date, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties are true and correct as of such earlier date).

17. The City has delivered all required deliverables under and in compliance with the requirements of Schedule V (*Reporting Requirements*), except as has been otherwise agreed by the WIFIA Lender.[3]

18. The amount hereby being requested for Disbursement is with respect to Eligible Project Costs for which [all][a portion][none] of the Eligible Project Costs Documentation was previously submitted to and approved by the WIFIA Lender in accordance with Schedule IV (*Requisition Procedures*) and Schedule V (*Reporting Requirements*) of the WIFIA Loan Agreement. The [following table below][attached excel sheet] sets out a summary of any Eligible Project Costs that have not otherwise been previously submitted to the WIFIA

[3] The most recent quarterly progress report should set out a summary of the progress of construction of the Project, as well as a general description of the work done for which the funds being requisitioned are being applied and a summary of any material changes/risks. If not, PM should request additional information (including a risk register, if applicable).

Lender for approval, and supporting Eligible Project Costs Documentation in respect of such new Eligible Project Costs is attached hereto. [4]

								WIFIA USE ONLY	
Vendor or Contractor Name[5]	**Invoice Number[6]**	**Invoice Date**	**Payment Date**	**Invoice Amount**	**WIFIA Requested Amount[7]**	**Activity Type[8]**	**Description of Activity[9]**	**Approved Amount**	**Notes**

The undersigned acknowledges that if the City makes a false, fictitious, or fraudulent claim, statement, submission, or certification to the Government in connection with the Project, the Government reserves the right to impose on the City the penalties of 18 U.S.C. § 1001, to the extent the Government deems appropriate.

Date: _____

CITY OF PASADENA, CALIFORNIA,
by its authorized representative

By: _____
Name:
Title:_____

[4] See Schedules IV, V and Exhibit E of the WIFIA Loan Agreement for additional details on EPC Documentation.
[5] If seeking reimbursement for internal costs, enter "Internally financed activities."
[6] Vendor's number indicated on the invoice sent to the City.
[7] If the amount requested for reimbursement by the WIFIA Lender is less than the total amount of the invoice, include an explanation for the difference.
[8] Specify whether activity is: (a) **Development phase activity**, which includes planning, preliminary engineering, design, environmental review, revenue forecasting and other pre-construction activities; (b) **Construction**, which includes construction, reconstruction, rehabilitation and replacement activities; (c) **Acquisition of real property**, which includes acquiring an interest in real property, environmental mitigation, construction contingencies and acquisition of equipment; (d) **Carrying costs**, including capitalized interest, as necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses and other carrying costs during construction; (e) **WIFIA fees**, including for application and credit processing; or (f) **Other**, with an explanation in the "Description of Activity" column.
[9] Provide a brief description of the activities included in the invoice for which WIFIA funds are being requested and any other notes that will aid in the review of the disbursement request.

EXHIBIT E

FORM OF CERTIFICATION OF ELIGIBLE PROJECT COSTS DOCUMENTATION

VIA EMAIL
United States Environmental Protection Agency[1]
1200 Pennsylvania Avenue NW
WJC-E 7334A
Washington, D.C. 20460
Attention: WIFIA Director
Email: WIFIA_Portfolio@epa.gov

Re: Pasadena Water Infrastructure Program (WIFIA ID – 24101CA)

Ladies and Gentlemen:

Pursuant to Part C of Schedule V (*Reporting Requirements*) of the WIFIA Loan Agreement, dated as of [__], 2026 (the "**WIFIA Loan Agreement**"), by and among the CITY OF PASADENA, CALIFORNIA (the "**City**"), the PASADENA PUBLIC FINANCING AUTHORITY (the "**Authority**") and the UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, acting by and through the Administrator (the "**WIFIA Lender**"), the City, as agent of the Authority, hereby presents this certificate in connection with the City's delivery of Eligible Project Costs Documentation to the WIFIA Lender. Capitalized terms used but not defined herein have the meaning set forth in the WIFIA Loan Agreement.

The undersigned does hereby represent and certify the following:

1. This certificate is being delivered to the WIFIA Lender in connection with the Eligible Project Costs during the period between [___] and [___] (the "**Quarterly Period**").

2. A summary of the Eligible Project Costs incurred, invoiced and/or paid (as the case may be) is set out in the [attached excel sheet][table on the following page:]

[1] If there is a Servicer for the WIFIA Loan, provide a copy to the Servicer as well and include its notice details here.

							WIFIA USE ONLY	
Vendor or Contractor Name[2]	**Invoice Number[3]**	**Invoice Date**	**Payment Date**	**Invoice Amount**	**Activity Type[4]**	**Description of Activity[5]**	**Approved Amount**	**Notes**

3. The anticipated sources of funding for such Eligible Project Costs are [listed below][set forth in the attached excel sheet].

4. Supporting Eligible Project Costs Documentation for the above Eligible Project Costs for the Quarterly Period are also attached hereto.[6]

5. The most recently delivered Construction Monitoring Report delivered in accordance with Part C of Schedule V (*Reporting Requirements*) sets out a summary of the progress of construction of the Project, no change has occurred since the date of such Construction Monitoring Report that could reasonably be expected to cause a Material Adverse Effect, and the City is otherwise in compliance with Part C of Schedule V (*Reporting Requirements*).

Date: _____

CITY OF PASADENA, CALIFORNIA,
by its authorized representative

By: _____
Name:
Title:

[2] If the expectation is to seek reimbursement for internal costs, enter "Internally financed activities."
[3] Vendor's number indicated on the invoice sent to the Borrower.
[4] Specify whether activity is: (a) **Development phase activity**, which includes planning, preliminary engineering, design, environmental review, revenue forecasting and other pre-construction activities; (b) **Construction**, which includes construction, reconstruction, rehabilitation and replacement activities; (c) **Acquisition of real property**, which includes acquiring an interest in real property, environmental mitigation, construction contingencies and acquisition of equipment; (d) **Carrying costs**, including capitalized interest on other Project Obligations during construction, as necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses and other carrying costs during construction; (e) **WIFIA fees**, including for application and credit processing; or (f) **Other**, with an explanation in the "Description of Activity" column.
[5] Provide a brief description of the activities included in the invoice for which WIFIA funds are being requested and any other notes that will aid in the review of the documentation.
[6] See Schedules IV and V of the WIFIA Loan Agreement for additional details on EPC Documentation.

EXHIBIT F

FORM OF CONSTRUCTION MONITORING REPORT

Send reports to: WIFIA_Portfolio@epa.gov

Re: Pasadena Water Infrastructure Program (WIFIA ID – 24101CA)

This Construction Monitoring Report for the period of [*insert relevant quarterly period*] (the "**Quarterly Period**") is provided pursuant to **Part C of Schedule V** (*Reporting Requirements*) of the WIFIA Loan Agreement, dated as of [__], 2026 (the "**WIFIA Loan Agreement**"), by and among the CITY OF PASADENA, CALIFORNIA (the "**City**"), the PASADENA PUBLIC FINANCING AUTHORITY (the **"Authority**") and the UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, acting by and through the Administrator of the Environmental Protection Agency (the "**WIFIA Lender**"). Unless otherwise defined herein, all capitalized terms in this Construction Monitoring Report have the meanings assigned to those terms in the WIFIA Loan Agreement.

1. **Project Status**

Provide a narrative summary of the Project's construction progress during the Quarterly Period, including with respect to the Project components or sub-projects where appropriate. Complete the table in Appendix A to update the Project scope, schedule, and costs with the latest information.

2. **Projected Substantial Completion Date in WIFIA Loan Agreement: [__]**

Current Projection of WIFIA Project Substantial Completion Date: _____

If the current Projected Substantial Completion Date differs than the date set forth in the Construction Monitoring Report most recently delivered to the WIFIA Lender (or, if no such report has yet been provided, the date of the Projected Substantial Completion Date set forth in the WIFIA Loan Agreement as of the Effective Date), provide a description in reasonable detail for such projected delay or difference:

3. **Material Problems or Changes (if any)**

Note any problems encountered or anticipated during the construction of the Project during the Quarterly Period that (1) impedes Project completion within the scope, costs, and schedule outlined in the WIFIA Loan Agreement or (2) relates to unforeseen complications in connection with the construction of the Project. This may include commissioning/start-up issues, constructability

issues for the Project as planned, adverse impacts to Project surroundings, changes in or issues with meeting environmental or federal compliance requirements, and unanticipated or abnormal permit approval timelines. Include an assessment of the impact and any current plans to address the problems.

(i) Other matters related to the Project

Date: _____

CITY OF PASADENA, CALIFORNIA,
by its authorized representative

By: _____
Name: _____
Title: _____

APPENDIX A OF EXHIBIT F[1]

Q[_] Reporting period MM/YY – MM/YY

Project Scope		Project Schedule				Project Costs				
Project Component	Completed (Y/N)	Construction Start Date	Original Construction End Date at Closing	Estimated Substantial Completion Date	Percent Time Complete	Original Construction Cost at Loan Closing	Cost Change	Estimated Costs at Completion	Costs Earned or Paid to Date	Percent Cost Complete
Total										

Table Instructions:
Do not edit gray cells in the table. These cells are prepopulated with your WIFIA Project and matches information provided in Section E of the WIFIA loan application.
Do not delete the rows on this table when Project Components are completed.
Update white cells in the table on a quarterly basis to reflect the latest (actual or projected) information for your WIFIA Project.
Aggregate data for Project Components with more than one construction contracts.

Table Definitions:
Project Component – All project components identified in the WIFIA project listed by name or ID matching the section E spreadsheet of the WIFIA loan application
Completed (Y/N) – indication that project component is substantially complete

Construction Start Date – the effective date the component began or is *expected* to begin construction.
Original Construction End Date at closing – the construction end date for the component as noted in the WIFIA Loan Agreement or Section E spreadsheet
Estimated Substantial Completion Date – the latest date estimate for substantial completion for the given project component
Percent Time Complete – the percent of time complete based on current reporting period end, construction start date, and estimated substantial completion date
Total – Total the time from earliest component construction start date to the current WIFIA Project estimated substantial completion.

Original Construction Cost at Loan Closing – the construction cost of each element estimated at loan closing as reported in Section E spreadsheet.
Cost Change – the change in construction costs since loan closing
Estimated Costs at Completion – the latest anticipated total costs for the completion of project component
Costs Earned or Paid to Date – the latest incurred costs of project component to Date
Percent Cost Complete – the percent of cost expended on the project component based on costs earned or paid to date, and estimated costs at completion
Total – Total the cost amounts across all project components or contracts

[1] Appendix A summarizes all WIFIA project components that comprise the WIFIA loan and describe their anticipated construction status, current construction status, or construction completion. It should be a cumulative list of components that is updated each quarter. A Microsoft Excel spreadsheet with similar table format is acceptable.

EXHIBIT G

FORM OF CERTIFICATE OF SUBSTANTIAL COMPLETION

[*Letterhead of City*]

[*Date*]

VIA EMAIL
United States Environmental Protection Agency
1200 Pennsylvania Avenue NW
WJC-E 7334A
Washington, DC 20460
Attn: WIFIA Director
Email: WIFIA_Portfolio@epa.gov

Project: Pasadena Water Infrastructure Program (WIFIA ID – 24101CA)

Dear Director:

This Notice is provided pursuant to Part E of Schedule V (*Reporting Requirements*) of that certain WIFIA Loan Agreement (the "**WIFIA Loan Agreement**"), dated as of [__], 2026, by and among the CITY OF PASADENA, CALIFORNIA (the "**City**"), the PASADENA PUBLIC FINANCING AUTHORITY (the **"Authority**") and the UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, acting by and through its Administrator (the "**WIFIA Lender**").

Unless otherwise defined herein, all capitalized terms in this certificate have the meanings assigned to those terms in the WIFIA Loan Agreement.

I, the undersigned, in my capacity as the City's Authorized Representative and not in my individual capacity, do hereby certify to the WIFIA Lender that:

(a) the Project has satisfied each of the requirements for Substantial Completion set forth in the Construction Contracts;

(b) Substantial Completion has been declared under each of the relevant Construction Contracts and copies of the notices of Substantial Completion under such agreements are attached to this certification;

(c) Substantial Completion, as defined in the WIFIA Loan Agreement, has been achieved and the Substantial Completion Date is [___]; and

(d) the total federal assistance provided to the Project, including the maximum principal amount of the WIFIA Loan (excluding any interest that is capitalized in accordance with the terms hereof), does not exceed eighty percent (80%) of Total Project Costs.

CITY OF PASADENA, CALIFORNIA,
by its authorized representative

By: _____
Name:
Title:

EXHIBIT H-1

OPINIONS REQUIRED FROM GENERAL COUNSEL TO CITY

An opinion of the counsel of the City, dated as of the Effective Date, to the effect that:

(a) the City has been duly created and validly exists as a charter city duly organized and existing under and pursuant to the California Constitution and the laws of the State, including the Charter of the City of Pasadena, dated as of January 24, 1901, as amended (the "**City Act**");

(b) the City has all requisite power and authority to conduct its business and to execute and deliver, and to perform its obligations under the WIFIA Loan Documents to which it is a party;

(c) the resolution of the City approving and authorizing the execution and delivery of the WIFIA Loan Documents to which the City is a party (the "**City Resolution**") was duly adopted at a meeting of the City Council of the City on [__], which was duly called and held pursuant to law and with all public notice required by law, if necessary, and at which a quorum was present and acting throughout, and the City Resolution is in full force and effect and has not been modified, amended, rescinded or repealed;

(d) the execution and delivery by the City of, and the performance of its respective obligations under, the WIFIA Loan Documents to which it is a party, have been duly authorized by all necessary organizational or regulatory action, and other than the City's Organizational Documents and the WIFIA Loan Documents to which it is a party, no further instruments or documents are necessary for the City to execute and deliver, and to perform its obligations under, the WIFIA Loan Documents to which it is a party and to consummate and implement the transactions contemplated by the WIFIA Loan Documents;

(e) the City has duly executed and delivered each WIFIA Loan Document to which it is a party and each such WIFIA Loan Document constitutes the legal, valid and binding obligation of such party, enforceable against such party in accordance with their respective terms;

(f) no authorization, consent, or other approval of, or registration, declaration or other filing with any governmental authority of the United States of America or of the State of California is required on the part of the City for the execution and delivery by the City of, and the performance of the City under, any WIFIA Loan Document to which it is a party other than authorizations, consents, approvals, registrations, declarations and filings that have already been timely obtained or made by the City;

(g) the execution and delivery by the City of, and compliance with the provisions of, the WIFIA Loan Documents to which it is a party in each case do not (i) violate the Organizational Documents of the City, (ii) violate the law of the United States of America or of the State of California or (iii) conflict with or constitute a breach of or default under any material agreement or other instrument known to such counsel to which the City is a party, or to the best of such counsel's knowledge, after reasonable review, any court order, consent decree, statute, rule, regulation or any other law to which the City is subject;

(h) the City is not an investment company required to register under the Investment Company Act of 1940, as amended;

(i) the City is not entitled to claim governmental immunity in any breach of contract action under the WIFIA Loan Agreement or the WIFIA Note or by the Trustee under the Indenture; and

(j) to the knowledge of such counsel after due inquiry, there are no actions, suits, proceedings or investigations against the City by or before any court, arbitrator or any other Governmental Authority in connection with the Related Documents or the Water System (including the Project) that are pending.

EXHIBIT H-2

OPINIONS REQUIRED FROM COUNSEL TO AUTHORITY

An opinion of the counsel of the Authority, dated as of the Effective Date, to the effect that:

(a) the Authority is a joint exercise of powers agency duly formed, validly existing, and in good standing under the laws of the State of California;

(b) the Authority has all requisite power and authority to conduct its business and to execute and deliver, and to perform its obligations under the WIFIA Loan Documents to which it is a party;

(c) the resolution of the Authority approving and authorizing the execution and delivery of the WIFIA Loan Documents to which the Authority is a party (the "**Authority Resolution**") was duly adopted at a meeting of the Board of Directors of the Authority on [__], which was duly called and held pursuant to law and with all public notice required by law, if necessary, and at which a quorum was present and acting throughout, and the Authority Resolution is in full force and effect and has not been modified, amended, rescinded or repealed;

(d) the execution and delivery by the Authority of, and the performance of its respective obligations under, the WIFIA Loan Documents to which it is a party, have been duly authorized by all necessary organizational or regulatory action, and other than the Authority's Organizational Documents and the WIFIA Loan Documents to which it is a party, no further instruments or documents are necessary for the Authority to execute and deliver, and to perform its obligations under, the WIFIA Loan Documents to which it is a party and to consummate and implement the transactions contemplated by the WIFIA Loan Documents;

(e) the Authority has duly executed and delivered each WIFIA Loan Document to which it is a party and each such WIFIA Loan Document constitutes the legal, valid and binding obligation of such party, enforceable against such party in accordance with their respective terms;

(f) no authorization, consent, or other approval of, or registration, declaration or other filing with any governmental authority of the United States of America or of the State of California is required on the part of the Authority for the execution and delivery by the Authority of, and the performance of the Authority under, any WIFIA Loan Document to which it is a party other than authorizations, consents, approvals, registrations, declarations and filings that have already been timely obtained or made by the Authority;

(g) the execution and delivery by the Authority of, and compliance with the provisions of, the WIFIA Loan Documents to which it is a party in each case do not (i) violate the Organizational Documents of the Authority, (ii) violate the law of the United States of America or of the State of California or (iii) conflict with or constitute a breach of or default under any material agreement or other instrument known to such counsel to which the Authority is a party, or to the best of such counsel's knowledge, after reasonable review, any court order, consent decree, statute, rule, regulation or any other law to which the Authority is subject;

(h) the Authority is not an investment company required to register under the Investment Company Act of 1940, as amended; and

(i) to the knowledge of such counsel after due inquiry, there are no actions, suits, proceedings or investigations against the Authority by or before any court, arbitrator or any other Governmental Authority in connection with the Related Documents or the Water System (including the Project) that are pending.

EXHIBIT H-3

OPINIONS REQUIRED FROM BOND COUNSEL

An opinion of bond counsel, dated as of the Effective Date, to the effect that:

(a) the City is a charter city, organized and existing under the laws of the State, with the power to adopt the City Resolution, enter into the WIFIA Installment Purchase Agreement, the WIFIA Loan Agreement and exhibits thereto, and perform the agreements on its part contained therein;

(b) the City has the right and power under the laws of the State, including the City Act, to enter into the WIFIA Installment Purchase Agreement, the WIFIA Loan Agreement and exhibits thereto, and each has been duly authorized, executed and delivered by and on behalf of the City, is in full force and effect, and constitutes a legal, valid and binding agreement of the City enforceable against the City in accordance with its respective terms and conditions;

(c) the Authority is a joint exercise of powers agency duly formed, validly existing, and in good standing under the laws of the State, with the power to adopt the Authority Resolution, enter into the WIFIA Installment Purchase Agreement, the WIFIA Loan Agreement and exhibits thereto, and perform the agreements on its part contained therein;

(d) the Authority has the right and power under the laws of the State to enter into the WIFIA Installment Purchase Agreement, the WIFIA Loan Agreement and exhibits thereto, and each has been duly authorized, executed and delivered by and on behalf of the Authority, is in full force and effect, and constitutes a legal, valid and binding agreement of the Authority enforceable against the Authority in accordance with its respective terms and conditions;

(e) the WIFIA Note (i) is secured by a lien on and security interest in the moneys and Permitted Investments held by the Trustee, including the Bond Payment Fund, (ii) is enforceable under the laws of the State without any further action by the Authority, the City, the Trustee or any other Person, and (iv) has been validly issued and is entitled to the benefits granted under the WIFIA Indenture;

(f) the WIFIA Installment Payments are (i) secured by a valid Lien on the Pledged Revenues on a parity in right of payment and right of security to the Lien on the Pledged Revenues in favor of the other Parity Obligations and senior in right of payment and right of security to any Lien on the Pledged Revenues in favor of the Subordinated Obligations, (ii) Parity Obligations, entitled to all of the benefits of Parity Obligations under the WIFIA Loan Documents and all other Parity Obligation Documents and (iii) enforceable under the laws of the State without any further action by the City or any other Person;

(g) the WIFIA Installment Purchase Agreement creates the valid and binding assignment and pledge of and lien on and security interest in the Pledged Revenues to secure the payment of the WIFIA Installment Payments as provided therein, irrespective of whether any party has notice of the pledge and without the need for any physical delivery, recordation, filing or further act;

(h) all actions by the City that are required for the application of Pledged Revenues as required under the WIFIA Installment Purchase Agreement and under the WIFIA Loan Agreement have been duly and lawfully made; and

(i) the City has complied with the requirements of State law to lawfully pledge the Pledged Revenues and use the Pledged Revenues as required by the terms of the WIFIA Installment Purchase Agreement and the WIFIA Loan Agreement.