



S&S DRAFT 4/5/22
WIFIA CUSIP Number: [●]

**UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY**

WIFIA LOAN AGREEMENT

For Up to \$441,169,005

With

**JOINT OUTFALL DISTRICTS OF THE COUNTY SANITATION
DISTRICTS OF LOS ANGELES COUNTY**

For the

**JOINT WATER POLLUTION CONTROL PLANT EFFLUENT
OUTFALL TUNNEL PROJECT
(WIFIA ID – 18114CA)**

Dated as of [●], 2022

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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 Borrowers (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 (“**WIFIA**”), § 5021 *et seq.* of Public Law 113-121 (as amended, and as may be further amended from time to time, the “**Act**”), which is codified as 33 U.S.C. §§ 3901-3914;

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 Borrowers have requested that the WIFIA Lender make the WIFIA Loan (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, pursuant to the WIFIA Term Sheet (as defined herein), the Administrator has approved WIFIA financial assistance for the Project (as defined herein) to be provided in the form of the WIFIA Loan, subject to the terms and conditions contained herein;

WHEREAS, based on the Application and the representations, warranties and covenants set forth herein, the WIFIA Lender proposes to make funding available to the Borrowers for a portion of the costs of the Project through the issuance of the WIFIA Note (as defined herein), upon the terms and conditions set forth herein;

WHEREAS, each Borrower agrees to repay any amount due from it pursuant to this Agreement and the WIFIA Note in accordance with the terms and provisions hereof and of the WIFIA Note; and

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

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 Borrowers 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 **Error! Reference source not found.** 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 ascribed to such term in the recitals hereto.

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

“**Additional Obligations Test**” has the meaning ascribed to such term in **Part Error! Reference source not found. of Schedule Error! Reference source not found. (WIFIA Loan Specific Terms)**.

“**Additional Senior Obligations**” means, with respect to any Borrower, any Senior Obligations of such Borrower permitted under **Error! Reference source not found. (Indebtedness)** and under the Master Obligation Agreement, which Senior Obligations are issued or incurred after the Effective Date.

“**Administrator**” has the meaning ascribed to such term in the preamble hereto.

“**Agreement**” has the meaning ascribed to such term in the preamble hereto.

“**Application**” means the Borrowers’ 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 Error! Reference source not found. of Schedule Error! Reference source not found. (WIFIA Loan Specific Terms)**.

“**Bankruptcy Related Event**” means, with respect to any Borrower, (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 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 or for a substantial part of the assets thereof and, in any case referred to in the foregoing subclauses (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 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) fail to make a payment of WIFIA Debt Service in accordance with the provisions of **Error! Reference source not found. (Repayments)**

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 referred to in the foregoing subclauses (i) through (v), inclusive, of this clause (b), or (viii) take any action for the purpose of effecting any of the foregoing; (c) (i) if applicable, any Person shall commence a process pursuant to which all or a substantial part of such Borrower's 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 any Obligations, or (ii) any Person shall commence a process pursuant to which all or a substantial part of such Borrower's Collateral may be sold or otherwise disposed of pursuant to a sale or disposition of such Borrower's Collateral in lieu of foreclosure; or (d) any receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official shall transfer, pursuant to directions issued by any Oblige, funds on deposit in any of the Funds and Accounts of such Borrower upon the occurrence and during the continuation of an Event of Default under this Agreement or an Obligation Default Event for application to the prepayment or repayment of any principal amount of the Obligations other than in accordance with the provisions of the Master Obligation Agreement.

“Base Case Financial Model” means the financial model or plan, prepared by the Project Manager (on behalf of the Borrowers) and delivered to the WIFIA Lender as part of the Application, forecasting the capital costs of each Sewerage System (including the Project) and the estimated debt service coverage, rates, revenues, operating expenses and major maintenance requirements of each Sewerage System (as may be applicable) for the Forecast Period and based upon assumptions and methodology provided by the Borrowers 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 Fiscal Year” means (a) as of the Effective Date, the Initial Borrower Fiscal Year or (b) such other fiscal year as the Borrowers, collectively, may hereafter adopt after giving (or causing the Project Manager to give) thirty (30) days' prior written notice to the WIFIA Lender in accordance with **Part** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*Reporting Requirements*).

“Borrowers” has the meaning ascribed to such term in **Part** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*Loan Specific Terms*).

“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 Master Trustee Location or the Project Location.

“Capitalized Interest Period” has, if applicable, the meaning ascribed to such term in **Part** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*WIFIA*

Loan Specific Terms), or if designated as “Not Applicable” in **Schedule** Error! Reference source not found., means capitalized interest shall not be applicable with respect to the WIFIA Loan hereunder.

“**Closing Certificate**” has the meaning ascribed to such term in **Error! Reference source not found.** (*Conditions Precedent to Effectiveness*).

“**Collateral**” has the meaning ascribed to such term in **Part** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*WIFIA Loan Specific Terms*).

“**Construction Contract**” means, with respect to the Project, any prime contract entered into by the Borrowers (or the Project Manager on behalf of the Borrowers) 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** Error! Reference source not found. (*Form of Construction Monitoring Report*), unless otherwise agreed to be in a different form by the WIFIA Lender.¹

“**Construction Period**” means the period from the Effective Date through (and including) the end of the Federal Fiscal Year during which the Substantial Completion Date occurs.

“**Construction Period Servicing Fee**” has the meaning ascribed to such term in **Part** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*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** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*Project Details*), and (b) any updates thereto included in the Construction Monitoring Report most recently submitted to the WIFIA Lender in accordance with **Part** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*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>.

“**Debt Service Payment Commencement Date**” means the earliest to occur of (a) March 15, 2028; (b) the first Payment Date immediately following the later of (i) the first Disbursement or (ii) if there is a Capitalized Interest Period, the Payment Date immediately following the end of

¹ **Note to LACSD:** The WIFIA Program has flexibility to accept the form of existing quarterly reports that the Project Manager is already preparing, instead of the form in **Exhibit Error! Reference source not found.**, so long as such other format provides sufficient reporting information required by the WIFIA Program. If you would prefer to use an existing form of quarterly report, please provide a copy for EPA’s review.

the Capitalized Interest Period, in each case as set forth in the WIFIA Loan Amortization Schedule; and (c) the Payment Date falling closest to, but not later than, the fifth (5th) anniversary of the Substantial Completion Date.

“**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** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*WIFIA Loan Specific Terms*).

“**Development Default**” means (a) the Borrowers (or the Project Manager on behalf of the Borrowers) abandon work or fail, in the reasonable judgment of the WIFIA Lender, to diligently prosecute the work related to the Project or (b) the Borrowers (or the Project Manager on behalf of the Borrowers) fail 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 any Borrower or the Project Manager (and which such Borrower or the Project Manager 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** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*WIFIA Loan Specific Terms*).

“**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.

“**DUNS Number**” means, with respect to any Person, a Data Universal Numbering System number issued by Dun and Bradstreet (or a successor entity) or any subsequent number issued by the Federal Government (including through SAM.gov) as the unique entity identifier for such Person.

“**Effective Date**” means the date of this Agreement, as specified in **Part** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*WIFIA Loan Specific Terms*).

“**Eligible Project Costs**” means amounts in the Project Budget approved by the WIFIA Lender, which are paid by or for the account of the Borrowers 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 Loan) 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 (including, to the extent such documentation relates to construction progress payments for Eligible Project Costs, a demonstration that such progress payments are commensurate with the cost of the work that has been completed).

“EMMA” means the Electronic Municipal Market Access system as described in Securities and Exchange Commission Release No. 59062 and maintained by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, and its successors.

“EPA” has the meaning ascribed to such term in the preamble hereto.

“Event of Default” has the meaning ascribed to such term in **Error! Reference source not found.** (*Events of Default and Remedies*).

“Event of Loss” means any event or series of events that causes any portion of any Borrower’s Sewerage 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 Error! Reference source not found. of Schedule Error! Reference source not found.** (*Project Details*).

“Existing Indebtedness” means Obligations of the Borrowers that have been issued or incurred prior to the Effective Date, as listed and described in **Part Error! Reference source not found. of Schedule Error! Reference source not found.** (*Borrower Disclosures*).

“Existing Joint Outfall Agreement” means that certain Joint Outfall Agreement, made as of July 1, 2020, by and among the Borrowers.

“**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 Project Manager (on behalf of the Borrowers) 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 **Error! Reference source not found.** (*Events of Default and Remedies*); and (e) the date that is one (1) year after the Substantial Completion Date.

“**Final Maturity Date**” has the meaning ascribed to such term in **Part Error! Reference source not found.** of **Schedule Error! Reference source not found.** (*WIFIA Loan Specific Terms*).

“**Financial Statements**” has the meaning ascribed to such term in **Error! Reference source not found.** (*Financial Statements*).

“**Flow of Funds**” has the meaning ascribed to such term in **Part Error! Reference source not found.** of **Schedule Error! Reference source not found.** (*WIFIA Loan Specific Terms*).

“**Forecast Period**” means, as of any date, the time period from and including the then-current Borrower Fiscal Year until the later ending date of either (a) the five (5) immediately succeeding Borrower Fiscal Years or (b) the end of the Borrower Fiscal Year in which the Borrowers’ then-currently effective capital improvement plans for the Sewerage Systems conclude.

“**Funds and Accounts**” has the meaning ascribed to such term in **Part Error! Reference source not found.** of **Schedule Error! Reference source not found.** (*WIFIA Loan Specific Terms*).

“**GAAP**” means those principles of accounting set forth in pronouncements of the Governmental Accounting Standards Board and any successor thereto, pronouncements of the Financial Accounting Standards Board and any successor thereto or pronouncements of the American Institute of Certified Public Accountants, as such principles are from time to time supplemented, amended or otherwise modified.

“**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.

“**Indemnitee**” has the meaning ascribed to such term in **Error! Reference source not found.** (*Indemnification*).

“**Initial Borrower Fiscal Year**” has the meaning ascribed to such term in **Part Error! Reference source not found. of Schedule Error! Reference source not found.** (*Loan Specific Terms*).

“**Initial Construction Period Servicing Fee**” has the meaning ascribed to such term in **Part Error! Reference source not found. of Schedule Error! Reference source not found.** (*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 Error! Reference source not found. of Schedule Error! Reference source not found.** (*WIFIA Loan Specific Terms*), or if designated as “Not Applicable” in **Schedule Error! Reference source not found.**, 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 Error! Reference source not found. of Schedule Error! Reference source not found.** (*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.

“**Joint Administration Agreement**” means that certain Amended Joint Administration Agreement, effective September 10, 2014, by and among the Borrowers, County Sanitation District No. 4 of Los Angeles County, County Sanitation District No. 9 of Los Angeles County, County Sanitation District No. 14 of Los Angeles County, County Sanitation District No. 20 of Los Angeles County, County Sanitation District No. 27 of Los Angeles County, Newhall Ranch Sanitation District of Los Angeles County and Santa Clarita Valley Sanitation District of Los Angeles County.

“**Joint Outfall Agreement**” means (a) the Existing Joint Outfall Agreement and (b) from and after July 1, 2022, if the Replacement Joint Outfall Agreement is effective as of such date, the Replacement Joint Outfall Agreement.

“**Joint Outfall System**” has the meaning ascribed to such term in the Joint Outfall Agreement.

“**JWPCP**” has the meaning ascribed to such term in **Part** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*WIFIA Loan Specific Terms*).

“**Legal Entity**” has the meaning ascribed to such term in **Part** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*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.

“**Master Obligation Agreement**” has the meaning ascribed to such term in **Part** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*WIFIA Loan Specific Terms*).

“**Master Trustee**” has, if applicable, the meaning ascribed to such term in **Part** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*WIFIA Loan Specific Terms*), or if designated as “Not Applicable” in **Schedule** Error! Reference source not found., means a trustee shall not be applicable with respect to the WIFIA Loan hereunder.

“**Master Trustee Location**” has, if applicable, the meaning ascribed to such term in **Part** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*WIFIA Loan Specific Terms*), or if designated as “Not Applicable” in **Schedule** Error! Reference source not found., means a trustee location shall not be applicable with respect to the WIFIA Loan hereunder.

“**Material Adverse Effect**” means, with respect to any Borrower, a material adverse effect on (a) such Borrower’s Sewerage System, the Project or such Borrower’s Collateral, (b) the business, operations, properties, condition (financial or otherwise) or prospects of such Borrower, (c) the legality, validity or enforceability of any material provision of any Related Document to which such Borrower is a party, (d) the ability of such Borrower to enter into, perform or comply with any of its material obligations under any Related Document to which it is a party, (e) the validity, enforceability or priority of the Liens provided under the Obligation Documents on such Borrower’s 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** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*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.

“**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** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*WIFIA Loan Specific Terms*).

“**Net Proceeds**” has the meaning ascribed to such term in the Master Obligation Agreement.

“**Net Revenues**” has the meaning ascribed to such term in the Master Obligation Agreement.

“**Obligation Documents**” means the Master Obligation Agreement and each Obligation Instrument.

“**Obligation Instrument**” has the meaning ascribed to such term in the Master Obligation Agreement.

“**Obligations**” has the meaning ascribed to such term in the Master Obligation Agreement.

“**Obligee**” has the meaning ascribed to such term in the Master Obligation Agreement.

“**Operating Fund**” has the meaning ascribed to such term in **Part** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*WIFIA Loan Specific Terms*).

“**Operating Period Servicing Fee**” has the meaning ascribed to such term in **Part** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*WIFIA Loan Specific Terms*).

“**Operation and Maintenance Costs**” has the meaning ascribed to such term in the Master Obligation Agreement.

“**Organizational Documents**” means, with respect to a Borrower, (a) the constitutional and statutory provisions (including any amendments, modifications or supplements thereto) that are the basis for the existence and authority of such Borrower, including any enabling statutes, ordinances or public charters and any other organic laws establishing such Borrower and (b) the resolutions, bylaws, or other organizational documents (including any amendments, modifications or supplements thereto) of or adopted by such Borrower by which such Borrower, its powers, operations or procedures or its securities, bonds, notes or other obligations are governed or from which such powers are derived.

“**Outstanding**” has the meaning ascribed to such term in the Master Obligation Agreement.

“**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 Date**” means each Interest Payment Date and each Principal Payment Date.

“**Payment Default**” has the meaning ascribed to such term in **Error! Reference source not found.** (*Payment Default*).

“**Permitted Debt**” means, with respect to any Borrower:

- (a) Existing Indebtedness of such Borrower;
- (b) the WIFIA Loan;
- (c) Additional Senior Obligations of such Borrower;
- (d) Subordinate Obligations of such Borrower; and
- (e) indebtedness of such Borrower incurred under Qualified Swap Agreements.

“**Permitted Investments**” has the meaning ascribed to such term in the Master Obligation Agreement.

“**Permitted Liens**” means:

- (a) Liens imposed pursuant to the Related Documents;
- (b) Liens imposed by law, including Liens for taxes that are not yet due or are being contested in compliance with **Error! Reference source not found.** (*Material Obligations*);
- (c) 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 **Error! Reference source not found.** (*Material Obligations*);
- (d) pledges and deposits made in the ordinary course of business in compliance with workers’ compensation, unemployment insurance, and other social security laws or regulations;
- (e) 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;
- (f) judgment Liens in respect of judgments that do not constitute an Event of Default under **Error! Reference source not found.** (*Material Adverse Judgment*); and
- (g) 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 Borrower.

“**Person**” means an individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“**Principal Payment Date**” has the meaning ascribed to such term in **Part** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*WIFIA Loan Specific Terms*).

“**Project**” has the meaning ascribed to such term in **Part** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*WIFIA Loan Specific Terms*).

“**Project Budget**” means the budget for the Project attached to this Agreement as **Part** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*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** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*Loan Specific Terms*).

“**Project Manager**” means County Sanitation District No. 2 of Los Angeles County, in its capacity as agent of (a) the Borrowers and certain other sanitation districts of Los Angeles County pursuant to Section 1 of the Joint Administration Agreement and (b) the Borrowers pursuant to Section 3 of the Joint Outfall Agreement.

“**Project Manager’s Authorized Representative**” means any Person designated as such pursuant to **Error! Reference source not found.** (*Project Manager’s Authorized Representative*).

“**Projected Substantial Completion Date**” has the meaning ascribed to such term in **Part** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*WIFIA Loan Specific Terms*).

“**Public Benefits Report**” means the report, in the form attached hereto as **Exhibit** Error! Reference source not found. (*Form of Public Benefits Report*).

“**Qualified Swap Agreement**” has the meaning ascribed to such term in the Master Obligation Agreement.

“**Rate Covenant**” has the meaning ascribed to such term in **Part** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*WIFIA Loan Specific Terms*).

“**Related Documents**” means the WIFIA Loan Documents, the Obligation Documents, the Joint Outfall Agreement and the Joint Administration Agreement.

“**Replacement Joint Outfall Agreement**” means that certain Joint Outfall Agreement, effective as of July 1, 2022, by and among the Borrowers.

“**Requisition**” means the request for Disbursement in the form attached hereto as **Exhibit** Error! Reference source not found. (*Form of Requisition*).

“**Revenues**” has the meaning ascribed to such term in **Part** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*WIFIA Loan Specific Terms*).

“**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.

“**Senior Contract**” has the meaning ascribed to such term in the Master Obligation Agreement.

“**Senior Obligation Instrument**” has the meaning ascribed to such term in the Master Obligation Agreement.

“**Senior Obligation Payment Fund**” has the meaning ascribed to such term in the Master Obligation Agreement.

“**Senior Obligations**” means, with respect to a Borrower, all obligations of such Borrower that (a) qualify as “Senior Obligations” under and as defined in the Master Obligation Agreement and (b) are permitted under **Error! Reference source not found.** (*Indebtedness*).

“**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** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*WIFIA Loan Specific Terms*).

“**Sewage Unit**” has the meaning ascribed to such term in the Master Obligation Agreement.

“**Sewerage System**” has the meaning ascribed to such term in **Part** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*WIFIA Loan Specific Terms*).

“**Shared Project**” has the meaning ascribed to such term in the Master Obligation Agreement.

“**Shared Project Group**” has the meaning ascribed to such term in the Master Obligation Agreement.

“**Shared Project Obligation**” has the meaning ascribed to such term in the Master Obligation Agreement.

“**Shared Project Percentage**” means, with respect to any Borrower, for any period, the percentage, specified in decimal form, of the quotient of (a) the number of Sewage Units

attributable to such Borrower for such period, divided by (b) the aggregate number of Sewage Units attributable to all of the Borrowers for such period (which methodology for determining such Shared Project Percentage conforms to the methodology by which costs of the Joint Outfall System are allocated among the Borrowers pursuant to the Joint Outfall Agreement). The Shared Project Percentage with respect to each Borrower as of the Effective Date is set forth on **Schedule Error! Reference source not found.** (*Shared Project Percentages*).

“**Solid Waste System**” means, with respect to any Borrower, the whole and each and every part of the solid waste collection, transfer, treatment, disposal, processing and storage facilities owned by such Borrower, or in which such Borrower has an ownership interest, and all resource recovery facilities, waste-to-energy facilities, landfills, recycling facilities, transfer stations, collection equipment and rail transportation facilities and equipment owned by such Borrower, or in which such Borrower has an ownership interest, and any and all facilities and equipment owned by such Borrower, or in which such Borrower has an ownership interest, related to the interconnection of such Solid Waste System to any purchaser of energy generated through the operation of such Solid Waste System, and other real and personal property, fixtures, rights therein, rights-of-way, easements and other interests constituting a part thereof.

“**State**” has the meaning ascribed to such term in **Part Error! Reference source not found.** of **Schedule Error! Reference source not found.** (*WIFIA Loan Specific Terms*).

“**Subordinate Obligations**” means, with respect to a Borrower, all obligations of such Borrower that (a) qualify as “Subordinate Obligations” under and as defined in the Master Obligation Agreement and (b) are permitted under **Error! Reference source not found.** (*Indebtedness*).

“**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 Project Manager (on behalf of the Borrowers) certifies to the WIFIA Lender, with evidence satisfactory to the WIFIA Lender and notice to the WIFIA Lender in accordance with **Part Error! Reference source not found.** of **Schedule Error! Reference source not found.** (*Reporting Requirements*), that Substantial Completion has occurred.

“**Support Group**” has the meaning ascribed to such term in the Master Obligation Agreement.

“**Supported Obligation**” has the meaning ascribed to such term in the Master Obligation Agreement.

“**Supported Project**” has the meaning ascribed to such term in the Master Obligation Agreement.

“**Total Project Costs**” means (a) the costs paid or incurred or to be paid or incurred by the Borrowers (or the Project Manager on behalf of the Borrowers) 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 Related Documents 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 of the Borrowers (other than the WIFIA Loan), 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 Project Manager or the Borrowers for the commencement of operation of the Project, including general administrative expenses and overhead of the Project Manager or the Borrowers.

“**Uncontrollable Force**” means, with respect to any Borrower, any cause beyond the control of such Borrower, 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, pandemic, or act of God (provided that such Borrower shall not be required to settle any strike or labor disturbance in which they 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 such Borrower and such Borrower 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 such Borrower.

“**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** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*Reporting Requirements*).

“**U.S.**” means the United States of America.

“**WIFIA**” has the meaning ascribed to such term in the recitals hereto.

“**WIFIA CUSIP Number**” has the meaning ascribed to such term in **Part** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*WIFIA Loan Specific Terms*).

“**WIFIA Debt Service**” means with respect to any Payment Date occurring on or after the Debt Service Payment Commencement Date, the principal portion of the WIFIA Loan Balance and any interest payable thereon (including interest accruing after the date of any filing by any Borrower of any petition in bankruptcy or the commencement of any bankruptcy, insolvency or similar proceeding with respect to such Borrower and interest accruing at the Default Rate during the continuance of an Event of Default), in each case, (a) as set forth on the WIFIA Loan Amortization Schedule and (b) due and payable on such Payment Date in accordance with the provisions of **Error! Reference source not found.** (*Payment of WIFIA Debt Service*).

“**WIFIA Debt Service Account**” has, if applicable, the meaning ascribed to such term in **Part** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*WIFIA*

Loan Specific Terms), or if designated as “Not Applicable” in **Schedule** Error! Reference source not found., means a separate debt service account 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** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*WIFIA Loan Specific Terms*), or if designated as “Not Applicable” in **Schedule** Error! Reference source not found., means a separate debt service reserve account 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** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*WIFIA Loan Specific Terms*), or if designated as “Not Applicable” in **Schedule** Error! Reference source not found., means a separate debt service reserve requirement shall not be applicable with respect to the WIFIA Loan hereunder.

“**WIFIA Interest Rate**” has the meaning ascribed to such term in **Part** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*WIFIA Loan Specific Term*).

“**WIFIA Lender**” has the meaning ascribed to such term in the preamble hereto.

“**WIFIA Lender’s Authorized Representative**” means the Administrator and any other Person who shall be designated as such pursuant to **Error! Reference source not found.** (*WIFIA Lender’s Authorized Representative*).

“**WIFIA Loan**” means the secured loan made by the WIFIA Lender to the Borrowers on the terms and conditions set forth herein, pursuant to the Act, in a principal amount not to exceed the Maximum Principal Amount, the proceeds of which shall be applied to pay Eligible Project Costs.

“**WIFIA Loan Amortization Schedule**” means the loan amortization schedule reflected in **Schedule** Error! Reference source not found. (*WIFIA Loan Amortization Schedule*), as amended from time to time in accordance with **Error! Reference source not found.** (*Adjustments to WIFIA Loan Amortization Schedule*).

“**WIFIA Loan Balance**” means (a) the aggregate principal amount of the WIFIA Loan disbursed by the WIFIA Lender to the Borrowers hereunder, *plus* (b) if applicable, capitalized interest added to the principal balance of the WIFIA Loan pursuant to **Error! Reference source not found.** (*Payments of WIFIA Debt Service*), *minus* (c) the aggregate principal amount of the WIFIA Loan repaid or prepaid by the Borrowers, as reflected from time to time in the WIFIA Loan Amortization Schedule in accordance with **Error! Reference source not found.** (*Adjustments to WIFIA Loan Amortization Schedule*).

“**WIFIA Loan Disbursement Schedule**” means the disbursement schedule set forth in **Schedule** Error! Reference source not found. (*WIFIA Loan Amortization Schedule*), reflecting the anticipated disbursement of proceeds of the WIFIA Loan, as such schedule may be amended from time to time pursuant to **Error! Reference source not found.** (*Disbursement Conditions*).

“**WIFIA Loan Documents**” means this Agreement, the WIFIA Note and the Master Obligation Agreement.

“**WIFIA Note**” has, if applicable, the meaning ascribed to such term in **Part E of Schedule** Error! Reference source not found. (*WIFIA Loan Specific Terms*), or if designated as “Not Applicable” in **Schedule** Error! Reference source not found., means a note as evidence of the applicable Borrower’s Obligation shall not be applicable with respect to the WIFIA Loan hereunder.

“**WIFIA Resolutions**” has the meaning ascribed to such term in **Part** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*WIFIA Loan Specific Terms*).

“**WIFIA Term Sheet**” has the meaning ascribed to such term in **Part** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*WIFIA Loan Specific Terms*).

Section 2. Interpretation. The rules of interpretation set forth below in this **Error! Reference source not found.** 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 the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders and vice versa.

(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’s knowledge is implicated in this Agreement or the phrase “to such Borrower’s knowledge” or a similar phrase is used in this Agreement, such Borrower’s knowledge or such phrase(s) shall be interpreted to mean to the best of such Borrower’s knowledge after reasonable and diligent inquiry. Unless the context shall otherwise require, references to any Person shall be deemed to include such Person’s successors and permitted assigns.

(f) Unless the context shall otherwise require, references to the preamble, recitals, sections, subsections, clauses, schedules, exhibits, appendices and provisions are to the preamble to, or the applicable 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 **Error! Reference source not found.** (*Notices*) and signed by a duly authorized representative of such party.

(k) 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 Note. Whenever there is a prepayment of the WIFIA Loan, it is intended that such prepayment be implemented through a prepayment of the WIFIA Note.

(l) Whenever this Agreement sets forth an interest rate, such interest rate shall be computed on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months.

(m) With respect to any provision of the Master Obligation Agreement that is incorporated by reference herein, each reference to “District” in such provision shall be deemed to be a reference to “Borrower” hereunder.

ARTICLE II THE WIFIA LOAN

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

Section 4. Disbursement Conditions.

(a) WIFIA Loan proceeds shall be disbursed solely in respect of Eligible Project Costs paid or incurred and approved for payment by or on behalf of the Borrowers in connection with the Project, including, for the avoidance of doubt, Eligible Project Costs that were initially funded with Interim Financing proceeds. Each Disbursement shall be made pursuant to the procedures of **Schedule Error! Reference source not found.** (*Requisition Procedures*) and subject to the requirements of this **Error! Reference source not found.** and the conditions set forth in **Error! Reference source not found.** (*Conditions Precedent to Disbursements*); provided that no Disbursement shall be made after the Final Disbursement Date.

(b) Subject to this **Error! Reference source not found.**, 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 Loan Amortization Schedule) without need for the WIFIA Lender's approval. The Project Manager 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 Loan Amortization 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 Loan Amortization Schedule as of the Effective Date.

Section 5. Term. The term of the WIFIA Loan shall extend from the Effective Date to the Final Maturity 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. Each Borrower shall pay interest on its respective Shared Project Percentage of the WIFIA Loan Balance at the WIFIA Interest Rate; provided that, upon the occurrence of an Event of Default with respect to any Borrower, each Borrower shall pay interest on its respective Shared Project Percentage of the WIFIA Loan Balance at the 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 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 has been irrevocably paid in full in immediately available funds. Interest shall (x) accrue on the WIFIA Loan commencing on the date of the first Disbursement, (y) be payable commencing on the Debt Service Payment Commencement Date and (z) be computed on the WIFIA Loan Balance on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months.

Section 7. Security and Priority; Flow of Funds; Shared Project Obligations; Supported Obligations.

(a) Senior Obligations; Senior Obligation Instruments. The WIFIA Loan payments payable by each Borrower under this Agreement, which are equal to such Borrower's Shared Project Percentage of the WIFIA Loan payments, are hereby designated as Senior Obligations of such Borrower. Such payments of each Borrower being so designated as Senior Obligations of such Borrower, this Agreement, pursuant to the Master Obligation Agreement, constitutes a Senior Contract with respect to such Borrower and, consequently, a Senior Obligation Instrument with respect to such Borrower. As evidence of each Borrower's obligation to repay its Shared Project Percentage of the WIFIA Loan payments, the Borrowers shall issue and deliver to the WIFIA Lender, on or prior to the Effective Date, the WIFIA Note. The WIFIA Note (being a promissory note executed and delivered by each Borrower that evidences such Borrower's Senior Obligations under this Agreement), pursuant to the Master Obligation Agreement, constitutes a

Senior Contract with respect to each Borrower and, consequently, a Senior Obligation Instrument with respect to such Borrower.

(b) Security and Priority. Pursuant to the Master Obligation Agreement, each Borrower, in order to secure the payment of its Senior Obligations (including the WIFIA Loan), and to secure the performance and observance of all of the covenants and agreements of such Borrower contained in the Obligation Instruments pursuant to which such Senior Obligations are incurred (including this Agreement) and the Master Obligation Agreement, has granted a Lien on and a security interest in, and has pledged to and for the benefit of the Obligees with respect to its Senior Obligations (including the WIFIA Lender), all of such Borrower's Collateral. Such pledge of each Borrower constitutes a first Lien on and security interest in the Collateral of such Borrower, which has attached to such assets and is effective, binding and enforceable against such Borrower, its successors, purchasers of any of such assets, creditors and all others asserting rights therein, to the extent set forth in, and in accordance with, the Master Obligation Agreement, irrespective of whether such parties have notice of the Lien on, security interest in and pledge of such assets and without the need for any physical delivery, recordation, filing or further act.

(c) Flow of Funds. Amounts deposited in each Borrower's Operating Fund shall be applied in the order of priority described in, and in accordance with, the Flow of Funds.

(d) Shared Project Obligations. The WIFIA Loan payments are Shared Project Obligations. The members of the Shared Project Group for the WIFIA Loan payments are the Borrowers. The Shared Project is the Project. The Shared Project Percentage (as defined in the Master Obligation Agreement) with respect to a Borrower is the Shared Project Percentage (as defined in this Agreement) with respect to such Borrower, and each Borrower shall be responsible only for its Shared Project Percentage of the costs of the Project and shall not be responsible for the Shared Project Percentage of such costs of any other Borrower.

(e) Supported Obligations. The WIFIA Loan payments are both Shared Project Obligations and Supported Obligations. The Borrowers, which constitute the members of the Shared Project Group for the WIFIA Loan payments, also constitute the members of the Support Group for the WIFIA Loan payments. The Project, which constitutes the Shared Project, also constitutes the Supported Project. The Shared Project Percentage (as defined in the Master Obligation Agreement) for each Borrower with respect to the Shared Project, which is the Shared Project Percentage (as defined in this Agreement) with respect to such Borrower, is also the Shared Project Percentage (as defined in the Master Obligation Agreement) for such Borrower with respect to the Supported Project. The provisions of Section 3.04(a) of the Master Obligation Agreement are expressly incorporated herein and each Borrower expressly agrees to be bound by the provisions of such Section 3.04(a).

(f) Special Limited Obligations.

(i) The obligation of each Borrower to pay its Shared Project Percentage of WIFIA Loan payments is a special, limited obligation of such Borrower payable, in the manner provided in the Master Obligation Agreement, solely from its Net Revenues and the other assets pledged to the payment thereof under the Master Obligation Agreement, and does not constitute a debt of such Borrower or of the State or of any

political subdivision thereof in contravention of any constitutional or statutory debt limit or restriction.

(ii) Neither the faith and credit nor the taxing power of a Borrower or the State or any political subdivision thereof is pledged to the payment of the WIFIA Debt Service by such Borrower.

(iii) By entering into this Agreement, the WIFIA Lender acknowledges that it has no right to payment of any Borrower's Shared Project Percentage of WIFIA Loan payments from any source other than such Borrower's Net Revenues and the other assets of such Borrower pledged to the payment thereof under the Master Obligation Agreement.

(iv) None of the income or revenue from the ownership or operation of a Borrower's Solid Waste System, or any real or personal property, or any interest therein, constituting a part thereof, or any other assets of such Solid Waste System, secures, is pledged to or is available, under any circumstances, for the payment of such Borrower's Shared Project Percentage of WIFIA Loan payments.

(v) The provisions of this Section 7(f) shall not be amended, supplemented or otherwise modified, except to reflect amendments, supplements or other modifications to the Master Obligation Agreement addressing such matters.

(g) Limitations on Rights; Rights of the Master Trustee.

(i) The rights and obligations of each Borrower and the WIFIA Lender hereunder and under the WIFIA Note shall, in all respects, be subject to the rights and obligations of, and the restrictions and limitations on, such Borrower and the WIFIA Lender under and as provided in the Master Obligation Agreement.

(ii) Upon the occurrence and during the continuance of an Event of Default (as defined in the Master Obligation Agreement) with respect to a Borrower, the Master Trustee shall be entitled to exercise rights and take action with respect to such Event of Default in accordance with, and subject to, the provisions of Article VI of the Master Obligation Agreement; provided that the WIFIA Lender shall have and be entitled to exercise any and all such rights as are granted thereto under and pursuant to, but subject to the provisions of, such Article VI, including requesting or directing the Master Trustee to take or refrain from taking certain actions as specified therein.

(iii) The WIFIA Lender, by entering into this Agreement, acknowledges and agrees that the Master Trustee is vested with all the moneys, estates, properties, rights, powers, trusts, duties, obligations and protections set forth or provided for in the Master Obligation Agreement and the WIFIA Lender irrevocably authorizes the Master Trustee, subject to the provisions of the Master Obligation Agreement, to take such actions and execute such rights, powers and duties as are granted to the Master Trustee by the terms of the Master Obligation Agreement.

(iv) The provisions of this Section 7(g) shall not be amended, supplemented or otherwise modified, except to reflect amendments, supplements or other modifications to the Master Obligation Agreement addressing such matters.

Section 8. Repayments.

(a) Payment of WIFIA Debt Service.

(i) No WIFIA Debt Service shall be due or payable prior to the Debt Service Payment Commencement Date. The Project Manager (on behalf of the Borrowers) shall make (A) payments of WIFIA Debt Service in the amounts and manner and on the Payment Dates as set forth in the WIFIA Loan Amortization Schedule, as the same may be revised pursuant to **Error! Reference source not found.** (*Adjustments to WIFIA Loan Amortization Schedule*) and (B) payments of any other amounts on each other date on which payment thereof is required to be made hereunder, in the case of each of clauses (A) and (B), in accordance with Section 8(b)(ii); provided that if the date on which any such payment is due 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) The WIFIA Debt Service due and payable on any Payment Date by each Borrower shall be equal to the product of (A) such Borrower's Shared Project Percentage, multiplied by (B) the aggregate of the WIFIA Debt Service of all of the Borrowers, including such Borrower, due and payable on such Payment Date. The obligations of the Borrowers hereunder are several, and not joint, obligations.

(iii) Notwithstanding anything herein to the contrary, the WIFIA Loan Balance and any accrued interest thereon shall be due and payable in full on the Final Maturity Date.

(iv) If a Capitalized Interest Period is applicable as set forth in **Part Error! Reference source not found. of Schedule Error! Reference source not found.** (*WIFIA Loan Specific Terms*), during the Capitalized Interest Period, no payment of principal or interest on the WIFIA Loan will be required to be made. On each Interest Payment Date occurring during the Capitalized Interest Period, and on the day immediately following the end of the Capitalized Interest Period, interest accrued and not paid on the WIFIA Loan during each 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, as set forth in the WIFIA Loan Amortization Schedule. Within thirty (30) days after the end of the Capitalized Interest Period, the WIFIA Lender shall give written notice to the Project Manager stating the WIFIA Loan Balance 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 that no failure to give or delay in giving such notice shall affect any of the obligations of the Borrowers 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 Project Manager 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 shall be due and payable beginning on the next Interest Payment Date and payments of principal shall be due and payable beginning on the next Principal Payment Date, in each case in accordance with the terms hereof.

(v) If an Interest Only Period is applicable as set forth in **Part Error! Reference source not found. of Schedule Error! Reference source not found.** (*WIFIA Loan Specific Terms*), during the Interest Only Period, the WIFIA Debt Service payable by the Borrowers shall consist of one hundred percent (100%) of the amount of interest then due and payable on the WIFIA Loan Balance, and no payment of principal on the WIFIA Loan will be due and payable during the Interest Only Period.

(vi) Any defeasance of the WIFIA Loan payments in accordance with the Master Obligation Agreement and applicable law shall not be deemed a repayment or prepayment of the WIFIA Loan in full, and the Borrowers shall comply with all of their obligations hereunder and under the other WIFIA Loan Documents (other than with respect to payments of WIFIA Debt Service, which payments shall continue to be made in accordance with the WIFIA Loan Amortization Schedule by the succeeding entity assuming the Borrowers' payment obligations), unless otherwise agreed by the WIFIA Lender, until 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.

(b) Manner of Payment.

(i) Payments under this Agreement (and the WIFIA Note, which payments shall not be duplicative) shall be made in Dollars and in immediately available funds (without counterclaim, offset or deduction) 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 any Borrower's obligations hereunder or under any other WIFIA Loan Document.

(ii) The Project Manager shall make all payments (including any payments of WIFIA Debt Service, prepayments, reimbursements, indemnifications, fees and expenses and other amounts due hereunder or under the WIFIA Note) on behalf of the Borrowers under this Agreement and the WIFIA Note at the same time and in the same manner, and no Borrower shall make any such payment or prepayment (or its respective Shared Project Percentage thereof) independent of a payment or prepayment made by the Project Manager on behalf of all Borrowers. At any time a payment under this Agreement or the WIFIA Note is made, the Project Manager shall, on the applicable payment date, combine all of the Borrowers' payments (in the amounts of their respective Shared Project Percentages of such payment) into a single aggregated payment made by the Project Manager to the WIFIA Lender on such payment date.

(c) Adjustments to WIFIA Loan Amortization Schedule. The WIFIA Lender may, from time to time, modify the WIFIA Loan Amortization Schedule included in **Schedule Error! Reference source not found.** (*WIFIA Loan Amortization Schedule*) to reflect (i) any change

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

Section 9. Prepayment.

(a) Optional Prepayments. After the Final Disbursement Date, the Borrowers may prepay the WIFIA Loan, without penalty or premium, (i) in full on any date or (ii) in part on any Payment Date (and, if in part, the amounts thereof to be prepaid shall be determined by the Borrowers; provided that any such prepayment shall be in a principal amount 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 Project Manager (on behalf of the Borrowers) shall make any such prepayment by delivering to the WIFIA Lender (in accordance with Section 8(b)(ii)) such principal amount of the WIFIA Loan to be prepaid, together with the unpaid interest accrued on the amount of principal so prepaid to the date of such prepayment and all fees and expenses then due and payable to the WIFIA Lender. Each Borrower shall be responsible for its Shared Project Percentage of such prepayment. Each prepayment of the WIFIA Loan pursuant to this **Error! Reference source not found.** shall be made on such date and in such principal amount as shall be specified by the Project Manager in a written notice, signed by the Project Manager's Authorized Representative and delivered to the WIFIA Lender 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 Project Manager (on behalf of the Borrowers) may, without penalty or premium, rescind the announced optional prepayment by further written notice to the WIFIA Lender. Anything in this **Error! Reference source not found.** to the contrary notwithstanding, the failure by the Borrowers 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 Project Manager or its authorized representative, by mail in accordance with **Error! Reference source not found.** (*Notices*) or as otherwise agreed between the parties hereto. If the Borrowers prepay only part of the unpaid balance of principal of the WIFIA Loan, the WIFIA Lender may make a notation on the WIFIA Loan Amortization Schedule indicating the amount of principal of and interest on the WIFIA Loan then being prepaid. Absent manifest error, the WIFIA Lender's determination of such matters as set forth on an updated WIFIA Loan Amortization Schedule shall be conclusive evidence thereof; provided that neither the failure to make any such notation nor any error in such notation shall affect in any manner the Borrowers' obligations hereunder or under any other WIFIA Loan Document. All partial prepayments of principal shall be applied to reduce the WIFIA Loan Balance such that the remaining scheduled principal payments for the WIFIA Loan set out in the WIFIA Loan Amortization 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 shall continue to bear interest until payment thereof at the rate provided for in **Error! Reference source not found.** (*Interest Rate*).

Section 10. Fees and Expenses.

(a) Fees. Each Borrower shall be responsible for its Shared Project Percentage of, and the Project Manager shall pay on behalf of the Borrowers to the WIFIA Lender (in accordance with Section 8(b)(ii)):

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

(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 end of the Federal Fiscal Year during which the Substantial Completion Date occurs; provided that the Initial Construction Period Servicing Fee shall be due and payable within thirty (30) days after receipt by the Project Manager of an invoice from the WIFIA Lender with respect thereto (or, if earlier, the date of the first Disbursement); 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 Final Maturity Date; provided that the Operating Period Servicing Fee due and payable with respect to the Federal Fiscal Year during which the Final Maturity 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 Maturity 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 Project Manager 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. Each Borrower agrees, whether or not the transactions hereby contemplated shall be consummated, to reimburse the WIFIA Lender on demand from time to time, within thirty (30) days after receipt by the Project Manager of any invoice from the WIFIA Lender, for such Borrower's Shared Project Percentage of 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 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 Related Document; and (iii) any work-out, restructuring, or similar arrangement of the obligations of any Borrower under this Agreement or the other WIFIA Loan Documents, including during the pendency of any Event of Default. The amount of any such reimbursement shall be delivered to the WIFIA Lender by the Project Manager on behalf of the Borrowers (in accordance with Section 8(b)(ii)).

(d) The obligations of the Borrowers under this **Error! Reference source not found.** 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 such workout, restructuring, or similar arrangement.

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) The Borrowers shall have duly executed and delivered to the WIFIA Lender this Agreement, the WIFIA Note and the WIFIA Resolutions, each in form and substance satisfactory to the WIFIA Lender.

(ii) The Project Manager shall have delivered to the WIFIA Lender complete and fully executed copies of (A) the Master Obligation Agreement, together with any amendments, supplements, waivers or modifications thereto, and (B) each Obligation Instrument that has been entered into on or prior to the Effective Date, along with a certification in the 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 consummation of the transactions contemplated hereby have been fulfilled.

(iii) The Project Manager shall have delivered to the WIFIA Lender complete and fully executed copies of the Joint Outfall Agreement, the Joint Administration Agreement and each Existing Construction Contract, in each case together with any amendments, waivers or modifications thereto.

(iv) Counsel to the Borrowers 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** Error! Reference source not found. (*Opinions Required from Counsel to Borrowers*)) and bond counsel to the Borrowers 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** Error! Reference source not found. (*Opinions Required from Bond Counsel*)).

(v) The Project Manager (on behalf of the Borrowers)² shall have delivered to the WIFIA Lender a certificate, signed by the Project Manager's Authorized Representative, substantially in the form attached hereto as **Exhibit** Error! Reference source not found. (*Form of Closing Certificate*) (the "**Closing Certificate**"), designating the Project Manager'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 (excluding any interest that is capitalized in accordance with the terms hereof), together with the amount of any other credit assistance provided under the Act to the Borrowers, 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 (excluding any interest that is capitalized in accordance with the terms hereof), does not exceed eighty percent (80%) of Total Project Costs;

² **NTD:** It is acceptable for the Project Manager to deliver and sign the Closing Certificate on behalf of all the Borrowers so long as it has the authority to do so and evidence of such authority is provided to the WIFIA Lender.

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

(C) the Project Manager has (1) obtained a FEIN (as evidenced by the delivery of a copy of its W-9), (2) obtained a DUNS Number, and (3) registered with, and obtained confirmation of active SAM registration status;

(D) the Project Manager has obtained the WIFIA CUSIP Number;

(E) the representations and warranties of each Borrower set forth in this Agreement and in each other WIFIA Loan Document 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; and

(F) no Material Adverse Effect, or any event or condition that could reasonably be expected to have a Material Adverse Effect, in each case with respect to any Borrower, has occurred or arisen since the Application Receipt Date.

(vi) The Project Manager 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 Closing Certificate that no such rating has been reduced, withdrawn or suspended as of the Effective Date.

(vii) The Project Manager shall have delivered to the WIFIA Lender the Public Benefits Report.

(viii) The Project Manager (on behalf of the Borrowers) shall have paid in full all invoices delivered by the WIFIA Lender to the Project Manager 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.

(ix) The Project Manager shall have provided evidence satisfactory to the WIFIA Lender that each Obligation Instrument entered into by any Borrower and the California State Water Resources Control Board prior to the effective date of the Master Obligation Agreement shall have been paid or redeemed in full and terminated in accordance with the terms of such Obligation Instrument.

(b) Conditions Precedent to Disbursements. Notwithstanding anything in this Agreement to the contrary, the WIFIA Lender shall have no obligation to make any Disbursement to the Borrowers (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 Project Manager shall have delivered to the WIFIA Lender a Requisition that complies with the provisions of **Error! Reference source not found.** (*Disbursement Conditions*), **Schedule** **Error! Reference source not found.** (*Requisition Procedures*) and **Exhibit** **Error! Reference source not found.** (*Form of Requisition*), including satisfactory Eligible Project Costs Documentation relating to such Requisition. The Project Manager's Authorized Representative shall also certify in such Requisition that:

(A) at the time of, and immediately after giving effect to, any Disbursement 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, in each case with respect to any Borrower;

(B) no Material Adverse Effect, or any event or condition that could reasonably be expected to result in a Material Adverse Effect, in each case with respect to any Borrower, 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 or (2) the amount of Eligible Project Costs paid or incurred by or on behalf of the Borrowers;

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

(E) (1) each Borrower and, to the best of such Borrower's knowledge, each of its respective contractors and subcontractors at all tiers with respect to the Project, have 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 each Borrower set forth in this Agreement (including **Error! Reference source not found.** (*Representations and Warranties of Borrowers*)) 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 Project Manager has delivered all required deliverables under and in compliance with the requirements of **Schedule** Error! Reference source not found. (*Reporting Requirements*), except as has been otherwise agreed by the WIFIA Lender; and

(H) Eligible Project Costs Documentation evidencing Eligible Project Costs in an amount equal to the amount requested for Disbursement, either (1) has been previously submitted to and approved by the WIFIA Lender in accordance with **Schedule** Error! Reference source not found. (*Requisition Procedures*) and **Schedule** Error! Reference source not found. (*Reporting Requirements*) of this Agreement or (2) has been submitted to the WIFIA Lender, together with a summary of such Eligible Project Costs in the Requisition (or attached separately to the Requisition), for approval by the WIFIA Lender.

(ii) If applicable, to the extent necessary to make the representations and warranties in **Error! Reference source not found.** (*Litigation*) and **Error! Reference source not found.** (*Compliance with Laws*) true, correct and complete as of the date of the applicable Disbursement, the Project Manager shall have delivered an updated version, in form and substance satisfactory to the WIFIA Lender, of **Schedule** Error! Reference source not found. (*Borrower Disclosures*).

(iii) The Project Manager (on behalf of the Borrowers) shall have paid in full (A) any outstanding Servicing Fees due and payable under **Error! Reference source not found.** (*Fees and Expenses*) and (B) all invoices delivered by the WIFIA Lender to the Project Manager, 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.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

Section 12. Representations and Warranties of Borrowers. Each Borrower hereby represents and warrants (as to itself and not on behalf of any other Borrower) that, as of the Effective Date and, as to each of the representations and warranties below other than those (x) contained in **Error! Reference source not found.** (*Officers' Authorization*), **Error! Reference source not found.** (*Credit Ratings*), the first sentence of **Error! Reference source not found.** (*Construction Contracts*) and **Error! Reference source not found.** (*Shared Project Percentages*) or (y) which expressly relate only to one or more other Borrowers, as of each date on which any Disbursement is requested or made:

(a) Organization; Power and Authority. Such Borrower 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 Related Documents then in existence, to execute and deliver this Agreement, the other Related Documents to which it is a party and its WIFIA Resolution 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 other Related Documents to which it is a party and its WIFIA Resolution. Other than its Organizational Documents, its WIFIA Resolution and the Related Documents to which it is a party, there are no additional instruments or documents necessary for such Borrower to execute and deliver, or to perform its obligations under, the WIFIA Loan Documents and to consummate and implement the transactions contemplated by the WIFIA Loan Documents.

(b) Officers' Authorization. As of the Effective Date, the officers of such Borrower executing (or that previously executed) the Related Documents to which it is a party, and any certifications or instruments related thereto, 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 Related Documents and the WIFIA Resolutions in effect as of any date on which this representation and warranty is made, and to which such Borrower is a party, has been duly authorized, executed and delivered by such Borrower and constitutes the legal, valid and binding agreement of such Borrower enforceable against such Borrower 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 Related Documents to which such Borrower is a party, the consummation of the transactions contemplated by such Related Documents, and the fulfillment of or compliance with the terms and conditions of such Related Documents, do not and will not (i) conflict with such Borrower'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 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 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, 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 such Borrower (or the Project Manager on behalf of such Borrower) of the Project and the operation and maintenance of the such Borrower's Sewerage System and to execute and deliver and perform its obligations under the WIFIA Loan Documents and the Construction Contracts, have been obtained or effected and are in full force and effect. Such Borrower is not in default with respect to any Governmental Approval, which default could reasonably be expected to result in a Material Adverse Effect with respect to such Borrower. No consent or approval of any trustee, holder of any indebtedness of such Borrower or any other Person is necessary in connection with the execution, delivery, and performance by such Borrower of the Related Documents to which it is a party 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** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*Borrower Disclosures*), there is no action, suit, proceeding or, to the knowledge of such Borrower, any inquiry or investigation, in any case before or by any court or other Governmental Authority pending or, to the knowledge of such Borrower, threatened against or affecting such Borrower's Sewerage System, the Project or the ability of such Borrower to execute, deliver and perform its respective obligations under the Joint Outfall Agreement, the Joint Administration Agreement or the WIFIA Loan Documents or that in any case could reasonably be expected to result in a Material Adverse Effect.

(g) Security Interests. Pursuant to the Master Obligation Agreement, such Borrower, in order to secure the payment of its Senior Obligations (including the WIFIA Loan), and to secure the performance and observance of all of the covenants and agreements of such Borrower contained in the Obligation Instruments pursuant to which such Senior Obligations are incurred (including this Agreement) and the Master Obligation Agreement, has granted a Lien on and a security interest in, and has pledged to and for the benefit of the Obligees with respect to its Senior Obligations (including the WIFIA Lender), all of such Borrower's Collateral. Such pledge of such Borrower constitutes a first Lien on and security interest in the Collateral of such Borrower, which has attached to such assets and is effective, binding and enforceable against such Borrower, its successors, purchasers of any of such assets, creditors and all others asserting rights therein, to the extent set forth in, and in accordance with, the Master Obligation Agreement, irrespective of whether such parties have notice of the Lien on, security interest in and pledge of such assets and without the need for any physical delivery, recordation, filing or further act. Such Borrower is not in breach of any covenant set forth in this Agreement, including **Error! Reference source not found**. (*Securing Liens*), or in the Obligation Documents, in each case with respect to the matters described in **Error! Reference source not found**. (*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 has been taken to establish a legal, valid, binding, and enforceable and, if applicable, perfected, Lien on the Collateral in favor of the WIFIA Lender to the extent contemplated by the Obligation Documents, and (B) all taxes and filing fees that are due and payable in connection with the execution, delivery or recordation of any Obligation Documents 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 Collateral granted pursuant to the Obligation Documents is governed by Article 9 of the UCC.

(h) No Debarment. Such Borrower has fully complied with its verification obligations under 2 C.F.R. § 180.320 and confirms, based on such verification, that, to its knowledge, neither such Borrower nor any of its 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 listed in 2 C.F.R. § 180 or 2 C.F.R. § 1532 or (iii) have, within the three (3) year period preceding the Effective Date, (x) been convicted for or had a civil judgment rendered against such Borrower 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, to the best of such Borrower's knowledge and belief, (A) no Federal appropriated funds have been paid or will be paid, by or on behalf of such Borrower, 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 the WIFIA Resolutions, 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, such Borrower 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) Such Borrower, and to the best of such Borrower's knowledge, each of its respective 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), 20 C.F.R. §180.320 and 20 C.F.R. §1532 (relating to non-debarment), 31 U.S.C. §1352 and 49 C.F.R. §20.100 (relating to non-lobbying), and any applicable Sanctions Laws.

(ii) To ensure such compliance, such Borrower has (or the Project Manager on behalf of such Borrower 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 **Error! Reference source not found.** 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 **Error! Reference source not found.**

(iii) Except as set forth in **Part Error! Reference source not found. of Schedule Error! Reference source not found. (Borrower Disclosures)**, such Borrower is in compliance with all laws applicable to its Sewerage 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 such Borrower under any other Related Document, has occurred and is continuing.

(m) Construction Contracts. **Part Error! Reference source not found. of Schedule Error! Reference source not found.** (*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, such Borrower 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 or 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. Such Borrower is in compliance with all insurance obligations required under each Construction Contract and each WIFIA Loan Document (including **Error! Reference source not found.** (*Insurance*) hereof) as of the date on which this representation and warranty is made. To the extent such Borrower self-insures, such Borrower's self-insurance program is actuarially sound.

(p) No Prohibited Liens. Except for Permitted Liens, such Borrower has not created, or is under any obligation to create, or has entered into any transaction or agreement that would result in the imposition of, any Lien on such Borrower's Collateral, such Borrower's Sewerage System, the Project, or such Borrower'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 Error! Reference source not found. of Schedule Error! Reference source not found.** (*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 such Borrower as of the respective dates of the balance sheets included therein and the results of operations of such Borrower for the respective periods covered by the statements of income included therein.

(r) Securities Laws. Under existing law, the WIFIA Note may be issued and sold without registration under the Securities Act of 1933, as amended, and any State blue sky laws, and the Master Obligation Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(s) No Delinquent Taxes or Federal Debt. Such Borrower 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). Such Borrower has no 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 (excluding any interest that is capitalized in accordance with the terms hereof), 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** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*Reporting Requirements*) demonstrates that the projected aggregate Revenues of the Borrowers are sufficient to meet the WIFIA Loan Amortization Schedule. The Borrowers have (or the Project Manager on behalf of the Borrowers 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. Such Borrower 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 such Borrower under any of the WIFIA Loan Documents or the transactions contemplated hereby or thereby, including the obligations of such Borrower hereunder and thereunder, or, to the extent that such Borrower has such immunity, such Borrower has waived such immunity pursuant to **Error! Reference source not found.** (*Immunity*).

(v) Accuracy of Representations and Warranties. The representations, warranties and certifications of such Borrower 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).

(w) Shared Project Percentages. As of the Effective Date, the Shared Project Percentage with respect to each Borrower is set forth on **Schedule Error! Reference source not found.** (*Shared Project Percentages*).

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 make 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 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 (as to itself and not on behalf of any other Borrower) covenants and agrees as follows until the date the WIFIA Note and all of the obligations of such Borrower under this 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 to the Borrowers, unless the WIFIA Lender waives compliance in writing:

(a) Rate Covenant. Such Borrower shall comply with all requirements and conditions specified in the Rate Covenant, including, as applicable, delivery to the WIFIA Lender of any report required pursuant to Section 5.07(b) of the Master Obligation Agreement.

(b) Securing Liens. Such Borrower 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 in connection with assuring, conveying, granting, assigning, securing and confirming the Liens on such Borrower's Collateral (whether now existing or hereafter arising) granted to 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 such Borrower may become bound to grant. Such Borrower shall at all times maintain its Collateral free and clear of any Lien that has priority over, or equal rank with, the Liens created by the Master Obligation Agreement, other than Permitted Liens, and all organizational, regulatory or other necessary action on the part of such Borrower to that end shall be duly and validly taken at all times. Such Borrower shall at all times, to the extent permitted by law, defend, preserve and protect the Liens on its Collateral granted pursuant to the Master Obligation Agreement for the benefit of the WIFIA Lender, as Obligee with respect to Senior Obligations, against all claims and demands of all Persons whomsoever, subject to Permitted Liens.

(c) Use of Proceeds. Such Borrower shall use the proceeds of the WIFIA Loan, or cause the same to be used, solely to pay (directly or indirectly) Eligible Project Costs as permitted by applicable law, this Agreement and the other Related Documents.

(d) Prosecution of Work; Verification Requirements.

(i) Such Borrower shall (or shall cause the Project Manager on behalf of such Borrower to) 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) Such Borrower shall (or shall cause the Project Manager on behalf of such Borrower to) 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 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. Such Borrower shall operate and maintain its Sewerage System (including the Project), or shall cause the Project Manager (on behalf of such Borrower) to operate and maintain such Borrower's Sewerage System (including the Project) or any applicable portion thereof, substantially in accordance with the Updated Financial Model/Plan most recently delivered by the Project Manager to the WIFIA Lender pursuant to **Part Error! Reference source not found. of Schedule Error! Reference source not found.** (*Reporting Requirements*) and its operations and maintenance plan (that incorporates the Project). Such Borrower shall operate and maintain its Sewerage System (including the Project) in accordance with Section 5.04 of the Master Obligation Agreement. Such Borrower 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 its Sewerage System. The Project Manager shall comply with, and such Borrower shall enforce the obligations of the Project Manager under, the Joint Outfall Agreement and the Joint Administration Agreement, including the obligation to operate and maintain the sites, facilities and equipment that comprise the Joint Outfall System.

(f) Insurance.

(i) Such Borrower shall at all times procure and maintain or cause to be maintained insurance on its Sewerage System and the construction of the Project in accordance with Section 5.10 of the Master Obligation Agreement 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) Such Borrower 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. Such Borrower shall maintain its existence as a Legal Entity organized and existing under its Organizational Documents and the laws of the State.

(h) Funds and Accounts; Permitted Investments.

(i) Such Borrower shall maintain each of its Funds and Accounts in accordance with the terms hereof and the Obligation Documents. All Revenues of such Borrower received shall be deposited by such Borrower into its Operating Fund in accordance with Section 3.03(a) of the Master Obligation Agreement. Such Borrower shall not apply any portion of its Revenues in contravention of this Agreement or the Obligation Documents.

(ii) If a WIFIA Debt Service Reserve Requirement is applicable as set forth in **Part Error! Reference source not found. of Schedule Error! Reference source not found.** (*WIFIA Loan Specific Terms*), such Borrower shall maintain its WIFIA Debt Service Reserve Account in an amount equal to its Shared Project Percentage of the WIFIA Debt Service Reserve Requirement in accordance with the provisions of the applicable Obligation Documents. If any WIFIA Debt Service Reserve Account is funded with

proceeds of the WIFIA Loan, amounts in such WIFIA Debt Service Reserve Account shall be applied only to make payments with respect to the WIFIA Note.

(iii) Amounts on deposit in the Funds and 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 Fund or Amount to be applied towards the purpose for which the applicable Fund or Account has been established.

(i) Compliance with Laws.

(i) Such Borrower and the Project Manager shall, and shall require its respective 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), 20 C.F.R. § 180.320 and 20 C.F.R. §1532 (relating to non-debarment), 31 U.S.C. §1352 (relating to non-lobbying), and any applicable Sanctions Laws.

(ii) To ensure such compliance, such Borrower (or the Project Manager on behalf of such Borrower) 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 **Error! Reference source not found.** 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 **Error! Reference source not found.**

(j) Material Obligations. Such Borrower shall pay its material obligations payable from its 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 its Collateral or other assets of its Sewerage 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 its Sewerage System or any part thereof or on its Revenues or its Collateral; provided that such payment and discharge shall not be required with respect to any such obligations, tax, assessment, charge, levy, claim or Lien so long as the validity or amount thereof shall be contested by such Borrower in good faith by appropriate proceedings and so long as such Borrower 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 DUNS Number. The Project Manager 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 Maturity Date, a DUNS Number.

(l) Events of Loss; Loss Proceeds. If an Event of Loss shall occur with respect to such Borrower's Sewerage System (including the Project) or any part thereof, such Borrower

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 Net Proceeds in respect of such Event of Loss in accordance with Sections 5.10 and 5.11 of the Master Obligation Agreement.

(m) Immunity. To the fullest extent permitted by applicable law, such Borrower 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 such Borrower under this Agreement or any other WIFIA Loan Document.

(n) Accounting and Audit Procedures.

(i) Such Borrower shall establish (or shall cause the Project Manager (on behalf of the Borrowers) to establish) fiscal controls and accounting procedures sufficient to assure proper accounting for all of its (A) Revenues, Operation and Maintenance Costs, 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 such Borrower (or the Project Manager on behalf of such Borrower) 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). Such Borrower shall use (or shall cause the Project Manager (on behalf of such Borrower) to use) accounting, audit and fiscal procedures conforming to GAAP, including, with respect to the WIFIA Loan, accounting of principal and interest payments, disbursements, prepayments and calculation of interest and principal amounts Outstanding.

(ii) Such Borrower shall have (or shall cause the Project Manager (on behalf of such Borrowers) to 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 Borrower 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 such Borrower pursuant to 2 C.F.R. § 200.504 and 31 U.S.C. § 7502(b). Upon reasonable notice, such Borrower 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 such Borrower relating to the Project, to make copies and extracts therefrom at

such Borrower's expense, and to discuss such Borrower'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 such Borrower irrevocably authorizes its independent public accountants to discuss with the WIFIA Lender (upon reasonable prior notice) the affairs, finances and accounts of such Borrower, whether or not any representative of such Borrower is present, it being understood that nothing contained in this **Error! Reference source not found.** 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. Such Borrower agrees to be responsible for its Shared Project Percentage of all out-of-pocket expenses incurred by the WIFIA Lender in connection with the WIFIA Lender's exercise of its rights under this **Error! Reference source not found.** at any time when an Event of Default shall have occurred and be continuing.

(ii) Such Borrower shall maintain and retain (or shall cause the Project Manager (on behalf of the Borrowers) to 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 Note (including payments) have been fulfilled and any required audits have been performed and (B) any litigation relating to the Project, the WIFIA Loan or this Agreement 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 Borrowers. Such Borrower shall provide (or shall cause the Project Manager (on behalf of such Borrower) to 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.

Section 15. Negative Covenants. Each Borrower (as to itself and not on behalf of any other Borrower) covenants and agrees as follows until the date the WIFIA Note and all of the obligations of each Borrower under this 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 to the Borrowers, unless the WIFIA Lender waives compliance in writing:

(a) Indebtedness.

(i) Program Requirements. Such Borrower shall not create, incur or suffer to exist any obligations (A) the payments with respect to which are senior or prior in right to the payment by such Borrower of the Senior Obligations of such Borrower (including payments owed to the WIFIA Lender by such Borrower hereunder and under the WIFIA Note), (B) secured by a Lien on such Borrower's Collateral that is senior to the Lien on such Borrower's Collateral securing the Senior Obligations of such Borrower (including payments owed to the WIFIA Lender by such Borrower hereunder and under the WIFIA Note) 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 such Borrower other than such Borrower's Collateral. Such Borrower shall not incur any indebtedness of any kind payable from, secured or supported by the

Collateral, including Permitted Debt, without the prior written consent of the WIFIA Lender, while a Payment Default or a Bankruptcy Related Event has occurred and is continuing.

(ii) Issuance of Additional Obligations. Such Borrower shall not issue or incur any Additional Senior Obligations or any Subordinate Obligations except in accordance with all requirements and conditions set forth in the Additional Obligations Test.

(b) No Lien Extinguishment or Adverse Amendments. Such Borrower shall not, and such Borrower shall not permit any Person to, without the prior written consent of the WIFIA Lender, (i) extinguish such Borrower's Rate Covenant, (ii) extinguish or impair the Liens on such Borrower's 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 Master Obligation Agreement, (iii) amend, modify, terminate, assign, replace or supplement any WIFIA Loan Document (other than the Master Obligation Agreement) or permit a waiver of any provision thereof, or (iv) amend, modify, terminate, assign, 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.

(c) No Prohibited Liens. Except for Permitted Liens, (i) such Borrower shall not create, incur, assume or permit to exist any Lien on the Project, its Collateral, its Revenues, or such Borrower's respective rights in any of the foregoing, and (ii) the Collateral will be free and clear of any Lien that is of equal rank with or senior to the pledge of such Borrower created under the Obligation Documents for the benefit of the WIFIA Lender.

(d) Restricted Payments and Transfers. Such Borrower shall not permit its Revenues, or any funds in any of its respective Funds and Accounts or in any other fund or account held by or on behalf of such Borrower, other than any fund or account in respect of such Borrower's Solid Waste System, to be paid or transferred or otherwise applied for purposes other than ownership, operation or maintenance of such Borrower's Sewerage System (subject to any required Support Payments (as defined in the Master Obligation Agreement) to be made pursuant to the terms of this Agreement, the other Obligation Instruments and the Master Obligation Agreement).

(e) No Prohibited Sale, Lease or Assignment. Such Borrower shall not sell, lease or assign its rights in or to its Sewerage System or a substantial portion of the assets included in its Sewerage System, unless such sale, lease or assignment (i) could not reasonably be expected to have a Material Adverse Effect and (ii) is made by such Borrower in the ordinary course of business or is otherwise permitted in accordance with Section 5.03 of the Master Obligation Agreement.

(f) Mergers and Acquisitions. Such Borrower shall not, and such Borrower 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) such Borrower's Revenues or other elements of such Borrower's Collateral or (B) the availability of such Borrower's Revenues for the payment and security of the obligations of such Borrower under this Agreement; and (ii) such Borrower (or the Project Manager on behalf of such Borrower) provides to the WIFIA Lender notice of such reorganization, consolidation or merger in accordance with **Part** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*Reporting Requirements*) and such other information concerning such reorganization, consolidation or merger as shall have been reasonably requested by the WIFIA Lender.

(g) Hedging. Other than interest rate hedging transactions permitted under the Master Obligation Agreement, such Borrower 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.

Section 16. Reporting Requirements. Such Borrower shall comply with each of the reporting requirements set out in **Schedule** Error! Reference source not found. (*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**” with respect to a Borrower shall exist under this Agreement if any of the following occurs; provided that the occurrence of an event set forth in sub-clauses **Error! Reference source not found.** through (and including) **Error! Reference source not found.** 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; provided, further, that nothing in this paragraph is intended to limit any obligation of the Borrowers hereunder, including any obligation to cure any event or condition contemplated under this **Error! Reference source not found.**:

(i) Payment Default. The Project Manager shall fail to 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 **Error! Reference source not found.** (*Repayment*)), and such failure continues for a period of five (5) days, when and as the payment thereof shall be required under this Agreement or the WIFIA Note or on the Final Maturity Date (each such failure, a “**Payment Default**”).

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

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

(iv) Invalidity of Documents. (A) (1) Any WIFIA Loan Document ceases to be in full force and effect (other than as a result of (x) the termination thereof in accordance with its terms or (y) actions or a failure to act by, and within the control of, the WIFIA Lender) or becomes void, voidable, illegal or unenforceable, or (2) any Borrower or the Project Manager contests in any manner the validity or enforceability of any WIFIA Loan Document or denies it has any further liability under any WIFIA Loan Document, or purports to revoke, terminate or rescind any WIFIA Loan Document; (B) the Master Obligation Agreement ceases (other than as expressly permitted thereunder) to be effective or to grant a valid and binding security interest on any material portion of any Borrower's Collateral other than as a result of actions or a failure to act by, and within the control of, the WIFIA Lender or any other Oblige, and with the priority purported to be created thereby; (C) any event occurs that results in the impairment in the validity, enforceability, perfection or priority of the WIFIA Lender's security interest in any Borrower's Collateral; (D) the Joint Outfall Agreement or the Joint Administration Agreement ceases to be in full force and effect (other than as a result of the termination thereof in accordance with its respective terms) or becomes void, voidable, illegal or unenforceable; or (E) any Borrower contests in any manner the validity or enforceability of the Joint Outfall Agreement or the Joint Administration Agreement or denies it has any further liability under either such document, or purports to revoke, terminate or rescind the Joint Outfall Agreement or the Joint Administration Agreement.

(v) Covenant Default. Such Borrower or the Project Manager shall fail to observe or perform any covenant, agreement or obligation of such Borrower or the Project Manager, as applicable, under this Agreement 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 the Project Manager from the WIFIA Lender of written notice thereof or (B) such Borrower's or the Project Manager'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 (or the Project Manager on behalf of such Borrower) 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; provided, further, that with respect to a failure to comply with the Rate Covenant, the cure period shall be the cure period set forth in Section 5.07(b) of the Master Obligation Agreement.

(vi) Misrepresentation Default. Any of the representations, warranties or certifications of such Borrower (or the Project Manager on behalf of such Borrower) made in or delivered pursuant to the WIFIA Loan Documents (or in any certificates delivered by such Borrower or the Project Manager on behalf of such Borrower in connection with the WIFIA Loan Documents) shall prove to have been false or misleading in any material respect when made or deemed made (or any representation or warranty or certificate that is subject to a materiality qualifier shall provide to have been false or misleading in any respect); provided that no Event of Default shall be deemed to have occurred under this **Error! Reference source not found.** if and so long as (A) such

misrepresentation is not intentional, (B) such misrepresentation is not a misrepresentation in respect of **Error! Reference source not found.** (*Security Interests*), **Error! Reference source not found.** (*No Debarment*), **Error! Reference source not found.** (*No Lobbying*), or **Error! Reference source not found.** (*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 such Borrower (or the Project Manager on behalf of such Borrower) within thirty (30) days after the date on which such Borrower or the Project Manager first became aware (or reasonably should have become aware) of such misrepresentation.

(vii) Enforcement of Obligation Documents. Following an Obligation Default Event that has occurred and is continuing (and has not been cured or waived by the expiration of any applicable grace period) with respect to any Senior Obligation, any Obligee party thereto exercises any remedy permitted thereunder.

(viii) Material Adverse Judgment. Any final, non-appealable judgment related to such Borrower's Collateral that results in the impairment of (A) such Borrower's ability to comply with any of its payment obligations under the WIFIA Note or this Agreement or (B) the existence, priority or perfection (if applicable) of the WIFIA Lender's security interest in such Borrower's Collateral.

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

(b) Upon the occurrence of any Event of Default with respect to a Borrower (provided that the Events of Default set forth in **Error! Reference source not found.**, **Error! Reference source not found.**, **Error! Reference source not found.**, **Error! Reference source not found.**, and **Error! Reference source not found.** shall be deemed to be with respect to all Borrowers collectively), the WIFIA Lender, by written notice to the Project Manager, 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 all or any portion of the WIFIA Loan to be capitalized (if applicable);

(iii) the WIFIA Lender may apply the Default Rate provisions of **Error! Reference source not found.** (*Interest Rate*);

(iv) the WIFIA Lender may suspend or debar such Borrower (or all Borrowers, as the case may be) from further participation in any program administered by the WIFIA Lender and notify other departments and agencies of such default;

(v) the WIFIA Lender shall be entitled and empowered, with respect to the obligations of any Borrower hereunder, to (a) receive the WIFIA Loan payments and any other amounts payable with respect thereto (other than such principal amounts of the WIFIA Loan, and accrued interest thereon, that have been accelerated pursuant to the terms of this Agreement or any other WIFIA Loan Document) on or after the respective due dates thereof, (b) to institute suit for the enforcement of any such payment on or after its due date and collect the moneys adjudicated or decreed to be payable, (c) enforce performance and observance of any obligation, agreement or covenant of such Borrower hereunder or (d) without the consent of any other Person, take such action, including a *mandamus* action against such Borrower and its officials, to enforce the performance by such Borrower of any provisions of this Agreement;

(vi) upon the occurrence of (x) any Event of Default set forth in **Error! Reference source not found., Error! Reference source not found., Error! Reference source not found.** or **Error! Reference source not found.** or (y) any other Event of Default that results in a Material Adverse Effect on all Borrowers, the WIFIA Lender may declare the unpaid principal amount of the WIFIA Loan 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 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;³ and

(vii) the WIFIA Lender may take any other remedial action permitted under the Master Obligation Agreement.

(c) No action taken pursuant to this **Error! Reference source not found.** shall (i) relieve any Borrower or the Project Manager from its obligations pursuant to this Agreement or the other WIFIA Loan Documents, all of which shall survive any such action, or (ii) limit the WIFIA Lender's rights under the Obligation Documents, including Article VI of the Master Obligation 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 any Sewerage 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 or any Person executing this Agreement or any of the other WIFIA Loan

³ **NTD:** Under EPA review and subject to review of the draft Installment Sale Agreement with the State Water Resources Control Board.

Documents shall be personally liable under 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 any Borrower, the Federal Government, or the WIFIA Lender, solely by virtue of the WIFIA Loan, and that no third-party creditor of any Borrower shall have any right against the WIFIA Lender with respect to the WIFIA Loan made pursuant to this Agreement.

Section 21. Project Manager's Authorized Representative. The Project Manager shall at all times have appointed a Project Manager's Authorized Representative by designating such Person or Persons from time to time to act on the Project Manager's behalf and, pursuant to the agency appointments in the Joint Outfall Agreement and the Joint Administration Agreement, on the Borrowers' 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 Project Manager on behalf of itself and on behalf of the Borrowers. Each Borrower hereby reaffirms its agreement to the designation and appointment of the Project Manager to act on behalf of such Borrower with respect to the WIFIA Loan and the Project, pursuant to and in accordance with the Related Documents. Unless expressly indicated that the Project Manager is acting on its own behalf in its capacity as Project Manager, references to the "Project Manager" shall mean the Project Manager (on behalf of the Borrowers).

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 **Error! Reference source not found.** (*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 Project Manager within a reasonable time period following the succession.

Section 23. Servicer. The WIFIA Lender may from time to time designate another Person 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 Project Manager 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. Each Borrower and the Project Manager 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 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 has not occurred on or prior to the Final Disbursement Date, the WIFIA Lender or the Project Manager (on behalf of the Borrowers) 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 any Borrower's or the Project Manager's rights or obligations hereunder or under the WIFIA Note nor any interest herein or therein may be assigned or delegated by such Borrower or the Project Manager, as applicable, without the prior written consent of the WIFIA Lender.

Section 28. Remedies Not Exclusive. No remedy conferred herein or in the WIFIA Note 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 WIFIA Note 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 WIFIA Note upon a default of any Borrower (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 the WIFIA Note 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. 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 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 **Error! Reference source not found.** (*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 shall be made by (i) email to the email address noted below for the WIFIA Lender or (ii) submission through another electronic medium or transmission system as designated by and in a format acceptable to the WIFIA Lender, unless otherwise instructed by the WIFIA Lender:

If to 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 Borrowers or the Project Manager shall be made by (i) nationally recognized courier service, (ii) hand delivery, (iii) email, to the email address noted below for the Project Manager, or (iv) another electronic medium in a format acceptable to the Project Manager, unless otherwise instructed by the Project Manager's Authorized Representative:

If to Borrowers or Project Manager: The notice details set forth in **Part** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*WIFIA Loan Specific Terms*)

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

If to Master Trustee: The notice details set forth in **Part** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*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 **Error! Reference source not found.** (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 **Error! Reference source not found.** 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.

Section 32. Indemnification. The Borrowers 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 Indemnatee and the costs of environmental remediation), whether known, unknown, contingent or otherwise, incurred by or asserted against any Indemnatee arising out of, in connection with, or as a result of (a) the execution, delivery and performance of this Agreement, any Construction Contract, or any other 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 Indemnatee, be available to the extent that such losses, claims, damages, liabilities, fines, penalties, costs or 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 Indemnatee; provided, further, that (x) each Borrower's indemnification obligations shall be limited to such Borrower's Shared Project Percentage of any such losses, claims, damages, liabilities, fines, penalties, costs or expenses and (y) the amount of any such indemnification payment shall be delivered to the WIFIA Lender by the Project Manager on behalf of the Borrowers (in accordance with Section 8(b)(ii)). In case any action or proceeding is brought against an Indemnatee by reason of any claim with respect to which such Indemnatee is entitled to indemnification hereunder, the Borrowers shall be entitled, at their expense, to participate in the defense thereof; provided that such Indemnatee has the right to retain its own counsel, at the Borrowers' expense, and such participation by the Borrowers in the defense thereof shall not release the Borrowers of any liability that they may have to such Indemnatee. Any Indemnatee against whom any claim contemplated in this **Error! Reference source not found.** is made shall be entitled, after consultation with the Borrowers and upon consultation with legal counsel wherein such Indemnatee is advised that such claim is meritorious, to compromise or settle any such claim. Any such compromise or settlement shall be binding upon the Borrowers for purposes of this **Error! Reference source not found.** Nothing herein shall be construed as a waiver of any legal immunity that may be available to any Indemnatee. To the extent permitted by applicable law, neither the Borrowers nor the WIFIA Lender shall assert, and each of the Borrowers and the WIFIA Lender hereby waives, any claim against any Indemnatee or any Borrower, 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, any Construction Contract, or any other 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 Borrowers' indemnity obligations to the extent such damages are included in any third party claim in connection with which an Indemnatee is entitled to indemnification hereunder. All amounts due to any Indemnatee under this **Error! Reference source not found.** shall be payable promptly upon demand therefor. The obligations of the Borrowers under this **Error! Reference source not found.** 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 Related Documents, any amendments, waivers (other than amendments or waivers in writing with respect to this **Error! Reference source not found.**) or consents in respect hereof or thereof, any Event of Default, and any workout, restructuring or similar arrangement of the obligations of any Borrower hereunder or thereunder.

Section 33. Sale of WIFIA Loan. The WIFIA Lender shall not sell the WIFIA Loan 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 Authority within the Federal Government, the Final Disbursement Date. After such date, the WIFIA Lender may sell the WIFIA Loan to another Person or reoffer the WIFIA Loan into the capital markets only in accordance with the provisions of this **Error! Reference source not found.** 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, the WIFIA Note or this Agreement without the prior written consent of the Borrowers in accordance with **Error! Reference source not found.** (*Amendments and Waivers*). Prior to any sale or reoffering of the WIFIA Loan, the WIFIA Lender shall provide reasonable written notice to the Project Manager of the WIFIA Lender's intention to consummate such a sale or reoffering. The provision of any notice pursuant to this **Error! Reference source not found.** shall neither (x) obligate the WIFIA Lender to sell nor (y) provide any Borrower with any rights or remedies in the event the WIFIA Lender, for any reason, does not sell the WIFIA Loan.

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 by the Borrowers 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 each Borrower's Collateral and surrender the WIFIA Note to the Project Manager in accordance with **Error! Reference source not found.** (*General Prepayment Instructions*).

Section 36. Survival. The indemnification requirements of **Error! Reference source not found.** (*Indemnification*), the access and record keeping requirements of **Error! Reference source not found.** (*Access; Records*) and the payment requirements of **Error! Reference source not found.** (*Fees and Expenses*) shall survive the termination of this Agreement as provided in such Sections.

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.

**COUNTY SANITATION DISTRICT
NO. 1 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 2 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 3 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 5 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 8 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 15 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 16 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 17 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 18 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 19 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 21 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 22 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 23 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 28 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 29 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 34 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**SOUTH BAY CITIES SANITATION
DISTRICT OF LOS ANGELES
COUNTY,**
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: Michael S. Regan
Title: Administrator

SCHEDULE I

WIFIA LOAN SPECIFIC TERMS

No.	Item	WIFIA Loan Specific Term
<i>PART A. Key Borrower Metrics</i>		
1.	Effective Date	[●], 2022.
2.	Borrowers	County Sanitation District No. 1 of Los Angeles County, County Sanitation District No. 2 of Los Angeles County, County Sanitation District No. 3 of Los Angeles County, County Sanitation District No. 5 of Los Angeles County, County Sanitation District No. 8 of Los Angeles County, County Sanitation District No. 15 of Los Angeles County, County Sanitation District No. 16 of Los Angeles County, County Sanitation District No. 17 of Los Angeles County, County Sanitation District No. 18 of Los Angeles County, County Sanitation District No. 19 of Los Angeles County, County Sanitation District No. 21 of Los Angeles County, County Sanitation District No. 22 of Los Angeles County, County Sanitation District No. 23 of Los Angeles County, County Sanitation District No. 28 of Los Angeles County, County Sanitation District No. 29 of Los Angeles County, County Sanitation District No. 34 of Los Angeles County and South Bay Cities Sanitation District of Los Angeles County.
3.	Legal Entity	A county sanitation district organized and existing under the laws of the State.
4.	State	California.
5.	Project Manager FEIN	95-3755190.
6.	Project Manager DUNS Number	06-776-1700.
7.	Initial Borrower Fiscal Year	The fiscal year of the Borrowers commencing on July 1 of any given calendar year and ending on June 30 of the immediately succeeding calendar year.
8.	Application Receipt Date	January 1, 2020.
9.	WIFIA CUSIP Number	[●], as the CUSIP number for the WIFIA Loan for purposes of monitoring through EMMA.

No.	Item	WIFIA Loan Specific Term
10.	Sewerage System	Has the meaning ascribed to such term in the Master Obligation Agreement.
11.	Revenues	Has the meaning ascribed to such term in the Master Obligation Agreement.
12.	Master Trustee	Zions Bancorporation, National Association, a national banking association organized and existing under the laws of the United States of America.
13.	Master Trustee Location	Los Angeles, California.
14.	[Reserved]	[Not applicable.]
PART B. Key Project Metrics		
15.	Project	The Project is the Joint Water Pollution Control Plant (“JWPCP”) Effluent Outfall Tunnel Project, which will include the construction of (a) one (1) eighteen (18)-foot diameter, seven (7)-mile long JWPCP effluent outfall tunnel that will handle current and future flows while providing seismic resistance and system redundancy and (b) two (2) shaft sites (the JWPCP West shaft site and the Royal Palms shaft site) and related facilities to support the construction activities.
16.	Project Location	Los Angeles, Carson and Rancho Palos Verdes, California.
17.	Projected Substantial Completion Date	12/31/2027, as such date may be adjusted in accordance with Part Error! Reference source not found. of Schedule Error! Reference source not found. (<i>Reporting Requirements</i>).
18.	Development Default Date	6/30/2029.
19.	NEPA Determination	Finding of No Significant Impact for the Project issued by EPA on March 25, 2020 in accordance with NEPA.
20.	[Reserved]	[Not applicable.]
PART C. Key Loan Metrics		
21.	Maximum Principal Amount	Principal amount up to \$441,169,005 (excluding interest that is capitalized in accordance with this Agreement).
22.	WIFIA Interest Rate	[●]% per annum.

No.	Item	WIFIA Loan Specific Term
23.	Default Rate	Interest rate equal to the sum of (a) the WIFIA Interest Rate plus (b) 200 basis points.
24.	Interest Payment Date	Each March 15 and September 15, beginning on the Debt Service Payment Commencement Date.
25.	Capitalized Interest Period	The period from (and including) the first Disbursement to (but excluding) the date that is six months prior to the Debt Service Payment Commencement Date, subject to being ended by the WIFIA Lender pursuant to Error! Reference source not found. (<i>Payment of WIFIA Debt Service</i>).
26.	Interest Only Period	Not Applicable.
27.	Principal Payment Date	Each March 15 and September 15, beginning on March 15, 2028.
28.	Final Maturity Date	The earliest of (a) September 15, 2057, (b) the date on which the maturity of the WIFIA Loan has been accelerated prior to maturity thereof; and (c) the Payment Date immediately preceding the date that is 35 years following the Substantial Completion Date.
29.	[Reserved]	[Not applicable.]
<i>PART D. Key Security Metrics</i>		
30.	Lien priority	Senior lien.
31.	Springing lien	Not Applicable.
32.	Dedicated revenue source	With respect to each Borrower, such Borrower's Net Revenues.
33.	Collateral	With respect to each Borrower, (a) such Borrower's Revenues and (b) any other amounts held in such Borrower's Operating Fund and Senior Obligation Payment Fund (but not any such Revenues or other amounts held in such Borrower's Subordinate Obligation Payment Fund, Rate Stabilization Fund or Surplus Fund).

No.	Item	WIFIA Loan Specific Term
34.	Funds and Accounts	With respect to each Borrower, such Borrower's Operating Fund, Senior Obligation Payment Fund, Subordinate Obligation Payment Fund (as defined in the Master Obligation Agreement), Rate Stabilization Fund (as defined in the Master Obligation Agreement), Surplus Fund (as defined in the Master Obligation Agreement) and Capital Improvement Fund (as defined in the Master Obligation Agreement).
35.	Operating Fund	Has the meaning ascribed to such term in the Master Obligation Agreement.
36.	WIFIA Debt Service Account	Not Applicable.
37.	WIFIA Debt Service Reserve Account	Not Applicable.
38.	WIFIA Debt Service Reserve Requirement	Not Applicable.
39.	Rate Covenant	<p>The requirements and conditions set forth in Section 5.07 of the Master Obligation Agreement, a copy of which, as of the Effective Date, is set out for reference below (capitalized terms used shall have the respective meanings assigned to such terms in the Master Obligation Agreement):</p> <p>“(a) Each District shall, to the extent permitted by applicable law, fix, prescribe and collect rates and charges for the services of its Sewerage System that will be at least sufficient to yield during each Fiscal Year (i) Revenues of such District for such Fiscal Year sufficient to make all deposits, transfers and payments required pursuant to this Master Obligation Agreement to be made in such Fiscal Year, including (A) payments of Operation and Maintenance Costs, and (B) all deposits, transfers and payments required by paragraphs (i) through (xiv) of Section 3.03(c), and (ii) a Senior Debt Service Coverage Ratio of such District for such Fiscal Year of not less than 1.25:1. A District may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless its Revenues and Senior Debt Service Coverage Ratio from such reduced rates and charges will</p>

No.	Item	WIFIA Loan Specific Term
		<p>at all times be sufficient to meet the requirements of this Section.</p> <p>(b) A District shall not be in default under this Section if it fails to satisfy the requirements set forth in subsection (a) of this Section for a Fiscal Year, so long as (i) such District has satisfied the requirements of clause (i) of subsection (a) of this Section for such Fiscal Year, and (ii) such District has delivered to each Oblige, no later than 90 days after the end of such Fiscal Year, a written report describing the cause or causes of such failure and describing the measures that such District has taken or is in the process of taking in order to prevent such a failure in the Fiscal Year next succeeding such Fiscal Year; provided, however, that such District shall be in default under this Section if it fails to satisfy the requirements set forth in subsection (a) of this Section for two consecutive Fiscal Years.”</p>
40.	Additional Obligations Test	The requirements and conditions set forth in Sections 4.01 and 4.02 of the Master Obligation Agreement, a copy of which, as of the Effective Date, is attached hereto as Annex Error! Reference source not found..
41.	Flow of Funds	The requirements and conditions set forth in Section 3.03 of the Master Obligation Agreement, a copy of which, as of the Effective Date, is attached hereto as Error! Reference source not found.
42.	[Reserved]	[Not applicable.]
<p>PART E. Other Key WIFIA Loan Documents</p>		
43.	WIFIA Note	The note issued and delivered by the Borrowers in substantially the form of Exhibit Error! Reference source not found. (<i>Form of WIFIA Note</i>).
44.	Master Obligation Agreement	That certain Master Obligation Agreement, dated as of April 1, 2022, by and among the Borrowers and the Master Trustee.
45.	WIFIA Resolutions	The following resolutions, authorizing the execution, delivery and performance by each Borrower of the WIFIA Loan Agreement, the WIFIA Note, and certain

No.	Item	WIFIA Loan Specific Term
		related actions by such Borrower in connection with the issuance of the WIFIA Loan: [●]. ¹
46.	WIFIA Term Sheet	WIFIA term sheet, dated as of [the Effective Date], among the Borrowers and the WIFIA Lender.
47.	[Reserved]	[Not applicable.]
<i>PART F. Fees</i>		
48.	Servicing Set-Up Fee	A servicing set-up fee equal to \$35,070.
49.	Construction Period Servicing Fee	An annual construction period servicing fee equal to \$35,070.
50.	Initial Construction Period Servicing Fee	The initial Construction Period Servicing Fee in a pro-rated amount equal to \$11,690. ²
51.	Operating Period Servicing Fee	An annual operating period servicing fee equal to \$16,190.
<i>PART G. Borrower Related Notices</i>		
52.	Borrower notice details	County Sanitation District No. 2 of Los Angeles County 1955 Workman Mill Road P.O. Box 4998 Whittier, California 90607-4998 Attention: Financial Management Department Head Email: MEaton@lacsds.org
53.	Master Trustee notice details	Zions Bancorporation, National Association 550 South Hope Street, Suite 2875 Los Angeles, California 90071 Attention: Corporate Trust Services Email: corporatetrust@zionsbank.com

¹ **NTD:** The authorizing resolution of each Borrower to be listed.

² **NTD:** The pro-rated construction servicing fee amount assumes a closing date in May 2022.

ANNEX A
ADDITIONAL OBLIGATIONS TEST

Reference is made to Sections 4.01 and 4.02 of the Master Obligation Agreement, and the requirements and conditions contained therein as of the Effective Date, which are set forth verbatim below. Capitalized terms used in this **Annex** Error! Reference source not found. shall have the respective meanings assigned to such terms in the Master Obligation Agreement.

“Section 4.01. Incurrence of Senior Obligations. (a) A District may from time to time, in order to finance or refinance a Project, incur Senior Obligations, payable from Net Revenues of such District as provided herein on a parity with all other Outstanding Senior Obligations of such District, but only subject to the satisfaction of the following conditions:

(i) at the time of incurrence of such Senior Obligations, and after giving effect to such incurrence, no Event of Default with respect to such District shall have occurred and be continuing under this Master Obligation Agreement;

(ii) such District shall have delivered to the Master Trustee, at the time of incurrence of such Senior Obligations, a Written Certificate of such District certifying that, upon the incurrence of such Senior Obligations, no Obligation Default Event will exist with respect to any Senior Obligations of such District;

(iii) such District shall have delivered to the Master Trustee, at the time of incurrence of such Senior Obligations, copies of such Senior Obligations and the Obligation Instrument pursuant to which such Senior Obligations are incurred, together with a Written Certificate of such District certifying that such copies so delivered to the Master Trustee are true and correct copies of such Senior Obligations and such Obligation Instrument and that, as of such time, neither such Senior Obligations nor such Obligation Instrument has been amended, supplemented or otherwise modified;

(iv) subject to the provisions of subsection (b) of this Section, such District shall have delivered to the Master Trustee, at the time of incurrence of such Senior Obligations, a Written Certificate of such District demonstrating that, for any 12 consecutive calendar months during the 24 calendar month period ending prior to the date of incurrence of such Senior Obligations (A) the Assumed Senior Debt Service Coverage Ratio for such District, determined in accordance with Generally Accepted Accounting Principles and as shown by the books of such District, is not less than 1.25:1, and (B) all deposits, transfers and payments required by paragraphs (viii) through (xiv) of Section 3.03(c) were made in such 12 consecutive calendar month period. For the purpose of calculating such Assumed Senior Debt Service Coverage Ratio, the Net Revenues of such District may be adjusted for (A) any changes in rates and charges for the services of such District’s Sewerage System that have been adopted prior to the date of incurrence of such Senior Obligations, (B) customers added to such District’s Sewerage System subsequent to the commencement of the applicable 12 month computation period but prior to the date of incurrence of such Senior Obligations, and (C) the estimated change in available Net Revenues of such District that will result from the connection of existing residences or businesses to such District’s

Sewerage System within one year following completion of any improvements to such District's Sewerage System to be financed by, or any system to be acquired from the proceeds of, such Senior Obligations; provided, however, that, for purposes of preparing such Written Certificate of such District, such District may rely upon financial statements prepared by such District that have not been subject to audit by an independent certified public accountant if audited financial statements for the applicable period are not available;

(v) if, pursuant to the Obligation Instrument pursuant to which such Senior Obligations are being incurred, a Debt Service Reserve Fund is to be established to secure the payment of Debt Service on such Senior Obligations (A) the Reserve Requirement for such Senior Obligations shall not exceed the Maximum Reserve Requirement with respect thereto, (B) the maximum amounts required, pursuant to such Obligation Instrument, to be deposited into such Debt Service Reserve Fund in any month shall not exceed the amounts specified in paragraph (iii) of Section 3.03(c), and (C) the maximum amount required, pursuant to such Obligation Instrument, to be deposited into such Debt Service Reserve Fund shall be the amount necessary to restore such Debt Service Reserve Fund to the Reserve Requirement for such Senior Obligations;

(vi) the Obligation Instrument pursuant to which such Senior Obligations are incurred shall contain provisions addressing each of the matters set forth below, which provisions shall be no more favorable to the Obligees of such Senior Obligations than the following:

(A) that (I) the obligation of such District to pay such Senior Obligations is a special, limited obligation of such District payable, in the manner provided in this Master Obligation Agreement, solely from its Net Revenues and the other assets pledged to the payment thereof under this Master Obligation Agreement, and does not constitute a debt of such District or of the State or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction, (II) neither the faith and credit nor the taxing power of such District or the State or any political subdivision thereof is pledged to the payment of such Senior Obligations, (III) the Obligees with respect to such Senior Obligations, by their purchase thereof or by their entering into the Obligation Instrument pursuant to which such Senior Obligations are incurred, acknowledge that they have no right to payment of such Senior Obligations from any source other than such Net Revenues and the other assets pledged to the payment thereof under this Master Obligation Agreement, and (IV) none of the income or revenue from the ownership or operation of such District's Solid Waste System, or any real or personal property, or any interest therein, constituting a part thereof, or any other assets of such Solid Waste System, secures, is pledged to or is available, under any circumstances, for the payment of such Senior Obligations, such District's Solid Waste System being defined for such purposes as the whole and each and every part of the solid waste collection, transfer, treatment, disposal, processing and storage facilities owned by such District, or in which such District has an ownership interest, and all resource recovery facilities, waste-to-energy facilities, landfills, recycling facilities, transfer stations, collection equipment and rail transportation facilities and equipment owned by such District, or in which such District has an

ownership interest, and any and all facilities and equipment owned by such District, or in which such District has an ownership interest, related to the interconnection of such Solid Waste System to any purchaser of energy generated through the operation of such Solid Waste System, and other real and personal property, fixtures, rights therein, rights-of-way, easements and other interests constituting a part thereof;

(B) that the rights and obligations of such District under and as provided in such Senior Obligations and the Obligation Instrument pursuant to which such Senior Obligations are incurred, and the rights and obligations of the Obligees of such Obligations under and as provided in such Senior Obligations and the Obligation Instrument pursuant to which such Senior Obligations are incurred, shall, in all respects, be subject to the rights and obligations of, and the restrictions and limitations on, such District and such Obligee under and as provided in this Master Obligation Agreement;

(C) that, upon the occurrence and during the continuance of an Obligation Default Event with respect to such Senior Obligations, the Master Trustee shall be entitled to exercise rights and take action with respect to such Obligation Default Event in accordance with, and subject to, the provisions of Article VI of this Master Obligation Agreement; provided, however that such Obligee shall have and be entitled to exercise any and all such rights as are granted to such Obligee under and pursuant to, but subject to the provisions of, said Article VI, including requesting or directing the Master Trustee to take or refrain from taking certain actions as specified therein;

(D) that the Obligees with respect to such Senior Obligations, by their purchase thereof or by their entering into the Obligation Instrument pursuant to which such Senior Obligations are incurred, acknowledge and agree that the Master Trustee is vested with all the moneys, estates, properties, rights, powers, trusts, duties, obligations and protections set forth or provided for in this Master Obligation Agreement and that such Obligees irrevocably authorize the Master Trustee, subject to the provisions of this Master Obligation Agreement, to take such actions and execute such rights, powers and duties as are granted to the Master Trustee by the terms of this Master Obligation Agreement; and

(E) that the provisions of the Obligation Instrument pursuant to which such Senior Obligations are incurred addressing the matters set forth in this paragraph (vi) shall not be amended, supplemented or otherwise modified, except to reflect amendments, supplements or other modifications to this Master Obligation Agreement addressing such matters;

(vii) if such Senior Obligations are Shared Project Obligations, the Obligation Instrument pursuant to which such Senior Obligations are incurred shall, in addition to the matters described in paragraph (vi), above:

(A) specify that the Senior Obligations incurred pursuant to such Obligation Instrument are Shared Project Obligations;

(B) specify the Districts that are members of the Shared Project Group for such Shared Project Obligations;

(C) specify and describe the Shared Project financed or refinanced by such Shared Project Obligations;

(D) specify (I) the Shared Project Percentage for each District that is a member of the Shared Project Group for such Shared Project Obligations, and (II) that each such District will be responsible only for its Shared Project Percentage of the costs of such Shared Project financed or refinanced by such Shared Project Obligations and will not be responsible for the Shared Project Percentage of such costs of any other District;

(E) specify that such District's Shared Project Obligations incurred pursuant to such Obligation Instrument are equal to the product of (aa) such District's Shared Project Percentage, times (bb) the aggregate of the Shared Project Obligations of all of the members of the Shared Project Group, including such District, with respect to such Shared Project Obligations; and

(F) specify that the obligations of the members of such Shared Project Group under the Obligation Instrument pursuant to which such Shared Obligations are incurred are several, and not joint, obligations.

(viii) if such Senior Obligations are both Shared Project Obligations and Supported Obligations, the Obligation Instrument pursuant to which such Senior Obligations are incurred shall, in addition to the matters described in paragraphs (vi) and (vii), above:

(A) specify that the Senior Obligations incurred pursuant to such Obligation Instrument are both Shared Project Obligations and Supported Obligations;

(B) specify that the Districts that constitute the members of such Shared Project Group also constitute the members of the Support Group for such Supported Obligations;

(C) specify that the Shared Project financed or refinanced by such Shared Project Obligations also constitutes the Supported Project financed or refinanced by such Senior Obligations;

(D) specify that the Shared Project Percentage for each such District with respect to such Shared Project also constitutes the Shared Project Percentage for such District with respect to such Supported Project; and

(E) expressly incorporate the provisions of Section 3.04(a) and include an express agreement of each District that is a member of such Support Group to be bound by the provisions of said Section;

(ix) such District shall have delivered or caused to be delivered to the Master Trustee, at the time of incurrence of such Senior Obligations, either (A) an Opinion of Bond Counsel, dated the date of incurrence of such Senior Obligations, addressed to the Master Trustee, substantially to the effect, or (B) a letter of Bond Counsel, dated the date of incurrence of such Senior Obligations, addressed to the Master Trustee, substantially to the effect that the Master Trustee may rely, as if the same were addressed to the Master Trustee, on an Opinion of Bond Counsel, substantially to the effect, that (I) the Obligation Instrument pursuant to which such Senior Obligations are incurred has been duly executed and delivered by, and constitutes the valid and binding obligation of, such District, (II) if such Senior Obligations are Senior Bonds, that such Senior Bonds constitute valid and binding obligations of such District, and (III) if Tax-Exempt Obligations of such District are Outstanding at the time of the issuance of such Senior Obligations, the execution and delivery of such Obligation Instrument and the incurrence of such Senior Obligations, in and of themselves, will not adversely affect the exclusion of interest on such Tax-Exempt Obligations of such District from gross income for federal income tax purposes.

(b) Notwithstanding the provisions of paragraph (iv) of subsection (a) of this Section, the Written Certificate of such District described therein shall not be required and the financial test specified therein need not be satisfied:

(i) if (A) the Senior Obligations being incurred are for the exclusive purpose of refunding then Outstanding Senior Obligations of such District, and (B) at the time of the incurrence of such refunding Senior Obligations a Written Certificate of the District is delivered demonstrating that Debt Service on the Senior Obligations in each Fiscal Year, calculated for all Senior Obligations that will be Outstanding after the incurrence of such refunding Senior Obligations, will be less than or equal to Debt Service in such Fiscal Year, calculated for all Senior Obligations that are Outstanding immediately prior to the incurrence of such refunding Senior Obligations;

(ii) if (A) the Senior Obligations being incurred are Net Payments under a Qualified Swap Agreement, (B) such Qualified Swap Agreement relates to a principal amount of Senior Obligations of such District, as specified in a Written Certificate of such District provided to each Obligee of the Obligations of such District, and (C) the notional amount of such Qualified Swap Agreement does not exceed the principal amount of the related Senior Obligations; or

(iii) if the Senior Obligations being incurred are Reimbursement Obligations under a Credit Support Agreement.

(c) A District shall, as soon as practicable, and in any event within ten days after the incurrence by such District of any Senior Obligations (i) notify the Master Trustee in writing of such incurrence, and (ii) deliver to the Master Trustee a copy of the Obligation Instrument pursuant to which such Senior Obligations are incurred.

Section 4.02. Incurrence of Subordinate Obligations. (a) A District may from time to time, in order to finance or refinance a Project, incur Subordinate Obligations, that are payable from Net Revenues of such District as provided herein on a basis subordinate to the payment therefrom of the Senior Obligations of such District, but only subject to the satisfaction of the following conditions:

(i) at the time of incurrence of such Subordinate Obligations, and after giving effect to such incurrence, no Event of Default with respect to such District shall have occurred and be continuing under this Master Obligation Agreement;

(ii) such District shall have delivered to the Master Trustee, at the time of incurrence of such Subordinate Obligations, a Written Certificate of such District certifying that, upon the incurrence of such Subordinate Obligations, no Obligation Default Event will exist with respect to any Subordinate Obligations of such District;

(iii) such District shall have delivered to the Master Trustee, at the time of incurrence of such Subordinate Obligations, copies of such Subordinate Obligations and the Obligation Instrument pursuant to which such Subordinate Obligations are incurred, together with a Written Certificate of such District certifying that such copies so delivered to the Master Trustee are true and correct copies of such Subordinate Obligations and such Obligation Instrument and that, as of such time, neither such Subordinate Obligations nor such Obligation Instrument has been amended, supplemented or otherwise modified;

(iv) the Debt Service on such Subordinate Obligations shall be payable from such Net Revenues of such District as may from time to time be available for the payment thereof in accordance with this Master Obligation Agreement; provided, however, that such Debt Service on such Subordinate Obligations shall be, and shall be expressly stated to be in the Obligation Instrument pursuant to which such Subordinate Obligations are incurred, subordinate and junior in all respects to the payment from the Net Revenues of such District of Debt Service on such Senior Obligations of such District as may be Outstanding from time to time, including Senior Obligations of such District incurred after the incurrence of such Subordinate Obligations;

(v) subject to the provisions of this Master Obligation Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein, such District, in order to secure the payment of Debt Service on such Subordinate Obligations in accordance with the provisions of such Subordinate Obligations, the Obligation Instrument pursuant to which such Subordinate Obligations are incurred and this Master Obligation Agreement, and to secure the performance and observance of all of the covenants and agreements of such District contained therein and herein, may grant a lien on and a security interest in, and pledge to and for the benefit of the Obligees with respect to such Subordinate Obligations, all of its Revenues and any other amounts held in its Operating Fund and Subordinate Obligation Payment Fund; provided, however, that any such lien, security interest and pledge shall be, and shall be expressly stated to be in the Obligation Instrument pursuant to which such Subordinate Obligations are incurred, subordinate and junior in all respects to the lien on, security interest in and pledge of all of the Revenues of such District and any other amounts held in its Operating Fund and Senior

Obligation Payment Fund securing the payment of Debt Service on such District's Senior Obligations made and created by such District pursuant to this Master Obligation Agreement;

(vi) subject to the provisions of subsection (b) of this Section, such District shall have delivered to the Master Trustee, at the time of incurrence of such Subordinate Obligations, a Written Certificate of such District demonstrating that, for any 12 consecutive calendar months during the 24 calendar month period ending prior to the date of incurrence of such Subordinate Obligations, the Assumed Subordinate Debt Service Coverage Ratio for such District, determined in accordance with Generally Accepted Accounting Principles and as shown by the books of such District, is not less than 1:1. For the purpose of calculating such Assumed Subordinate Debt Service Coverage Ratio, the Net Revenues of such District may be adjusted for (A) any changes in rates and charges for the services of such District's Sewerage System that have been adopted prior to the date of incurrence of such Subordinate Obligations, (B) customers added to such District's Sewerage System subsequent to the commencement of the applicable 12 month computation period but prior to the date of incurrence of such Subordinate Obligations, and (C) the estimated change in available Net Revenues of such District that will result from the connection of existing residences or businesses to such District's Sewerage System within one year following completion of any improvements to such District's Sewerage System to be financed by, or any system to be acquired from the proceeds of, such Subordinate Obligations; provided, however, that, for purposes of preparing such Written Certificate of such District, such District may rely upon financial statements prepared by such District that have not been subject to audit by an independent certified public accountant if audited financial statements for the applicable period are not available;

(vii) if, pursuant to the Obligation Instrument pursuant to which such Subordinate Obligations are being incurred, a Debt Service Reserve Fund is to be established to secure the payment of Debt Service on such Subordinate Obligations (A) the Reserve Requirement for such Subordinate Obligations shall not exceed the Maximum Reserve Requirement with respect thereto, (B) the maximum amounts required, pursuant to such Obligation Instrument, to be deposited into such Debt Service Reserve Fund in any month shall not exceed the amounts specified in paragraph (ix) of Section 3.03(c), and (C) the maximum amount required, pursuant to such Obligation Instrument, to be deposited into such Debt Service Reserve Fund shall be the amount necessary to restore such Debt Service Reserve Fund to the Reserve Requirement for such Subordinate Obligations;

(viii) the Obligation Instrument pursuant to which such Subordinate Obligations are incurred shall contain provisions addressing each of the matters set forth below, which provisions shall be no more favorable to the Obligees of such Subordinate Obligations than the following:

(A) that (I) the obligation of such District to pay such Subordinate Obligations is a special, limited obligation of such District payable, in the manner provided in this Master Obligation Agreement, solely from its Net Revenues and the other assets pledged to the payment thereof under this Master Obligation Agreement remaining after payment therefrom of its Senior Obligations, and does

not constitute a debt of such District or of the State or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction, (II) neither the faith and credit nor the taxing power of such District or the State or any political subdivision thereof is pledged to the payment of such Subordinate Obligations, (III) the Obligees with respect to such Subordinate Obligations, by their purchase thereof or by their entering into the Obligation Instrument pursuant to which such Subordinate Obligations are incurred, acknowledge that they have no right to payment of such Subordinate Obligations from any source other than such Net Revenues and the other assets pledged to the payment thereof under this Master Obligation Agreement, and (IV) none of the income or revenue from the ownership or operation of such District's Solid Waste System, or any real or personal property, or any interest therein, constituting a part thereof, or any other assets of such Solid Waste System, secures, is pledged to or is available, under any circumstances, for the payment of such Subordinate Obligations, such District's Solid Waste System being defined for such purposes as the whole and each and every part of the solid waste collection, transfer, treatment, disposal, processing and storage facilities owned by such District, or in which such District has an ownership interest, and all resource recovery facilities, waste-to-energy facilities, landfills, recycling facilities, transfer stations, collection equipment and rail transportation facilities and equipment owned by such District, or in which such District has an ownership interest, and any and all facilities and equipment owned by such District, or in which such District has an ownership interest, related to the interconnection of such Solid Waste System to any purchaser of energy generated through the operation of such Solid Waste System, and other real and personal property, fixtures, rights therein, rights-of-way, easements and other interests constituting a part thereof;

(B) that the rights and obligations of such District under and as provided in such Subordinate Obligations and the Obligation Instrument pursuant to which such Subordinate Obligations are incurred, and the rights and obligations of the Obligees of such Obligations under and as provided in such Subordinate Obligations and the Obligation Instrument pursuant to which such Subordinate Obligations are incurred, shall, in all respects, be subject to the rights and obligations of, and the restrictions and limitations on, such District and such Obligee under and as provided in this Master Obligation Agreement;

(C) that upon the occurrence and during the continuance of an Obligation Default Event with respect to such Subordinate Obligations, the Master Trustee shall be entitled to exercise rights and take action with respect to such Obligation Default Event in accordance with, and subject to, the provisions of Article VI of this Master Obligation Agreement; provided, however that such Obligee shall have and be entitled to exercise any and all such rights as are granted to such Obligee under and pursuant to, but subject to the provisions of, said Article VI, including requesting or directing the Master Trustee to take or refrain from taking certain actions as specified therein;

(D) that such Subordinate Obligations shall only be subject to acceleration if all Outstanding Senior Obligations of such District subject to acceleration have become, or have been declared to be, due and payable, and such declaration has not been annulled in accordance with the provisions of Article VI of this Master Obligation Agreement and, any annulment of such acceleration of such Senior Obligations shall, *ipso facto*, constitute an annulment of such acceleration of such Subordinate Obligations;

(E) that, in the event that the Debt Service payments payable pursuant to such Subordinate Obligations are declared due and payable before their expressed maturity because of the occurrence of an Obligation Default Event with respect to such Subordinate Obligations, the Obligees of the Senior Obligations of such District Outstanding at the time such Debt Service payments so become due and payable shall be entitled to receive payment in full in cash of all Debt Service payments and all other payments payable pursuant to such Senior Obligations, including any Termination Payments, before the Obligees of such Subordinate Obligations are entitled to receive any accelerated payment from the Net Revenues of such District, amounts on deposit in the Operating Fund of such District or amounts on deposit in the Subordinate Obligation Payment Fund of such District;

(F) that, if any default with respect to any Outstanding Senior Obligations of such District shall have occurred and be continuing, the Obligees of all Outstanding Senior Obligations of such District shall be entitled to receive payment in full in cash of all Debt Service payments and all other payments payable pursuant to such Senior Obligations as the same become due and payable in accordance with the provisions of the Obligation Instruments pursuant to which such Senior Obligations are incurred before the Obligees of such Subordinate Obligations are entitled to receive any payment from the Net Revenues of such District, amounts on deposit in the Operating Fund of such District or amounts on deposit in the Subordinate Obligation Payment Fund of such District;

(G) that, in the event that, in violation of paragraph (E) or (F), above, any payment or distribution of any kind or character, whether in cash, property or securities, shall be received by an Obligee of such Subordinate Obligations before all other payments payable pursuant to all Senior Obligations of such District in accordance herewith have been paid in full, such payment or distribution shall be held in trust for the benefit of, and shall be paid over or delivered to the Master Trustee for application to the payment of such Senior Obligations remaining unpaid;

(H) that no Obligee of any Senior Obligations of such District shall be prejudiced in such Obligee's right to enforce subordination of such Subordinate Obligations by any act or failure to act on the part of such District or the Master Trustee;

(I) that the Obligation Instrument pursuant to which such Subordinate Obligations are incurred may provide that the provisions thereof addressing the

matters set forth in paragraphs (D), (E), (F), (G) and (H), above, are solely for the purpose of defining the relative rights of the Obligees of the Senior Obligations of such District, on the one hand, and the Obligees of such Subordinate Obligations, on the other hand, and that nothing therein shall impair, as between such District and the Obligees of such Subordinate Obligations, the obligation of such District to pay such Subordinate Obligations pursuant in accordance with the terms thereof;

(J) that the Obligees with respect to such Subordinate Obligations, by their purchase thereof or by their entering into the Obligation Instrument pursuant to which such Subordinate Obligations are incurred, acknowledge and agree that the Master Trustee is vested with all the moneys, estates, properties, rights, powers, trusts, duties, obligations and protections set forth or provided for in this Master Obligation Agreement and that such Obligees irrevocably authorize the Master Trustee, subject to the provisions of this Master Obligation Agreement, to take such actions and execute such rights, powers and duties as are granted to the Master Trustee by the terms of this Master Obligation Agreement; and

(K) that the provisions of the Obligation Instrument pursuant to which such Subordinate Obligations are incurred addressing the matters set forth in this paragraph (viii) shall not be amended, supplemented or otherwise modified, except to reflect amendments, supplements or other modifications to this Master Obligation Agreement addressing such matters.

(ix) if such Subordinate Obligations are Shared Project Obligations, the Obligation Instrument pursuant to which such Subordinate Obligations are incurred shall, in addition to the matters described in paragraph (viii), above:

(A) specify that the Subordinate Obligations incurred pursuant to such Obligation Instrument are Shared Project Obligations;

(B) specify the Districts that are members of the Shared Project Group for such Shared Project Obligations;

(C) specify and describe the Shared Project financed or refinanced by such Shared Project Obligations;

(D) specify (I) the Shared Project Percentage for each District that is a member of the Shared Project Group for such Shared Project Obligations, and (II) that each such District will be responsible only for its Shared Project Percentage of the costs of such Shared Project financed or refinanced by such Shared Project Obligations and will not be responsible for the Shared Project Percentage of such costs of any other District;

(E) specify that such District's Shared Project Obligations incurred pursuant to such Obligation Instrument are equal to the product of (aa) such District's Shared Project Percentage, times (bb) the aggregate of the Shared Project Obligations of all of the members of the Shared Project Group, including such District, with respect to such Shared Project Obligations; and

(F) specify that the obligations of the members of such Shared Project Group under the Obligation Instrument pursuant to which such Shared Obligations are incurred are several, and not joint, obligations.

(x) if such Subordinate Obligations are both Shared Project Obligations and Supported Obligations, the Obligation Instrument pursuant to which such Subordinate Obligations are incurred shall, in addition to the matters described in paragraphs (viii) and (ix), above:

(A) specify that the Subordinate Obligations incurred pursuant to such Obligation Instrument are both Shared Project Obligations and Supported Obligations;

(B) specify that the Districts that constitute the members of such Shared Project Group also constitute the members of the Support Group for such Supported Obligations;

(C) specify that the Shared Project financed or refinanced by such Shared Project Obligations also constitutes the Supported Project financed or refinanced by such Subordinate Obligations;

(D) specify that the Shared Project Percentage for each such District with respect to such Shared Project also constitutes the Shared Project Percentage for such District with respect to such Supported Project; and

(E) expressly incorporate the provisions of Section 3.04(b) and include an express agreement of each District that is a member of such Support Group to be bound by the provisions of said Section;

(xi) such District shall have delivered or caused to be delivered to the Master Trustee, at the time of incurrence of such Subordinate Obligations, either (A) an Opinion of Bond Counsel, dated the date of incurrence of such Subordinate Obligations, addressed to the Master Trustee, substantially to the effect, or (B) a letter of Bond Counsel, dated the date of incurrence of such Subordinate Obligations, addressed to the Master Trustee, substantially to the effect that the Master Trustee may rely, as if the same were addressed to the Master Trustee, on an Opinion of Bond Counsel, substantially to the effect, that (I) the Obligation Instrument pursuant to which such Subordinate Obligations are incurred has been duly executed and delivered by, and constitutes the valid and binding obligation of, such District, (II) if such Subordinate Obligations are Subordinate Bonds, that such Subordinate Bonds constitute valid and binding obligations of such District, and (III) if Tax-Exempt Obligations of such District are Outstanding at the time of the issuance of such Subordinate Obligations, the execution and delivery of such Obligation Instrument and the incurrence of such Subordinate Obligations, in and of themselves, will not adversely affect the exclusion of interest on such Tax-Exempt Obligations of such District from gross income for federal income tax purposes.

(b) Notwithstanding the provisions of paragraph (vi) of subsection (a) of this Section, the Written Certificate of such District described therein shall not be required and the financial test specified therein need not be satisfied:

(i) if (A) the Subordinate Obligations being incurred are for the exclusive purpose of refunding then Outstanding Subordinate Obligations of such District, and (B) at the time of the incurrence of such refunding Subordinate Obligations a Written Certificate of the District is delivered demonstrating that Debt Service on the Subordinate Obligations in each Fiscal Year, calculated for all Subordinate Obligations that will be Outstanding after the incurrence of such refunding Subordinate Obligations, will be less than or equal to Debt Service in such Fiscal Year, calculated for all Subordinate Obligations that are Outstanding immediately prior to the incurrence of such refunding Subordinate Obligations;

(ii) if (A) the Subordinate Obligations being incurred are Net Payments under a Qualified Swap Agreement, (B) such Qualified Swap Agreement relates to a principal amount of Subordinate Obligations of such District, as specified in a Written Certificate of such District provided to each Obligor of the Obligations of such District, and (C) the notional amount of such Qualified Swap Agreement does not exceed the principal amount of the related Subordinate Obligations;

(iii) if the Subordinate Obligations being incurred are Reimbursement Obligations under a Credit Support Agreement; or

(iv) if the Subordinate Obligations being incurred are Short-Term Obligations excluded from the calculation of Assumed Debt Service pursuant to paragraph (vi) of the definition thereof.

(c) A District shall, as soon as practicable, and in any event within ten days after the incurrence by such District of any Subordinate Obligations (i) notify the Master Trustee in writing of such incurrence, and (ii) deliver to the Master Trustee a copy of the Obligation Instrument pursuant to which such Subordinate Obligations are incurred.”

ANNEX B FLOW OF FUNDS

Reference is made to Section 3.03 of the Master Obligation Agreement, and the requirements and conditions contained therein as of the Effective Date, which are set forth verbatim below. Capitalized terms used in this **Error! Reference source not found.** shall have the respective meanings assigned to such terms in the Master Obligation Agreement.

“Section 3.03. Allocation of Revenues. (a) Each District, in order to carry out and effectuate such District’s pledge contained in Section 3.01, shall deposit in its Operating Fund all of such District’s Revenues as and when received.

(d) Each District shall pay from such District’s Operating Fund all of its Operation and Maintenance Costs as and when the same shall be due and payable.

(e) Each District, after having paid, or having made provision for the payment of, such District’s Operation and Maintenance Costs, shall, on the last Business Day of each month, set aside and deposit, transfer or pay, as the case may be, legally available Net Revenues from its Operating Fund in the amounts set forth below in the following order of priority (including curing any existing deficiency in deposit, transfers or payments required on any prior date), the requirements of each deposit, transfer or payment of each priority to be fully satisfied, leaving no deficiencies, prior to any deposit, transfer or payment later in priority:

(i) *First*, deposit in its Senior Obligation Payment Fund, an amount that, together with other amounts on deposit therein, is at least equal to the sum of (A) Accrued Debt Service on each of the Outstanding Senior Obligations of such District, calculated (I) with respect to the interest on each of such Senior Obligations (aa) if the next occurring Interest Payment Date for such Senior Obligations is not in the immediately following month, for the period from and including the immediately preceding Interest Payment Date for such Senior Obligations or, if the initial Interest Payment Date for such Senior Obligations has not yet occurred, from the date on which interest on such Senior Obligations begins to accrue pursuant to the terms of the Obligation Instrument pursuant to which such Senior Obligations are incurred, to and including the last day of the then current month, and (bb) if the next occurring Interest Payment Date for such Senior Obligations is in the immediately following month, for the period from and including the immediately preceding Interest Payment Date for such Senior Obligations or, if the initial Interest Payment Date for such Senior Obligations has not yet occurred, from the date on which interest on such Senior Obligations begins to accrue pursuant to the terms of the Obligation Instrument pursuant to which such Senior Obligations are incurred, to but not including such Interest Payment Date, and (II) with respect to the principal of each of such Senior Obligations (aa) if the next occurring Principal Payment Date for such Senior Obligations is not in the immediately following month, for the period from and including the immediately preceding Principal Payment Date for such Senior Obligations or, if the initial Principal Payment Date for such Senior Obligations has not yet occurred, from the effective date of the Obligation Instrument pursuant to which such Senior Obligations are incurred, to and including the last day of the then current month, and (bb) if the next

occurring Principal Payment Date for such Senior Obligations is in the immediately following month, for the period from and including the immediately preceding Principal Payment Date for such Senior Obligations or, if the initial Principal Payment Date for such Senior Obligations has not yet occurred, from the effective date of the Obligation Instrument pursuant to which such Senior Obligations are incurred, to but not including such Principal Payment Date, plus (B) to the extent not included in such Accrued Debt Service on Senior Obligations representing or securing Primary Reimbursement Obligations of such District to a Credit Support Provider providing a Credit Support Instrument for Senior Obligations of such District, the accrued amount of each of such Primary Reimbursement Obligations, if any, payable by such District to such Credit Support Provider, assuming, for such purpose, that such Primary Reimbursement Obligations accrue daily in equal amounts from and including the immediately preceding payment date with respect to such Primary Reimbursement Obligations or, with respect to the initial payment date with respect to such Primary Reimbursement Obligations, the date such Primary Reimbursement Obligations became obligations of such District, to but not including the next succeeding payment date with respect to such Primary Reimbursement Obligations, which payment dates shall be determined as provided in the Credit Support Agreement pursuant to which such Credit Support Instrument was issued, calculated (I) if the next occurring payment date with respect to such Primary Reimbursement Obligations is not in the immediately following month, for the period from and including the immediately preceding payment date with respect to such Primary Reimbursement Obligations or, with respect to the initial payment date with respect to such Primary Reimbursement Obligations, from the date such Primary Reimbursement Obligations became obligations of such District, to and including the last day of the then current month, and (II) if the next occurring payment date with respect to such Primary Reimbursement Obligations is in the immediately following month, for the period from and including the immediately preceding payment date with respect to such Primary Reimbursement Obligations or, with respect to the initial payment date with respect to such Primary Reimbursement Obligations, from the date such Primary Reimbursement Obligations became obligations of such District, to but not including such payment date, plus (C) the accrued amount of the Net Payment, if any, payable by such District to each Qualified Swap Counterparty providing a Qualified Swap Agreement with respect to Senior Obligations of such District, assuming, for such purpose, that such Net Payment accrues daily in equal amounts from and including the immediately preceding payment date with respect to such Net Payment or, with respect to the initial payment date with respect to such Net Payment, the effective date of such Qualified Swap Agreement, to but not including the next succeeding payment date with respect to such Net Payment, which payment dates shall be determined as provided in such Qualified Swap Agreement, calculated (I) if the next occurring payment date with respect to such Net Payment is not in the immediately following month, for the period from and including the immediately preceding payment date with respect to such Net Payment or, with respect to the initial payment date with respect to such Net Payment, the effective date of such Qualified Swap Agreement, to and including the last day of the then current month, and (II) if the next occurring payment date with respect to such Net Payment is in the immediately following month, for the period from and including the immediately preceding payment date with respect to such Net Payment or, with respect to the initial payment date with respect to

such Net Payment, the effective date of such Qualified Swap Agreement, to but not including such payment date; provided, however, that (I) with respect to any such Senior Obligations that are Shared Project Obligations (aa) for purposes of determining the amount to be deposited pursuant to clause (A), above, the Accrued Debt Service referred to in such clause shall be an amount equal to the product of (AA) such District's Shared Project Percentage with respect to such Shared Project Obligations, times (BB) the amount of such Accrued Debt Service, (bb) for purposes of determining the amount to be deposited pursuant to clause (B), above, the accrued amount of the Primary Reimbursement Obligations referred to in such clause shall be an amount equal to the product of (AA) such District's Shared Project Percentage with respect to such Shared Project Obligations, times (BB) the accrued amount of such Primary Reimbursement Obligations, and (cc) for purposes of determining the amount to be deposited pursuant to clause (C), above, the accrued amount of the Net Payment referred to in such clause shall be an amount equal to the product of (AA) such District's Shared Project Percentage with respect to such Shared Project Obligations, times (BB) the accrued amount of such Net Payment, (II) if the amount in such District's Operating Fund is not sufficient to make the deposit for all of such Senior Obligations as specified in this paragraph (i), the amount deposited for each such Senior Obligation shall be made, as nearly as practicable, pro rata, based on the respective amounts with respect to such Senior Obligations, the deposit of which is required pursuant to this paragraph (i), and (III) no such deposit need be made by such District if the amounts on deposit in such District's Senior Obligation Payment Fund are at least equal to the amounts required to be on deposit therein on such date pursuant to this paragraph (i);

(ii) *Second*, if such District is a member of one or more Support Groups with respect to Supported Obligations that are Senior Obligations and such District is, pursuant to Section 3.04(a), required on such date to make Support Payments to one or more Supported Districts with respect to any of such Support Groups, transfer to each such Supported District to which a Support Payment is due an amount equal to such Support Payment; provided, however, that, in the event that such District has insufficient Net Revenues to make all of such transfers, then said transfers shall be made, as nearly as practicable, pro rata, based on the respective amounts of the Support Payments required to be made on such date;

(iii) *Third*, if such District has incurred one or more Senior Obligations for which a Debt Service Reserve Fund has been established, and the amount on deposit in any of such Debt Service Reserve Funds, including the amount available to be drawn on any Reserve Guaranty on deposit therein, is less than the Reserve Requirement for such Senior Obligations, such District shall (A) with respect to (I) each such Debt Service Reserve Fund, the deficiency in which is the result of a withdrawal therefrom of monies, excluding monies derived from a draw on a Reserve Guaranty on deposit therein, to pay Debt Service on such Senior Obligations, transfer to the Obligee of such Senior Obligations, or the designee of such Obligee, with which such Debt Service Reserve Fund has been established, for deposit in such Debt Service Reserve Fund, an amount equal to one-twelfth of the amount of such monies so withdrawn, and (II) each such Debt Service Reserve Fund, the deficiency in which is the result of a withdrawal therefrom of monies derived from a draw on a Reserve Guaranty on deposit therein to pay Debt Service on such Senior Obligations, pay to the Reserve Guaranty Provider that issued such Reserve Guaranty, in

reimbursement thereof, one-twelfth of the amount so drawn on such Reserve Guaranty; provided, however, that (aa) with respect to any such Senior Obligations that are Shared Project Obligations (AA) for purposes of determining the amount to be deposited pursuant to clause (I), above, such amount shall be equal to the product of (x) such District's Shared Project Percentage with respect to such Shared Project Obligations, times (y) one-twelfth of the amount of such monies so withdrawn from such Debt Service Reserve Fund, and (BB) for purposes of determining the amount to be paid pursuant to clause (II), above, such amount shall be equal to the product of (x) such District's Shared Project Percentage with respect to such Shared Project Obligations, times (y) one-twelfth of the amount so drawn on such Reserve Guaranty, and (bb) in the event that such District has insufficient Net Revenues to make all of such transfers and payments, then said transfers and payments shall be made, as nearly as practicable, pro rata, based on the respective principal amounts of the Senior Obligations, transfers or payments with respect to the Debt Service Reserve Funds established therefor are required, pursuant to this clause (A), to be made on such date and, after having made all transfers and payments required pursuant to this clause (A), shall (B) with respect to each such Debt Service Reserve Fund, the deficiency in which is the result of a reduction in the market value of the Permitted Investments on deposit therein, transfer to the Obligee of such Senior Obligations, or the designee of such Obligee, with which such Debt Service Reserve Fund has been established, for deposit in such Debt Service Reserve Fund, an amount equal to the amount of such reduction in the market value of such Permitted Investments; provided, however, that (aa) with respect to any such Senior Obligations that are Shared Project Obligations (AA) for purposes of determining the amount to be transferred pursuant to this clause (B), such amount shall be equal to the product of (x) such District's Shared Project Percentage with respect to such Shared Project Obligations, times (y) the amount of such reduction in the market value of such Permitted Investments, and (bb) in the event that such District has insufficient Net Revenues to make all of such transfers, then said transfers shall be made, as nearly as practicable, pro rata, based on the respective principal amounts of the Senior Obligations, transfers with respect to the Debt Service Reserve Funds established therefor are required, pursuant to this clause (B), to be made on such date;

(iv) *Fourth*, pay to each Credit Support Provider providing a Credit Support Instrument for Senior Obligations of such District, the Excess Reimbursement Obligations, if any, payable by such District to such Credit Support Provider as of the last day of such month in accordance with the Credit Support Agreement pursuant to which such Credit Support Instrument is provided; provided, however, that (A) with respect to any such Senior Obligations that are Shared Project Obligations, for purposes of determining the amount to be to be paid pursuant to this paragraph (iv), such amount shall be equal to the product of (x) such District's Shared Project Percentage with respect to such Shared Project Obligations, times (y) the amount of such Excess Reimbursement Obligations, and (B) in the event that such District has insufficient Net Revenues to make all of such payments, then said payments shall be made, as nearly as practicable, pro rata, based on the respective Excess Reimbursement Obligations, the payment of which is required, pursuant to this paragraph (iv), to be made on such date;

(v) *Fifth*, pay to each Reserve Guaranty Provider providing a Reserve Guaranty for Senior Obligations of such District, the interest payable with respect to any draw on

such Reserve Guaranty, payable by such District to such Reserve Guaranty Provider as of the last day of such month in accordance with the Reserve Guaranty Agreement pursuant to which such Reserve Guaranty is provided; provided, however, that (A) with respect to any such Senior Obligations that are Shared Project Obligations, for purposes of determining the amount to be to be paid pursuant to this paragraph (v), such amount shall be equal to the product of (x) such District's Shared Project Percentage with respect to such Shared Project Obligations, times (y) the balance of such amount so payable, and (B) in the event that such District has insufficient Net Revenues to make all of such payments, then said payments shall be made, as nearly as practicable, pro rata, based on the respective amounts, the payment of which is required, pursuant to this paragraph (v), to be made on such date;

(vi) *Sixth*, pay to each Qualified Swap Counterparty providing a Qualified Swap Agreement with respect to Senior Obligations of such District, any Termination Payment with respect to such Qualified Swap Agreement, payable by such District to such Qualified Swap Counterparty as of the last day of such month in accordance with such Qualified Swap Agreement; provided, however, that (A) with respect to any such Senior Obligations that are Shared Project Obligations, for purposes of determining the amount to be to be paid pursuant to this paragraph (vi), such amount shall be equal to the product of (x) such District's Shared Project Percentage with respect to such Shared Project Obligations, times (y) the balance of such amount so payable, and (B) in the event that such District has insufficient Net Revenues to make all of such payments, then said payments shall be made, as nearly as practicable, pro rata, based on the respective amounts, the payment of which is required, pursuant to this paragraph (vi), to be made on such date;

(vii) *Seventh*, if such District has, in accordance with Section 3.04(a), received one or more Support Payments with respect to Supported Obligations that are Senior Obligations from one or more Supporting Districts, transfer to each such Supporting District, in repayment of each Support Payment made by such Supporting District, the amount, if any, of such Support Payment that has not, as of such date, been repaid in full; provided, however, that, in the event that such District has insufficient Net Revenues to make all of such transfers, then said transfers shall be made, as nearly as practicable, pro rata, based on the respective amounts of the Support Payments required to be repaid on such date;

(viii) *Eighth*, deposit in its Subordinate Obligation Payment Fund, an amount that, together with other amounts on deposit therein, is at least equal to the sum of (A) Accrued Debt Service on each of the Outstanding Subordinate Obligations of such District, calculated (I) with respect to the interest on each of such Subordinate Obligations (aa) if the next occurring Interest Payment Date for such Subordinate Obligations is not in the immediately following month, for the period from and including the immediately preceding Interest Payment Date for such Subordinate Obligations or, if the initial Interest Payment Date for such Subordinate Obligations has not yet occurred, from the date on which interest on such Subordinate Obligations begins to accrue pursuant to the terms of the Obligation Instrument pursuant to which such Subordinate Obligations are incurred, to and including the last day of the then current month, and (bb) if the next occurring Interest Payment Date for such Subordinate Obligations is in the immediately following month, for

the period from and including the immediately preceding Interest Payment Date for such Subordinate Obligations or, if the initial Interest Payment Date for such Subordinate Obligations has not yet occurred, from the date on which interest on such Subordinate Obligations begins to accrue pursuant to the terms of the Obligation Instrument pursuant to which such Subordinate Obligations are incurred, to but not including such Interest Payment Date, and (II) with respect to the principal of each of such Subordinate Obligations (aa) if the next occurring Principal Payment Date for such Subordinate Obligations is not in the immediately following month, for the period from and including the immediately preceding Principal Payment Date for such Subordinate Obligations or, if the initial Principal Payment Date for such Subordinate Obligations has not yet occurred, from the effective date of the Obligation Instrument pursuant to which such Subordinate Obligations are incurred, to and including the last day of the then current month, and (bb) if the next occurring Principal Payment Date for such Subordinate Obligations is in the immediately following month, for the period from and including the immediately preceding Principal Payment Date for such Subordinate Obligations or, if the initial Principal Payment Date for such Subordinate Obligations has not yet occurred, from the effective date of the Obligation Instrument pursuant to which such Subordinate Obligations are incurred, to but not including such Principal Payment Date, plus (B) to the extent not included in such Accrued Debt Service on Subordinate Obligations representing or securing Primary Reimbursement Obligations of such District to a Credit Support Provider providing a Credit Support Instrument for Subordinate Obligations of such District, the accrued amount of each of such Primary Reimbursement Obligations, if any, payable by such District to such Credit Support Provider, assuming, for such purpose, that such Primary Reimbursement Obligations accrue daily in equal amounts from and including the immediately preceding payment date with respect to such Primary Reimbursement Obligations or, with respect to the initial payment date with respect to such Primary Reimbursement Obligations, the date such Primary Reimbursement Obligations became obligations of such District, to but not including the next succeeding payment date with respect to such Primary Reimbursement Obligations, which payment dates shall be determined as provided in the Credit Support Agreement pursuant to which such Credit Support Instrument was issued, calculated (I) if the next occurring payment date with respect to such Primary Reimbursement Obligations is not in the immediately following month, for the period from and including the immediately preceding payment date with respect to such Primary Reimbursement Obligations or, with respect to the initial payment date with respect to such Primary Reimbursement Obligations, from the date such Primary Reimbursement Obligations became obligations of such District, to and including the last day of the then current month, and (II) if the next occurring payment date with respect to such Primary Reimbursement Obligations is in the immediately following month, for the period from and including the immediately preceding payment date with respect to such Primary Reimbursement Obligations or, with respect to the initial payment date with respect to such Primary Reimbursement Obligations, from the date such Primary Reimbursement Obligations became obligations of such District, to but not including such payment date, plus (C) the accrued amount of the Net Payment, if any, payable by such District to each Qualified Swap Counterparty providing a Qualified Swap Agreement with respect to Subordinate Obligations of such District, assuming, for such purpose, that such Net Payment accrues daily in equal amounts from and including the immediately preceding

payment date with respect to such Net Payment or, with respect to the initial payment date with respect to such Net Payment, the effective date of such Qualified Swap Agreement, to but not including the next succeeding payment date with respect to such Net Payment, which payment dates shall be determined as provided in such Qualified Swap Agreement, calculated (I) if the next occurring payment date with respect to such Net Payment is not in the immediately following month, for the period from and including the immediately preceding payment date with respect to such Net Payment or, with respect to the initial payment date with respect to such Net Payment, the effective date of such Qualified Swap Agreement, to and including the last day of the then current month, and (II) if the next occurring payment date with respect to such Net Payment is in the immediately following month, for the period from and including the immediately preceding payment date with respect to such Net Payment or, with respect to the initial payment date with respect to such Net Payment, the effective date of such Qualified Swap Agreement, to but not including such payment date; provided, however, that (I) with respect to any such Subordinate Obligations that are Shared Project Obligations (aa) for purposes of determining the amount to be deposited pursuant to clause (A), above, the Accrued Debt Service referred to in such clause shall be an amount equal to the product of (AA) such District's Shared Project Percentage with respect to such Shared Project Obligations, times (BB) the amount of such Accrued Debt Service, (bb) for purposes of determining the amount to be deposited pursuant to clause (B), above, the accrued amount of the Primary Reimbursement Obligations referred to in such clause shall be an amount equal to the product of (AA) such District's Shared Project Percentage with respect to such Shared Project Obligations, times (BB) the accrued amount of such Primary Reimbursement Obligations, and (cc) for purposes of determining the amount to be deposited pursuant to clause (C), above, the accrued amount of the Net Payment referred to in such clause shall be an amount equal to the product of (AA) such District's Shared Project Percentage with respect to such Shared Project Obligations, times (BB) the accrued amount of such Net Payment, (II) if the amount in such District's Operating Fund is not sufficient to make the deposit for all of such Subordinate Obligations as specified in this paragraph (viii), the amount deposited for each such Subordinate Obligation shall be made, as nearly as practicable, pro rata, based on the respective amounts with respect to such Subordinate Obligations, the deposit of which is required pursuant to this paragraph (viii), and (III) no such deposit need be made by such District if the amounts on deposit in such District's Subordinate Obligation Payment Fund are at least equal to the amounts required to be on deposit therein on such date pursuant to this paragraph (viii);

(ix) *Ninth*, if such District is a member of one or more Support Groups with respect to Supported Obligations that are Subordinate Obligations and such District is, pursuant to Section 3.04(b), required on such date to make Support Payments to one or more Supported Districts with respect to any of such Support Groups, transfer to each such Supported District to which a Support Payment is due an amount equal to such Support Payment; provided, however, that, in the event that such District has insufficient Net Revenues to make all of such transfers, then said transfers shall be made, as nearly as practicable, pro rata, based on the respective amounts of the Support Payments required to be made on such date;

(x) *Tenth*, if such District has incurred one or more Subordinate Obligations for which a Debt Service Reserve Fund has been established, and the amount on deposit in any of such Debt Service Reserve Funds, including the amount available to be drawn on any Reserve Guaranty on deposit therein, is less than the Reserve Requirement for such Subordinate Obligations, such District shall (A) with respect to (I) each such Debt Service Reserve Fund, the deficiency in which is the result of a withdrawal therefrom of monies, excluding monies derived from a draw on a Reserve Guaranty on deposit therein, to pay Debt Service on such Subordinate Obligations, transfer to the Obligee of such Subordinate Obligations, or the designee of such Obligee, with which such Debt Service Reserve Fund has been established, for deposit in such Debt Service Reserve Fund, an amount equal to one-twelfth of the amount of such monies so withdrawn, and (II) each such Debt Service Reserve Fund, the deficiency in which is the result of a withdrawal therefrom of monies derived from a draw on a Reserve Guaranty on deposit therein to pay Debt Service on such Subordinate Obligations, pay to the Reserve Guaranty Provider that issued such Reserve Guaranty, in reimbursement thereof, one-twelfth of the amount so drawn on such Reserve Guaranty; provided, however, that (aa) with respect to any such Subordinate Obligations that are Shared Project Obligations (AA) for purposes of determining the amount to be deposited pursuant to clause (I), above, such amount shall be equal to the product of (x) such District's Shared Project Percentage with respect to such Shared Project Obligations, times (y) one-twelfth of the amount of such monies so withdrawn from such Debt Service Reserve Fund, and (BB) for purposes of determining the amount to be paid pursuant to clause (II), above, such amount shall be equal to the product of (x) such District's Shared Project Percentage with respect to such Shared Project Obligations, times (y) one-twelfth of the amount so drawn on such Reserve Guaranty, and (bb) in the event that such District has insufficient Net Revenues to make all of such transfers and payments, then said transfers and payments shall be made, as nearly as practicable, pro rata, based on the respective principal amounts of the Subordinate Obligations, transfers or payments with respect to the Debt Service Reserve Funds established therefor are required, pursuant to this clause (A), to be made on such date and, after having made all transfers and payments required pursuant to this clause (A), shall (B) with respect to each such Debt Service Reserve Fund, the deficiency in which is the result of a reduction in the market value of the Permitted Investments on deposit therein, transfer to the Obligee of such Subordinate Obligations, or the designee of such Obligee, with which such Debt Service Reserve Fund has been established, for deposit in such Debt Service Reserve Fund, an amount equal to the amount of such reduction in the market value of such Permitted Investments; provided, however, that (aa) with respect to any such Subordinate Obligations that are Shared Project Obligations (AA) for purposes of determining the amount to be transferred pursuant to this clause (B), such amount shall be equal to the product of (x) such District's Shared Project Percentage with respect to such Shared Project Obligations, times (y) the amount of such reduction in the market value of such Permitted Investments, and (bb) in the event that such District has insufficient Net Revenues to make all of such transfers, then said transfers shall be made, as nearly as practicable, pro rata, based on the respective principal amounts of the Subordinate Obligations, transfers with respect to the Debt Service Reserve Funds established therefor are required, pursuant to this clause (B), to be made on such date;

(xi) *Eleventh*, pay to each Credit Support Provider providing a Credit Support Instrument for Subordinate Obligations of such District, the Excess Reimbursement

Obligations, if any, payable by such District to such Credit Support Provider as of the last day of such month in accordance with the Credit Support Agreement pursuant to which such Credit Support Instrument is provided; provided, however, that (A) with respect to any such Subordinate Obligations that are Shared Project Obligations, for purposes of determining the amount to be to be paid pursuant to this paragraph (xi), such amount shall be equal to the product of (x) such District's Shared Project Percentage with respect to such Shared Project Obligations, times (y) the amount of such Excess Reimbursement Obligations, and (B) in the event that such District has insufficient Net Revenues to make all of such payments, then said payments shall be made, as nearly as practicable, pro rata, based on the respective Excess Reimbursement Obligations, the payment of which is required, pursuant to this paragraph (xi), to be made on such date;

(xii) *Twelfth*, pay to each Reserve Guaranty Provider providing a Reserve Guaranty for Subordinate Obligations of such District, the interest payable with respect to any draw on such Reserve Guaranty, payable by such District to such Reserve Guaranty Provider as of the last day of such month in accordance with the Reserve Guaranty Agreement pursuant to which such Reserve Guaranty is provided; provided, however, that (A) with respect to any such Subordinate Obligations that are Shared Project Obligations, for purposes of determining the amount to be to be paid pursuant to this paragraph (xii), such amount shall be equal to the product of (x) such District's Shared Project Percentage with respect to such Shared Project Obligations, times (y) the balance of such amount so payable, and (B) in the event that such District has insufficient Net Revenues to make all of such payments, then said payments shall be made, as nearly as practicable, pro rata, based on the respective amounts, the payment of which is required, pursuant to this paragraph (xii), to be made on such date;

(xiii) *Thirteenth*, pay to each Qualified Swap Counterparty providing a Qualified Swap Agreement with respect to Subordinate Obligations of such District, any Termination Payment with respect to such Qualified Swap Agreement, payable by such District to such Qualified Swap Counterparty as of the last day of such month in accordance with such Qualified Swap Agreement; provided, however, that (A) with respect to any such Subordinate Obligations that are Shared Project Obligations, for purposes of determining the amount to be to be paid pursuant to this paragraph (xiii), such amount shall be equal to the product of (x) such District's Shared Project Percentage with respect to such Shared Project Obligations, times (y) the balance of such amount so payable, and (B) in the event that such District has insufficient Net Revenues to make all of such payments, then said payments shall be made, as nearly as practicable, pro rata, based on the respective amounts, the payment of which is required, pursuant to this paragraph (xiii), to be made on such date;

(xiv) *Fourteenth*, if such District has, in accordance with Section 3.04(b), received one or more Support Payments with respect to Supported Obligations that are Subordinate Obligations from one or more Supporting Districts, transfer to each such Supporting District, in repayment of each Support Payment made by such Supporting District, the amount, if any, of such Support Payment that has not, as of such date, been repaid in full; provided, however, that, in the event that such District has insufficient Net Revenues to make all of such transfers, then said transfers shall be made, as nearly as

practicable, pro rata, based on the respective amounts of the Support Payments required to be repaid on such date;

(xv) *Fifteenth*, such District may transfer all or a portion of the Net Revenues remaining in its Operating Fund to its Rate Stabilization Fund; provided, however, that the amount so transferred shall not be greater than (A) if the date of such transfer is during the period from and including December 1 in one year through and including March 31 of the following year, the remainder of (I) the sum of (x) the amount on deposit in such Operating Fund on the date of such transfer, plus (y) the amount of rates and charges for the services of such District's Sewerage System reasonably expected by such District to be received by such District from the date of such transfer through and including such March 31, including, for the purpose of determining the amount of such rates and charges expected to be so received, only those rates and charges that are not entered on the County assessment roll and billed and collected with general property taxes, minus (II) the sum of (x) the amount reasonably expected by such District to be required to pay its Operation and Maintenance Costs from the date of such transfer through and including such March 31, plus (y) the amount reasonably expected by such District to be required to make all of the deposits, transfers and payments required to be made by such District pursuant to paragraphs (i) through (xiv) of Section 3.03(c) from the date of such transfer through and including such March 31, and (B) if the date of such transfer is during the period from and including April 1 in a year through and including November 30 of such year, the remainder of (I) the sum of (x) the amount on deposit in such Operating Fund on the date of such transfer, plus (y) the amount of rates and charges for the services of such District's Sewerage System reasonably expected by such District to be received by such District from the date of such transfer through and including such November 30, including, for the purpose of determining the amount of such rates and charges expected to be so received, only those rates and charges that are not entered on the County assessment roll and billed and collected with general property taxes, minus (II) the sum of (x) the amount reasonably expected by such District to be required to pay its Operation and Maintenance Costs from the date of such transfer through and including such November 30, plus (y) the amount reasonably expected by such District to be required to make all of the deposits, transfers and payments required to be made by such District pursuant to paragraphs (i) through (xiv) of Section 3.03(c) from the date of such transfer through and including such November 30; and

(xvi) *Sixteenth*, such District may transfer all or a portion of the Net Revenues remaining in its Operating Fund to its Surplus Fund; provided, however, that the amount so transferred shall not be greater than (A) if the date of such transfer is during the period from and including December 1 in one year through and including March 31 of the following year, the remainder of (I) the sum of (x) the amount on deposit in such Operating Fund on the date of such transfer, plus (y) the amount of rates and charges for the services of such District's Sewerage System reasonably expected by such District to be received by such District from the date of such transfer through and including such March 31, including, for the purpose of determining the amount of such rates and charges expected to be so received, only those rates and charges that are not entered on the County assessment roll and billed and collected with general property taxes, minus (II) the sum of (x) the amount reasonably expected by such District to be required to pay its Operation and

Maintenance Costs from the date of such transfer through and including such March 31, plus (y) the amount reasonably expected by such District to be required to make all of the deposits, transfers and payments required to be made by such District pursuant to paragraphs (i) through (xiv) of Section 3.03(c) from the date of such transfer through and including such March 31, and (B) if the date of such transfer is during the period from and including April 1 in a year through and including November 30 of such year, the remainder of (I) the sum of (x) the amount on deposit in such Operating Fund on the date of such transfer, plus (y) the amount of rates and charges for the services of such District's Sewerage System reasonably expected by such District to be received by such District from the date of such transfer through and including such November 30, including, for the purpose of determining the amount of such rates and charges expected to be so received, only those rates and charges that are not entered on the County assessment roll and billed and collected with general property taxes, minus (II) the sum of (x) the amount reasonably expected by such District to be required to pay its Operation and Maintenance Costs from the date of such transfer through and including such November 30, plus (y) the amount reasonably expected by such District to be required to make all of the deposits, transfers and payments required to be made by such District pursuant to paragraphs (i) through (xiv) of Section 3.03(c) from the date of such transfer through and including such November 30.

(f) Each District shall maintain a written record available, at reasonable times and upon reasonable notice, for inspection by (i) under all circumstances, the Master Trustee, and (ii) during the continuance of any Event of Default, any Oblige of (A) the amount of Accrued Debt Service constituting accrued interest on or with respect to each of the Senior Obligations of such District that is on deposit in such District's Senior Obligation Payment Fund as of the last day of each month, (B) the amount of Accrued Debt Service constituting accrued principal of or with respect to each of the Senior Obligations of such District that is on deposit in such District's Senior Obligation Payment Fund as of the last day of each month, (C) the accrued amount of each of the Primary Reimbursement Obligations of such District payable to a Credit Support Provider providing a Credit Support Instrument for Senior Obligations of such District that is on deposit in such District's Senior Obligation Payment Fund as of the last day of each month, (D) the accrued amount of each Net Payment payable by such District payable to a Qualified Swap Counterparty providing a Qualified Swap Agreement with respect to Senior Obligations of such District that is on deposit in such District's Senior Obligation Payment Fund as of the last day of each month, (E) the amount of Accrued Debt Service constituting accrued interest on or with respect to each of the Subordinate Obligations of such District that is on deposit in such District's Subordinate Obligation Payment Fund as of the last day of each month, (F) the amount of Accrued Debt Service constituting accrued principal of or with respect to each of the Subordinate Obligations of such District that is on deposit in such District's Subordinate Obligation Payment Fund as of the last day of each month, (G) the accrued amount of each of the Primary Reimbursement Obligations of such District payable to a Credit Support Provider providing a Credit Support Instrument for Subordinate Obligations of such District that is on deposit in such District's Subordinate Obligation Payment Fund as of the last day of each month, and (H) the accrued amount of each Net Payment payable by such District payable to a Qualified Swap Counterparty providing a Qualified Swap Agreement with respect to Subordinate Obligations of such District that is on deposit in such District's Subordinate Obligation Payment Fund as of the last day of each month."

SCHEDULE II
PROJECT DETAILS

PART A. Project Budget.

SOURCES OF FUNDS	AMOUNT (\$ USD)	PERCENTAGE (%)
WIFIA Loan	\$441,169,005	49.00%
SRF	\$127,230,000	14.13%
Borrower Cash	\$116,367,068	12.93%
Capital Improvement Fund	\$215,578,835	23.94%
Total Sources of Funds	\$900,344,908	100.00%

USES OF FUNDS	AMOUNT (\$ USD)	PERCENTAGE (%)
Construction	\$630,500,000	70.03%
Planning and Design	\$64,664,058	7.18%
Construction Mgmt.	\$73,131,362	8.12%
Contingency	\$130,994,209	14.55%
Financing Costs	\$1,055,279	0.12%
Total Uses of Funds	\$900,344,908	100.00%
Total Eligible Project Costs	\$900,344,908	100.00%
Total Project Costs	\$900,344,908	100.00%

PART B. Construction Schedule.

Projected Substantial Completion Date: December 31, 2027.

PROJECT ELEMENT	DESIGN COMPLETION	CONSTRUCTION START	CONSTRUCTION END
Joint Water Pollution Control Plant Effluent Outfall Tunnel Project	5/09/2018	4/08/2019	12/31/2027

PART C. Existing Construction Contracts.

Contract Name	Effective Date	Amount	Parties	Description
The Construction of Joint Water Pollution Control Plant Effluent Outfall Tunnel	4/8/2019	\$630,500,000	County Sanitation District No. 2 of Los Angeles County and DRAGADOS USA, INC.	The contractor shall furnish all tools, equipment, labor, and material necessary to perform and complete, and to faithfully perform and complete, in good and workmanlike manner, the construction of Joint Water Pollution Control Plant Effluent Outfall Tunnel, all in accordance with the Contract Documents as defined in the contract.

SCHEDULE III
BORROWER DISCLOSURES¹

PART A. Existing Indebtedness.

1. Senior Obligations

	Agreement/Series	Outstanding Principal as of Effective Date
1.	Joint Acquisition Agreement, dated as of April 1, 2022 by and among the Borrowers and Los Angeles County Sanitation District Financing Authority, maturing on October 1, 2032	\$89,900,000
2.	[•]	

2. Subordinate Obligations

None.

¹ **NTD:** Borrowers to provide information. To the extent the new SRF loan has been entered into prior to the Effective Date, it should be scheduled here as well.

PART B. Litigation Disclosure.

No.	Parties	Date Initiated	Description / Status	Venue
1	Westlake Farms v. County Sanitation District No. 2 of Los Angeles County	June 2, 2016	<p>This action was brought in June 2016 by Westlake Farms for rescission, breach of contract and injunctive relief. Westlake seeks to rescind District No. 2's purchase of approximately 14,500 acres of land in Kings County from Westlake. The District completed the purchase of the property from Westlake in 2006 for more than \$27.3 Million for the purpose of building a biosolids compost facility and controlling adequate land for the use of that compost. In connection with that purchase, the District leased back certain areas to Westlake and agreed to provide Westlake with compost produced by the District's facility. The District commenced operation of the composting facility in January 2016. Westlake seeks rescission because of the District's alleged failure to "timely produce and deliver compost" to Westlake and also seeks monetary damages allegedly resulting from such failure to timely receive the compost. The District asserts that it has not breached either the Purchase Agreement or the Lease.</p> <p>The case was tried to a jury in San Luis Obispo Superior</p>	San Luis Obispo Superior Court

			<p>Court in September and October 2021. A Breach of Contract verdict for \$36 Million was rendered and unsuccessful settlement proposals from all parties were heard by the Court in December 2021. The Trial Court has ruled that Plaintiffs are not legally entitled to rescind the District’s purchase of the land. The District plans on filing post-trial motions for the reversal or reduction of the \$36 Million jury verdict. If these motions are unsuccessful an appeal will be filed. The costs of the verdict, even if it is upheld in full, are not expected to have a material adverse effect on LACSD’s financial condition or to have a material adverse effect on the Borrowers’ ability to pay the Debt Service payments as the same become due and payable.</p>	
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PART C. Environmental Matter Disclosure.

Carson Sewer Spill

In the afternoon on December 30, 2021, a sewer overflow on 212th Street in the city of Carson was reported to the LACSD. LACSD staff responded and discovered a section of sewer located adjacent to the 110 Freeway immediately south of 220th Street had collapsed, forming a sinkhole and blocking the sewer, triggering an overflow upstream. LACSD initiated the deployment of bypass pumps, and by approximately 9 p.m. on December 31, the bypass pumps were fully operational, and the overflow stopped. LACSD estimates that approximately 8.5 million gallons overflowed into the storm drain and ultimately into Dominguez Channel and Los Angeles Harbor. The overflow did not damage any homes or businesses in the area. LACSD washed the street, driveways and residents’ cars to remediate any contamination by untreated wastewater. Landscaping repairs were also performed by LACSD. LACSD began work to clear the obstructions at the collapsed sewer on December 30, and by January 3 flow was restored through the sewer. Permanent repairs were made by LACSD to the sewer that were completed by January 13, 2022. LACSD staff is expediting repairs to nearby stretches of the sewer that were found to

have indications of damage similar to those found in the collapsed sewer section that caused the overflow on December 30, 2021. The cause of the collapse is being investigated by LACSD. Record-setting rainfall was experienced in the area at the time of the incident and may have contributed to the failure. The total cost of the failure and emergency and expedited repairs are estimated to be between approximately \$3 to \$5 million. In February 2022, LACSD received a notice of violation (the “Notice of Violation”) from the Los Angeles Regional Water Quality Control Board due to the discharge of untreated sewage resulting from the overflow in the City of Carson. As a result of the violations identified in the Notice of Violation, LACSD could be required to pay fines potentially in excess of \$1 million. The costs of the overflow, including the potential fines under the Notice of Violation, are not expected to have a materially adverse effect on the LACSD’s financial condition or to have a material adverse effect on the Borrowers’ ability to pay the Debt Service payments as the same become due and payable.

SCHEDULE IV

REQUISITION PROCEDURES

This **Schedule** Error! Reference source not found. sets out the procedures which the Borrowers agree to follow (or cause the Project Manager to follow) in submitting Requisitions for any Disbursement. The Borrowers expressly agree to the terms hereof, and further agree 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 Borrowers if they fail to carry out their obligations under the WIFIA Loan Agreement during the term thereof.

PART A. General Requirements.

(a) **Manner of Request:** All requests by the Borrowers for a Disbursement shall be made in writing by electronic submission from the Project Manager to the WIFIA Lender, in accordance with **Error! Reference source not found.** (*Notices*) of the WIFIA Loan Agreement. No Borrower shall submit a request for a Disbursement on its own behalf in respect of its respective Shared Project Percentage of the WIFIA Loan.

(b) **Required Documentation:** Any request submitted by the Project Manager (on behalf of the Borrowers) shall include:

(i) a Requisition, in the form attached as **Exhibit** Error! Reference source not found. (*Form of Requisition*), completed and executed by the Project Manager'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** Error! Reference source not found. **of Schedule** Error! Reference source not found. (*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 Project Manager (on behalf of the Borrowers) 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 Project Manager 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 Project Manager, 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 Project Manager.

(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) any Borrower (or the Project Manager on behalf of the Borrowers) (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 Borrowers 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 **Error! Reference source not found.** (*Disbursement Conditions*) and **Error! Reference source not found.** (*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 Project Manager 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 Project Manager'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 Project Manager of any Requisition so rejected, and the reasons therefor. Any Requisition rejected for the reasons specified under this paragraph **Error! Reference source not found.** must be resubmitted in proper form in order to be considered for approval.

SCHEDULE V
REPORTING REQUIREMENTS

PART A. Updated Financial Model/Plan.

The Project Manager shall provide to the WIFIA Lender, not later than one hundred eighty (180) days after the end of each Borrower Fiscal Year, an Updated Financial Model/Plan. The Updated Financial Model/Plan shall reflect the Borrowers' (and the Project Manager's) reasonable expectations, using assumptions that the Borrowers (and the Project Manager) believe to be reasonable, and include: (a) the Borrowers' capital improvement plan(s), major maintenance plan(s), projected rates and charges, projected debt outstanding and annual debt service, projected Revenues and projected Operating Expenses for a reasonable projection period consistent with the Borrowers' operating and financial planning and demonstrating that the Borrowers (or the Project Manager on behalf of the Borrowers) have developed and identified adequate revenues to implement a plan for operating, maintaining, and repairing the Project; (b) evidence of compliance by each Borrower with the Rate Covenant for the most recent Borrower Fiscal Year for which such Borrower'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 Project Manager shall deliver to the WIFIA Lender, as soon as available, but no later than one hundred eighty (180) days after the end of each Borrower Fiscal Year, a copy of the audited income statement and balance sheet of each Borrower as of the end of such Borrower Fiscal Year and the related audited statements of operations and of cash flow of such Borrower for such Borrower 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 Project Manager 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).

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 Project Manager shall be responsible for administering construction oversight of the Project in accordance with applicable federal, state and local governmental requirements. The Project Manager and each Borrower agree 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. During the period from the Effective Date through and until the Substantial Completion Date, the Project Manager shall furnish to the WIFIA Lender, on a quarterly basis, 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 Project Manager 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 Project Manager in the Construction Monitoring Report unless the WIFIA Lender objects to the adjustment in writing to the Project Manager 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 Project Manager shall submit to the WIFIA Lender, concurrently with the delivery of the Construction Monitoring Report, a certificate, in the form of **Exhibit Error! Reference source not found.** (*Form of Certification of Eligible Project Costs Documentation*), signed by the Project Manager's Authorized Representative, and attaching Eligible Project Costs Documentation as applicable. If there are no applicable Eligible Project Costs for such quarter, the Project Manager may notify the WIFIA Lender by written confirmation of the same by email in accordance with **Error! Reference source not found.** (*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 provide a notice to the Project Manager stating (i) which Eligible Project Costs incurred by the Borrowers (or the Project Manager on behalf of the Borrowers) 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 be deemed to be available for Disbursement at such time as the Project Manager submits a Requisition in respect of such approved amounts in accordance with **Error! Reference source not found.** (*Disbursement Conditions*).

(d) Final Specifications. The Project Manager shall deliver to the WIFIA Lender, prior to bid advertisement for the Project (including each sub-project or component, if applicable), 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 Project Manager 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 (5th) anniversary

of the Substantial Completion Date. Each Borrower 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 Project Manager shall, within fifteen (15) days (or such other time as may be specified below) after it or any Borrower learns of the occurrence thereof, 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** Error! Reference source not found. (*Form of Certificate of Substantial Completion*);

(ii) Defaults; Events of Default: any Default or Event of Default, including the identity of the defaulting Borrower(s);

(iii) Litigation: (1) the filing of any litigation, suit or action, or the commencement of any proceeding, against any Borrower 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, or (2) any final, non-appealable judgment related to the Collateral that could reasonably be expected to result in the impairment of (A) any Borrower's ability to comply with any of its payment obligations under the WIFIA Note or the WIFIA Loan Agreement or (B) the existence, priority or perfection (if applicable) of the WIFIA Lender's security interest in the Collateral;

(iv) 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 Project Manager's plans to remedy or mitigate the effects of such failure or delay;

(v) 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;

(vi) Amendments: except as otherwise agreed by the WIFIA Lender in writing, copies of any fully executed amendments, modifications, replacements or supplements to the Master Obligation Agreement; 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 Schedule V, Part E, clause (vi) of the WIFIA Loan Agreement;

(vii) Related Document Defaults: any material breach or default or event of default on the part of any Borrower 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 Schedule V, Part E, clause (vii) of the WIFIA Loan Agreement;

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

(ix) 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 Schedule V, Part E, clause (ix) of the WIFIA Loan Agreement;

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

(xi) Issuance of Obligations: the entry into any final Obligation Instrument or other issuing instrument (together with copies of such Obligation Instrument and any indentures, continuing disclosure documents, ordinances, official statement, closing certificates or cash flow projections in connection therewith), prepared in connection with the incurrence of any Permitted Debt (including any Additional Senior Obligations or any Subordinate Obligations), together with a confirmation by the Project Manager 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 Schedule V, Part E, clause (xi) of the WIFIA Loan Agreement;

(xii) 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 Schedule V, Part E, clause (xii) of the WIFIA Loan Agreement;

(xiii) SAM / DUNS: any change in the Project Manager’s SAM registration status (including any exclusions, expiration or inactive registration) or DUNS Number (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 Schedule V, Part E, clause (xiii) of the WIFIA Loan Agreement;

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

(xv) Fiscal Year: any change to or adoption of any fiscal year by any Borrower other than the Initial Borrower 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 Schedule V, Part E, clause (xv) of the WIFIA Loan Agreement;

(xvi) Support Payments: (A) the notification by any Borrower pursuant to Section 3.04(a) or 3.04(b) of the Master Obligation Agreement that such Borrower has determined that it will have a Supported Obligations Deficit Amount (as defined in the Master Obligation Agreement) with respect to any of its Supported Obligations and (B) following the delivery of any such notification, an accounting of the Support Payments made and/or failed to be made by each other applicable Borrower with respect to such Supported Obligations Deficit Amount;

(xvii) Shared Project Percentages: (A) following the annual determination of the number of Sewage Units attributable to each Borrower pursuant to Section 4.1 of the Existing Joint Outfall Agreement or Section 5.1 of the Replacement Joint Outfall Agreement and (B) upon any revision to the Shared Project Percentages at any other time, an update to **Schedule Error! Reference source not found.** (*Shared Project Percentages*) reflecting the then current Shared Project Percentage for each Borrower; and

(xviii) Other Adverse Events: the occurrence of any other event or condition, including 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.

(b) Each Borrower (or the Project Manager on behalf of such Borrower) 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 such Borrower or regarding such Borrower's Sewerage System, the Project or such Borrower's Revenues as the WIFIA Lender may from time to time reasonably request. Each Borrower agrees that the delivery of any documents or information under and pursuant to the WIFIA Loan Agreement shall not be construed as compliance with, or affect in any manner, any obligations of such Borrower under any other contracts, agreements, decrees, Governmental Approvals, or other documents with, by or submitted to EPA (other than the WIFIA Loan Documents) or the Federal Government.

SCHEDULE VI

WIFIA LOAN AMORTIZATION SCHEDULE

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

SCHEDULE VII

SHARED PROJECT PERCENTAGES¹

Borrower	Shared Project Percentage
County Sanitation District No. 1 of Los Angeles County	8.64
County Sanitation District No. 2 of Los Angeles County	12.98
County Sanitation District No. 3 of Los Angeles County	10.65
County Sanitation District No. 5 of Los Angeles County	15.47
County Sanitation District No. 8 of Los Angeles County	3.58
County Sanitation District No. 15 of Los Angeles County	11.24
County Sanitation District No. 16 of Los Angeles County	6.80
County Sanitation District No. 17 of Los Angeles County	0.87
County Sanitation District No. 18 of Los Angeles County	7.22
County Sanitation District No. 19 of Los Angeles County	2.27
County Sanitation District No. 21 of Los Angeles County	9.00
County Sanitation District No. 22 of Los Angeles County	7.41
County Sanitation District No. 23 of Los Angeles County	0.20
County Sanitation District No. 28 of Los Angeles County	0.28
County Sanitation District No. 29 of Los Angeles County	0.33
County Sanitation District No. 34 of Los Angeles County	0.00
South Bay Cities Sanitation District of Los Angeles County	3.06

¹ **Note:** [Percentages are effective as of the Effective Date].

EXHIBIT A

FORM OF WIFIA NOTE

**JOINT OUTFALL DISTRICTS OF THE
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY**

**JOINT WATER POLLUTION CONTROL PLANT
EFFLUENT OUTFALL TUNNEL PROJECT**

**(WIFIA ID – 18114CA)
WIFIA NOTE**

Interest Rate	Final Maturity Date	Dated Date	WIFIA CUSIP Number
[●]%, subject to the Default Rate (as defined and in accordance with the WIFIA Loan Agreement)	September 15, 2057, subject to adjustment as set forth in the WIFIA Loan Agreement	[●], 2022	[●]

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

Maximum Principal Amount \$441,169,005 (excluding capitalized interest)

COUNTY SANITATION DISTRICT NO. 1 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 3 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 5 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 8 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 15 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 16 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 17 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 18 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 19 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 21 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 22 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 23 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 28 OF LOS ANGELES COUNTY, COUNTY

SANITATION DISTRICT NO. 29 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 34 OF LOS ANGELES COUNTY and SOUTH BAY CITIES SANITATION DISTRICT OF LOS ANGELES COUNTY, each, a sanitation district organized and existing under the laws of the State of California (each, a “**Borrower**”), 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 such Borrower’s Shared Project Percentage 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 such Borrower’s Shared Project Percentage of 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, between the WIFIA Lender and the Borrowers (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.

WIFIA Debt Service shall be payable in the amounts, manner and on the Payment Dates as set forth in the WIFIA Loan Amortization Schedule in accordance with the WIFIA Loan Agreement (which WIFIA Loan Amortization Schedule may be revised from time to time in accordance with the WIFIA Loan Agreement), until paid in full (which Loan Amortization 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 Loan Amortization 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 Borrowers 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 Loan Amortization Schedule to the WIFIA Loan Agreement 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 any Borrower’s obligations hereunder or under any other WIFIA Loan Document.

Payments hereon are to be made in accordance with **Error! Reference source not found.** (*Manner of Payment*) 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 Maturity Date is adjusted in accordance with the WIFIA Loan Agreement, the due date of this WIFIA Note shall be deemed to be amended to such revised Final Maturity Date without any further action required on the part of the Borrowers 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 Loan Amortization Schedule.

This WIFIA Note has been executed under and pursuant to the WIFIA Loan Documents and the WIFIA Resolutions and is issued to evidence the obligation of the Borrowers under the WIFIA Loan Documents to repay the WIFIA Loan and any other payments of any kind required to be paid by the Borrowers 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 Borrowers' obligations hereunder.

Payment of the obligations of the Borrowers under this WIFIA Note is secured pursuant to the Master Obligation Agreement. This WIFIA Note is a Senior Contract and a Senior Obligation Instrument (as each such term is defined in the Master Obligation Agreement), entitled to all of the benefits of a Senior Contract and a Senior Obligation Instrument under the Master Obligation Agreement. Pursuant to the Master Obligation Agreement, each Borrower has granted a Lien and security interest in such Borrower's Collateral for the benefit of all Obligees with respect to its Senior Obligations. The WIFIA Lender, as an Obligee with respect to Senior Obligations, is a beneficiary of such Lien and security interest. The Lien on each Borrower's Collateral securing this WIFIA Note for the benefit of the WIFIA Lender is (a) on a parity in right of payment and right of security to the Lien on such Borrower's Collateral in favor of the Senior Obligations and (b) senior in right of payment and right of security to the Lien on such Borrower's Collateral in favor of the Subordinate Obligations.

This WIFIA Note may be prepaid at the option of the Borrowers 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 that 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 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.

IN WITNESS WHEREOF, EACH OF COUNTY SANITATION DISTRICT NO. 1 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 3 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 5 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 8 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 15 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 16 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 17 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 18 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 19 OF LOS ANGELES COUNTY,

COUNTY SANITATION DISTRICT NO. 21 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 22 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 23 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 28 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 29 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 34 OF LOS ANGELES COUNTY and SOUTH BAY CITIES SANITATION DISTRICT OF LOS ANGELES COUNTY has executed this WIFIA Note as of the Effective Date set forth above.

(SEAL)

**COUNTY SANITATION DISTRICT
NO. 1 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 2 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 3 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 5 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 8 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 15 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 16 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 17 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 18 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 19 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 21 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 22 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 23 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 28 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 29 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**COUNTY SANITATION DISTRICT
NO. 34 OF LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

**SOUTH BAY CITIES SANITATION
DISTRICT OF LOS ANGELES
COUNTY,**
by its authorized representative

By: _____
Name:
Title:

Attest:

Kimberly Christensen
Secretary

Approved as to Form:

**LEWIS BRISBOIS BISGAARD & SMITH
LLP**

By: _____
District Counsel

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the Undersigned hereby unconditionally sells, assigns
and transfers unto

(Please Insert Social Security or other identifying number of Assignee(s)):

the within WIFIA Note and all rights thereunder.

Dated: _____

NOTICE: The signature to this assignment
must correspond with the name as it appears
upon the face of the within note in every
particular, without alteration or enlargement or
any change whatever.

By: _____
Authorized Signer

EXHIBIT B

FORM OF CLOSING CERTIFICATE

Reference is made to that certain WIFIA Loan Agreement, dated as of [●], 2022 (the “**WIFIA Loan Agreement**”), by and among the Joint Outfall Districts of the County Sanitation Districts of Los Angeles County (the “**Borrowers**”) 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 **Error! Reference source not found.** (*Conditions Precedent to Effectiveness*) of the WIFIA Loan Agreement, the undersigned, as the Project Manager’s Authorized Representative, does hereby certify on behalf of the Borrowers and not in his/her personal capacity, as of the date hereof:

- (a) pursuant to **Error! Reference source not found.** of the WIFIA Loan Agreement, attached hereto as Annex **Error! Reference source not found.** is an incumbency certificate that lists all persons, together with their positions and specimen signatures, who are duly authorized by the Project Manager (on behalf of the Borrowers) to execute the WIFIA Loan Documents and the WIFIA Resolutions, and who have been appointed as a Project Manager’s Authorized Representative in accordance with **Error! Reference source not found.** (*Project Manager’s Authorized Representative*) of the WIFIA Loan Agreement;
- (b) pursuant to **Error! Reference source not found.** of the WIFIA Loan Agreement, the Project Manager has delivered to the WIFIA Lender copies of (i) the Master Obligation Agreement, together with any amendments, supplements, waivers or modifications thereto, and (ii) each Obligation Instrument 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 consummation of the transactions contemplated hereby have been fulfilled;
- (c) pursuant to **Error! Reference source not found.** of the WIFIA Loan Agreement, (i) the Maximum Principal Amount (excluding any capitalized interest), together with the amount of any other credit assistance provided under the Act to the Borrowers, 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 (excluding any capitalized interest), does not exceed eighty percent (80%) of Total Project Costs;
- (d) pursuant to **Error! Reference source not found.** of the WIFIA Loan Agreement, the Borrowers are in compliance with NEPA and any applicable federal, state or local environmental review and approval requirements with respect to the Project;

- (e) pursuant to **Error! Reference source not found.** of the WIFIA Loan Agreement, the Project Manager has (i) obtained a FEIN, as evidenced by its W-9 which is attached hereto as Annex B-1, and a DUNS Number, in each case as set forth on **Part Error! Reference source not found. of Schedule Error! Reference source not found.** (*WIFIA Loan Specific Terms*) to the WIFIA Loan Agreement, and (ii) registered with, and obtained confirmation of active SAM registration status, which confirmation is attached hereto as Annex B-2;
- (f) pursuant to **Error! Reference source not found.** of the WIFIA Loan Agreement, the Project Manager has obtained the WIFIA CUSIP Number, as set forth on **Part Error! Reference source not found. of Schedule Error! Reference source not found.** (*WIFIA Loan Specific Terms*) to the WIFIA Loan Agreement, and which confirmation is attached hereto as Annex C;
- (g) pursuant to **Error! Reference source not found.** of the WIFIA Loan Agreement, the representations and warranties of each Borrower set forth in the WIFIA Loan Agreement and in each other WIFIA Loan Document 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;
- (h) pursuant to **Error! Reference source not found.** 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, in each case with respect to any Borrower, has occurred or arisen since the Application Receipt Date; and
- (i) pursuant to **Error! Reference source not found.** of the WIFIA Loan Agreement, the rating letter delivered to the WIFIA Lender pursuant to such **Error! Reference source not found.** 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.

**COUNTY SANITATION DISTRICT NO. 2 OF
LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

ANNEX A TO EXHIBIT B

INCUMBENCY CERTIFICATE

The undersigned certifies that he/she is the [Secretary] of County Sanitation District No. 2 of Los Angeles County, a sanitation district organized and existing under the laws of the State of California (the “**Project Manager**”), 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 Project Manager 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 Project Manager’s Authorized Representative (each as defined in that certain WIFIA Loan Agreement, dated as of the date hereof, among the Joint Outfall Districts of the County Sanitation Districts of Los Angeles County and the United States Environmental Protection Agency, acting by and through the Administrator):

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Robert C. Ferrante	Chief Engineer & General Manager	_____
Charles E. Boehmke	Assistant Chief Engineer & Assistant General Manager	_____
Matthew A. Eaton	Financial Management Department Head	_____
Andrew Hall	Financial Management Assistant Department Head	_____
Felicia Petrie	Budget Manager	_____

IN WITNESS WHEREOF, the undersigned has executed this certificate as of this [●] day of [●], 2022.

**COUNTY SANITATION DISTRICT NO. 2 OF
LOS ANGELES COUNTY,**
by its authorized representative

By: _____
Name:
Title:

EXHIBIT C

FORM OF PUBLIC BENEFITS REPORT

[●], 2022

Pursuant to **Error! Reference source not found.** and **Part Error! Reference source not found. of Schedule Error! Reference source not found.** (*Reporting Requirements*) of the WIFIA Loan Agreement (as defined below), County Sanitation District No. 2 of Los Angeles County (the “**Project Manager**”) is providing this Public Benefits Report in connection with the Joint Water Pollution Control Plant Effluent Outfall Tunnel Project (WIFIA ID – 18114CA). Capitalized terms used in this Public Benefits Report and not defined shall have the respective meanings ascribed to such terms in the WIFIA Loan Agreement, dated on or about the date hereof (the “**WIFIA Loan Agreement**”), among the Joint Outfall Districts of the County Sanitation Districts of Los Angeles County (the “**Borrowers**”) 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 (5th) 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 Project Manager projects [] will be direct jobs.

- (ii) **Indicate (yes or no) whether the Project will assist the Project Manager or the Borrowers 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 Project Manager or the Borrowers with the following environmental measure:**

Amount by which the Project will provide new, expanded, improved, more reliable, more resilient, or more efficient treatment capacity for wastewater treatment (measured in MGD capacity at Substantial Completion): 400 MGD.

EXHIBIT D

FORM OF REQUISITION

VIA EMAIL

United States Environmental Protection Agency¹
1200 Pennsylvania Avenue NW
WJC-E 7334A
Washington, D.C. 20460
Attention: WIFIA Director
Email: WIFIA_Portfolio@epa.gov

Re: Joint Water Pollution Control Plant Effluent Outfall Tunnel Project (WIFIA ID – 18114CA)

Ladies and Gentlemen:

Pursuant to **Error! Reference source not found.** (*Disbursement Conditions*) and **Schedule Error! Reference source not found.** (*Requisition Procedures*) of the WIFIA Loan Agreement, dated as of [●], 2022 (the “**WIFIA Loan Agreement**”), by and among the Joint Outfall Districts of the County Sanitation Districts of Los Angeles County (the “**Borrowers**”) and the United States Environmental Protection Agency, acting by and through the Administrator (the “**WIFIA Lender**”), the Project Manager (on behalf of the Borrowers) hereby requests a Disbursement in the amount set forth below in respect of Eligible Project Costs paid or incurred by the Borrowers (or the Project Manager on behalf of the Borrowers). Capitalized terms used but not defined herein have the meaning provided in the WIFIA Loan Agreement.

In connection with this Requisition, the undersigned, the Project Manager, hereby certifies (on behalf of the Borrowers) as to the following:

1.	Project name	Joint Water Pollution Control Plant Effluent Outfall Tunnel Project
2.	Borrowers	Joint Outfall Districts of the County Sanitation Districts of Los Angeles County
3.	WIFIA Loan ID	18114CA
4.	Project Manager DUNS Number	06-776-1700.
5.	Project Manager FEIN	95-3755190.
6.	Requisition number	[]
7.	Requested Disbursement amount	[\$[]]
8.	Requested date of Disbursement	[]

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

	(the “Disbursement Date”)²	
9.	Total amounts previously disbursed under the WIFIA Loan Agreement	\$_[]
10.	Wire or ACH transfer instructions (please specify method)	[]

11. As of the date hereof, and immediately after giving effect to the Disbursement 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, in each case with respect to any Borrower.
12. No Material Adverse Effect, or any event or condition that could reasonably be expected to have a Material Adverse Effect, in each case with respect to any Borrower, 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 or (b) the amount of Eligible Project Costs paid or incurred by or on behalf of the Borrowers.
14. The Eligible Project Costs for which reimbursement or payment is being requested has not been reimbursed or paid by any previous (a) Disbursement or (b) disbursement of any source of funding for the Project other than that the WIFIA Loan as identified in the Project Budget.
15. Each Borrower, and, to the best of such Borrower’s knowledge, each of its respective contractors and subcontractors at all tiers with respect to the Project, have 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 each Borrower set forth in the WIFIA Loan Agreement (including **Error! Reference source not found.** (*Representations and Warranties of Borrowers*)) 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).

² **Note:** This date should be the actual disbursement date on which the Borrowers request to receive the funds, not the date that this Requisition form is submitted to the WIFIA Lender.

17. The Project Manager has delivered all required deliverables under and in compliance with the requirements of **Schedule Error! Reference source not found.** (*Reporting Requirements*), except as has been otherwise agreed by the WIFIA Lender.³
18. Eligible Project Costs Documentation evidencing Eligible Project Costs in an amount equal to the amount requested for Disbursement has been submitted to the WIFIA Lender. [All][a portion][none] of such Eligible Project Costs Documentation was previously submitted to and approved by the WIFIA Lender in accordance with **Schedule Error! Reference source not found.** (*Requisition Procedures*) and **Schedule Error! Reference source not found.** (*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 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 Project Manager (on behalf of the Borrowers) 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 Project Manager or any Borrower the penalties of 18 U.S.C. § 1001, to the extent the Government deems appropriate.

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).

⁴ See **Schedules Error! Reference source not found., Error! Reference source not found.** and **Exhibit Error! Reference source not found.** 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 Borrower.

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.

Date: _____

COUNTY SANITATION DISTRICT NO. 2
OF LOS ANGELES COUNTY,
by its authorized representative

By: _____

Name:

Title: _____

EXHIBIT E

FORM OF CERTIFICATION OF ELIGIBLE PROJECT COSTS DOCUMENTATION

VIA EMAIL

United States Environmental Protection Agency¹
1200 Pennsylvania Avenue NW
WJC-E 7334A
Washington, D.C. 20460
Attention: WIFIA Director
Email: WIFIA_Portfolio@epa.gov

Re: Joint Water Pollution Control Plant Effluent Outfall Tunnel Project (WIFIA ID – 18114CA)

Ladies and Gentlemen:

Pursuant to **Part Error! Reference source not found. of Schedule Error! Reference source not found.** (*Reporting Requirements*) of the WIFIA Loan Agreement, dated as of [●], 2022 (the “**WIFIA Loan Agreement**”), by and among the Joint Outfall Districts of the County Sanitation Districts of Los Angeles County (the “**Borrowers**”) and the United States Environmental Protection Agency, acting by and through the Administrator (the “**WIFIA Lender**”), the Project Manager hereby presents this certificate in connection with the delivery of Eligible Project Costs Documentation to the WIFIA Lender. Capitalized terms used but not defined herein have the meaning provided 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 Error! Reference source not found. of Schedule Error! Reference source not found. (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 Borrowers and the Project Manager are otherwise in compliance with **Part Error! Reference source not found. of Schedule Error! Reference source not found. (Reporting Requirements)**.

Date: _____

**COUNTY SANITATION DISTRICT NO. 2
OF LOS ANGELES COUNTY⁷**

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 Error! Reference source not found. and Error! Reference source not found.** of the WIFIA Loan Agreement for additional details on EPC Documentation.

⁷ To be executed by the Project Manager's Authorized Representative.

EXHIBIT F

FORM OF CONSTRUCTION MONITORING REPORT

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

Re: Joint Water Pollution Control Plant Effluent Outfall Tunnel Project (WIFIA ID – 18114CA)

This Construction Monitoring Report for the period of *[insert relevant quarterly period]* (the “**Quarterly Period**”) is provided pursuant to **Part Error! Reference source not found. of Schedule Error! Reference source not found. (Reporting Requirements)** of the WIFIA Loan Agreement, dated as of [●], 2022 (the “**WIFIA Loan Agreement**”), by and among the Joint Outfall Districts of the County Sanitation Districts of Los Angeles County (the “**Borrowers**”) 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 **Error! Reference source not found.** to update the Project scope, schedule, and costs with the latest information.

--

2. **Current Projected 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 (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.

4. Other Matters Related to the Project (if applicable)

Date: _____

**COUNTY SANITATION DISTRICT NO. 2
OF LOS ANGELES COUNTY**

By: _____

Name: _____

Title: _____

APPENDIX A¹

Project Scope		Project Schedule						Project Costs		
Project Component	Completed (Y/N)	Contract/Vendor	Bid Advertisement Date	Contract Award Date	NTP Effective Date	Original Substantial Completion Date	Estimated Substantial Completion Date	Original Contract Amount	Estimated Costs to Complete	Costs Earned or Paid to Date
Total										

Table Definitions:

Project Component – project name or ID as tracked by the borrower

Complete (Y/N) – indication that project is complete, and no additional updates will be provided

Description (program of projects only) – brief overview of scope of work for the project component.

Location (program of projects only) – physical project boundaries

Covered by existing NEPA? (program of projects only) – refer to the environmental review documents that is the basis for the NEPA finding. Is the project within the geographic scope and scope of activities described in the documents?

Contract/Vendor – the contract identifier and contractor that is/will be completing the project construction.

Bid Advertisement Date – the date the bid was advertised

Contract Award date – the date the contract was awarded

NTP Effective date – the effective date to proceed with the construction in the Notice to Proceed

Original Substantial Completion Date – the substantial completion date for the given project as noted in the original contract award

Estimated Substantial Completion Date – the latest date estimate for substantial completion for the given project component

Original Contract Amount – the original contract award amount

Estimated Costs to Complete – the latest cost estimates to complete the given project component

Costs Earned or Paid to Date – the latest incurred contract costs for the given project component

Total – Total the cost amounts across all project components and contracts

¹ Appendix A summarizes all project components that will be bid in the next quarter, are currently under construction, or have completed construction. It should be a cumulative list of projects 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 Project Manager*]

[*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: Joint Water Pollution Control Plant Effluent Outfall Tunnel Project (WIFIA ID – 18114CA)

Dear Director:

This Notice is provided pursuant to **Part Error! Reference source not found. of Schedule Error! Reference source not found.** (*Reporting Requirements*) of that certain WIFIA Loan Agreement (the “**WIFIA Loan Agreement**”), dated as of [●], 2022, by and among the Joint Outfall Districts of the County Sanitation Districts of Los Angeles County (the “**Borrowers**”) 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 Project Manager’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.

**COUNTY SANITATION DISTRICT NO. 2 OF
LOS ANGELES COUNTY,**
by its authorized representative

By: _____

Name:

Title:

EXHIBIT H-1

OPINIONS REQUIRED FROM COUNSEL TO BORROWERS¹

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

(a) each Borrower has been duly created and validly exists as a sanitation district organized and existing under and pursuant to the laws of the State (including the [*Borrower enabling legislation*] as amended to the date hereof) (the “**Borrower Act**”);

(b) each Borrower has all requisite power and authority under the laws of the State, including the Borrower Act, to conduct its business and to execute and deliver, and to perform its obligations under the WIFIA Loan Documents, the Joint Outfall Agreement and the Joint Administration Agreement;

(c) the execution and delivery by each Borrower of, and the performance of its respective obligations under, the WIFIA Loan Documents, the Joint Outfall Agreement and the Joint Administration Agreement, have been duly authorized by all necessary organizational or regulatory action, and other than the Borrowers’ Organizational Documents, the WIFIA Resolutions and the Obligation Documents, no further instruments or documents are necessary for the Borrowers to execute and deliver, and to perform their obligations under, the WIFIA Loan Documents, the Joint Outfall Agreement and the Joint Administration Agreement and to consummate and implement the transactions contemplated by the WIFIA Loan Documents, the Joint Outfall Agreement and the Joint Administration Agreement;

(d) each Borrower has duly executed and delivered each WIFIA Loan Document, the Joint Outfall Agreement and the Joint Administration Agreement and its respective WIFIA Resolution and each such document is in full force and effect and constitutes the legal, valid and binding obligation of such Borrower, enforceable against such Borrower in accordance with their respective terms;

(e) 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 is required on the part of any Borrower for the execution and delivery by such party of, and the performance of such party under, any WIFIA Loan Document, the Joint Outfall Agreement or the Joint Administration Agreement other than authorizations, consents, approvals, registrations, declarations and filings that have already been timely obtained or made by the Borrowers (or the Project Manager on behalf of the Borrowers);

(f) the execution and delivery by the Borrowers of, and compliance with the provisions of, the WIFIA Loan Documents, the Joint Outfall Agreement and the Joint Administration Agreement in each case do not (i) violate the Organizational Documents of any Borrower, (ii) violate the law of the United States of America or of the State or (iii) conflict with or constitute a breach of or default under any material agreement or other instrument known to such counsel to which any

¹ **NTD:** Scope of legal opinions remains under further consideration by EPA. To be discussed together with scope of opinion of bond counsel.

Borrower 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 any Borrower is subject;

(g) no Borrower is an investment company required to register under the Investment Company Act of 1940, as amended;

(h) no Borrower is entitled to claim governmental immunity in any breach of contract action under the WIFIA Loan Documents; and

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

EXHIBIT H-2

OPINIONS REQUIRED FROM BOND COUNSEL TO BORROWERS¹

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

(a) each Related Document constitutes a valid and binding agreement of each Borrower that is a party thereto, enforceable against such Borrower in accordance with its respective terms and conditions;

(b) the WIFIA Note and the obligations of the Borrowers under the WIFIA Loan Agreement (i) are secured by the Collateral, (ii) are a Senior Obligation entitled to the benefits of a Senior Obligation under the Master Obligation Agreement, (iii) are enforceable under the laws of the State without any further action by any Borrower or any other Person, and (iv) rank *pari passu* in right of payment and right of security with all Senior Obligations and senior in right of payment and right of security to all Subordinate Obligations;

(c) the Master Obligation Agreement creates the valid and binding assignment and pledge of each Borrower's Collateral to secure the payment of the principal of, interest on, and other amounts payable in respect of, the WIFIA Loan Agreement and the WIFIA Note, irrespective of whether any party has notice of the pledge and without the need for any physical delivery, recordation, filing or further act;

(d) all actions by each Borrower that are required for the application of such Borrower's Revenues as required under the Master Obligation Agreement and under the WIFIA Loan Agreement have been duly and lawfully made; and

(e) each Borrower has complied with the requirements of State law to lawfully pledge its Collateral and use its Revenues as required by the terms of the Master Obligation Agreement and the WIFIA Loan Agreement.

¹ **NTD:** Scope of opinion to be discussed together with scope of opinion of counsel to Borrowers.

EXHIBIT I

FORM OF CERTIFICATE OF MASTER TRUSTEE

JOINT OUTFALL DISTRICTS OF THE COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

**With respect to the WIFIA Note,
Joint Water Pollution Control Plant Effluent Outfall Tunnel Project
(WIFIA ID – 18114CA)**

The undersigned, ZIONS BANCORPORATION, NATIONAL ASSOCIATION (the “**Master Trustee**”), by its duly appointed, qualified and authorized representative below, certifies with respect to the above referenced note (the “**WIFIA Note**”) dated as of [●], 2022, as follows (capitalized terms used in this Certificate which are not otherwise defined shall have the meanings given to such terms in the Master Obligation Agreement (as defined below)):

1. The Master Trustee is a national association duly organized and validly existing under the laws of the United States of America.

2. All approvals, consents and orders of any governmental authority or agency having jurisdiction in the matter which are necessary for the execution and delivery by the Master Trustee of the Master Obligation Agreement and the performance by the Master Trustee of its obligations thereunder have been obtained by the Master Trustee and are in full force and effect.

3. The Master Trustee has duly authorized, executed and delivered the Master Obligation Agreement, and the Master Obligation Agreement constitutes a valid and binding obligation of the Master Trustee, enforceable against the Master Trustee in accordance with its terms.

4. The undersigned has the power and authority to act as Master Trustee and accept the trusts conveyed to it under the Master Obligation Agreement (“**Trusts**”), has accepted the Trusts so conveyed and in so accepting the Trusts and so acting is not in violation of any provision of its articles of association or bylaws, any law, rule, regulation or court or administrative order, judgment or decree or any agreement or other instrument to which it is a party or by which it may be bound.

5. The undersigned acknowledges receipt of all instruments, certifications and other documents or confirmations required to be received by the Master Trustee pursuant to Section 4.01 of that certain Master Obligation Agreement (the “**Master Obligation Agreement**”), dated as of April 1, 2022, among the Joint Outfall Districts of the County Sanitation Districts of Los Angeles County (the “**Borrowers**”) and the Master Trustee.

7. The undersigned acknowledges receipt of that certain WIFIA Loan Agreement, dated as of [●], 2022 (the “**WIFIA Loan Agreement**”), among the Borrowers and the United States Environmental Protection Agency, acting by and through the Administrator.

8. The Master Trustee accepts its appointment and agrees to perform the duties and responsibilities of Master Trustee for and in respect of the WIFIA Note as set forth in the Master Obligation Agreement and the WIFIA Loan Agreement. In accepting such duties and responsibilities, the Master Trustee shall be entitled to all of the privileges, immunities, rights and protections set forth in Article VII of the Master Obligation Agreement.

Dated: [●], 2022

ZIONS BANCORPORATION,
NATIONAL ASSOCIATION

By: _____
Name:
Title: