

UNITED STATES DEPARTMENT OF THE ARMY

CWIFP MASTER AGREEMENT

With

SANTA CLARA VALLEY WATER DISTRICT

For the

DAM SAFETY PROGRAM

Dated as of [____], 2025

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CWIFP MASTER AGREEMENT

THIS CWIFP MASTER AGREEMENT (this “**Agreement**”), dated as of the Effective Date, is by and between the Borrower (as defined herein) and the **UNITED STATES DEPARTMENT OF THE ARMY**, acting by and through the United States Army Corps of Engineers (the “**CWIFP Lender**”).

RECITALS:

WHEREAS, the Congress of the United States of America enacted the Water Infrastructure Finance and Innovation Act, § 5021 *et seq.* of Public Law 113-121 (as amended, and as may be further amended from time to time, the “**Act**”), which is codified as 33 U.S.C. §§ 3901-3915;

WHEREAS, the credit assistance program provided by the CWIFP Lender pursuant to the Act is known as the Corps Water Infrastructure Financing Program (“**CWIFP**”);

WHEREAS, the Act authorizes the CWIFP 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 Borrower has proposed the planning, design and construction of multiple Projects (as defined herein) with respect to the Water Utility System (as defined herein), and desires to obtain CWIFP financial assistance for each Project;

WHEREAS, the Borrower and the CWIFP Lender are entering into this Agreement to set forth certain common terms and conditions applicable to each prospective CWIFP Loan (as defined herein) that the Borrower may request hereunder as the Projects develop;

WHEREAS, the Borrower may request, from time to time, that the CWIFP Lender make a CWIFP Loan to the Borrower to be used to pay a portion of the Eligible Project Costs (as defined herein) for each Project;

WHEREAS, based on the Application (as defined herein) and subject to the terms and conditions set forth herein and in each CWIFP Credit Agreement (as defined herein) and the Act, the CWIFP Lender proposes to make funding available to the Borrower for a portion of the Eligible Project Costs of Projects through the purchase of a CWIFP Bond (as defined herein) to be issued by the Borrower for each Project; and

WHEREAS, the Borrower agrees to repay any amount due pursuant to this Agreement, each CWIFP Credit Agreement and each CWIFP Bond in accordance with the terms and provisions set forth herein and in each such CWIFP Credit Agreement and CWIFP Bond.

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, it is hereby mutually agreed by and between the Borrower and the CWIFP Lender as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

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

“**Act**” has the meaning provided in the recitals hereto.

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

“**Additional Obligations**” means Senior Obligations issued or incurred on or after the date hereof in accordance with Section 14(a)(ii) (*Issuance of Additional Obligations*) and Additional Parity Obligations.

“**Additional Obligations Test**” has the meaning ascribed to such term in **Part C of Schedule I** (*CWIFP Master Program Terms*).

“**Additional Parity Obligations**” means any Parity Obligations permitted under Section 14(a)(ii) (*Issuance of Additional Obligations*), which Parity Obligations are issued or incurred on or after the Effective Date.

“**Aggregate Master Program Amount**” has the meaning ascribed to such term in **Part B of Schedule I** (*CWIFP Master Program Terms*).

“**Agreement**” has the meaning provided in the preamble hereto.

“**Application**” means the Borrower’s fully completed application for CWIFP financial assistance received by the CWIFP Lender on March 28, 2025.

“**Authorized Officer**” has the meaning provided in the Master Resolution.

“**Average Annual Debt Service**” means the average of (a) the interest payable on all Obligations for all Borrower Fiscal Years, assuming all Obligations are retired as scheduled (including by reason of sinking fund payment redemption), and (b) the principal amount of the Obligations scheduled to be paid for all Borrower Fiscal Years (including any sinking fund payment redemptions due), including the Borrower Fiscal Year in which the calculation is made.

“**Bankruptcy Official**” means a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official in connection with any bankruptcy or similar proceeding.

“**Bankruptcy Related Event**” means, with respect to the 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 the 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 Bankruptcy Official for the Borrower or for a substantial part of the assets thereof and, in any case referred to in the foregoing sub-clauses (i) and (ii), such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered; (b) the Borrower shall (i) apply for or consent to the appointment of a Bankruptcy 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 CWIFP Debt Service in accordance with the provisions of Section 7 (*Repayments*) and such failure is not cured within thirty (30) days following notification by the CWIFP 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 sub-clauses (i) through (v), inclusive, of this clause (b) or (viii) take any action for the purpose of effecting any of the foregoing; (c) (i) any Person shall commence a process pursuant to which all or a substantial part of the Pledged Collateral may be sold or otherwise disposed of in a public or private sale or disposition pursuant to a foreclosure of the Liens thereon securing the Obligations, or (ii) any Person shall commence a process pursuant to which all or a substantial part of the Pledged Collateral may be sold or otherwise disposed of pursuant to a sale or disposition of such Pledged Collateral in lieu of foreclosure; or (d) any Bankruptcy Official shall transfer, pursuant to directions issued by the holders of Obligations, funds on deposit in any of the Water Utility System funds or accounts upon the occurrence and during the continuation of an Event of Default under this Agreement or an event of default under any Obligation Document for application to the prepayment or repayment of any principal amount of the Obligations other than in accordance with the provisions of this Agreement.

“Board of Directors” means the governing board of the Borrower.

“Borrower” has the meaning ascribed to such term in **Part A of Schedule I** (*CWIFP Master Program Terms*).

“Borrower Fiscal Year” means (a) as of the Effective Date, the Initial Borrower Fiscal Year or (b) such other fiscal year as the Borrower may hereafter adopt after giving thirty (30) days’ prior written notice to the CWIFP Lender in accordance with **Part D of Schedule V** (*Reporting Requirements*).

“Borrower’s Authorized Representative” means any Person who shall be designated as such pursuant to Section 19 (*Borrower’s Authorized Representative*).

“Budgeted Transfers” means, for any Borrower Fiscal Year, lawfully available amounts, including in the Rate Stabilization Reserve Fund, as of the last day of such Borrower Fiscal Year, in each case, (a) which may be lawfully used to pay the CWIFP Debt Service and (b) that have been transferred to the Water Utility System Revenue Fund, pursuant to a budget process where such amounts have been budgeted and approved by the Board of Directors (and which removal

from the Water Utility System Revenue Fund would require a separate budget and approval process by the Board of Directors prior to any such removal), for application solely to the Water Utility System.

“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 or the Project Location.

“Capitalized Interest Date” has, if applicable, the meaning ascribed to such term in **Part C of Schedule I** (*CWIFP Loan Specific Terms*) to the applicable CWIFP Credit Agreement, or if designated as “Not Applicable” in **Schedule I**, means capitalized interest dates shall not be applicable with respect to the corresponding CWIFP Loan.

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

“Closing Certificate” has the meaning provided in Section 10(a)(v) (*Conditions Precedent to Effectiveness of this Agreement*).

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

“Construction Monitoring Report” means with respect to each applicable Project, a report on the status of such Project, substantially consistent with the requirements of **Part C of Schedule V** (*Reporting Requirements*).

“Construction Schedule” has, for each applicable Project, the meaning provided in Section 1 (*Definitions*) of the applicable CWIFP Credit Agreement.

“Corps” means the United States Army Corps of Engineers.

“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>.

“Current Water Utility System Revenues” has the meaning provided in the Master Resolution.

“CWIFP” has the meaning provided in the recitals hereto.

“CWIFP Bonds” means, collectively, each “CWIFP Bond” as defined in Section 1 (*Definitions*) of each CWIFP Credit Agreement.

“CWIFP Credit Agreement” means, for each CWIFP Loan, a credit agreement substantially in the form attached hereto as **Exhibit H** (*Form of CWIFP Credit Agreement*) entered into by the Borrower and the CWIFP Lender in respect of the relevant Project.

“CWIFP Credit Agreement Effective Date” has, for each CWIFP Credit Agreement, the meaning ascribed to such term in **Part A of Schedule I** (*CWIFP Loan Specific Terms*) to the applicable CWIFP Credit Agreement.

“CWIFP CUSIP Number” has, for each CWIFP Loan, the meaning ascribed to such term in **Part A of Schedule I** (*CWIFP Loan Specific Terms*) to the applicable CWIFP Credit Agreement.

“CWIFP Debt Service” means, with respect to each CWIFP Loan, for any Payment Date occurring on or after the Debt Service Payment Commencement Date for such CWIFP Loan, the principal portion of the CWIFP Loan Balance and any interest payable thereon (including interest accruing after the date of any filing by the Borrower of any petition in bankruptcy or the commencement of any bankruptcy, insolvency or similar proceeding with respect to the Borrower), in each case, (a) as set forth on the applicable CWIFP Loan Amortization Schedule and (b) due and payable on such Payment Date in accordance with the provisions of Section 7(a) (*Payment of CWIFP Debt Service*).

“CWIFP Debt Service Account” has the meaning ascribed to such term in **Part C of Schedule I** (*CWIFP Master Program Terms*).

“CWIFP Interest Rate” has, for each CWIFP Loan, the meaning ascribed to such term in **Part C of Schedule I** (*CWIFP Loan Specific Terms*) to the applicable CWIFP Credit Agreement.

“CWIFP Lender” has the meaning provided in the preamble hereto.

“CWIFP Lender’s Authorized Representative” means the Secretary and any other Person who shall be designated as such pursuant to Section 20 (*CWIFP Lender’s Authorized Representative*).

“CWIFP Loan” has, for each CWIFP Credit Agreement, the meaning provided in Section 1 (*Definitions*) thereof.

“CWIFP Loan Amortization Schedule” has, for each CWIFP Loan, the meaning ascribed to such term in Section 1 (*Definitions*) of the applicable CWIFP Credit Agreement.

“CWIFP Loan Balance” means, for each CWIFP Loan, (a) the aggregate principal amount of such CWIFP Loan disbursed by the CWIFP Lender to the Borrower *plus* (b) if applicable, capitalized interest added to the principal balance of such CWIFP Loan pursuant to Section 7(a)(iii) (*Payment of CWIFP Debt Service*), *minus* (c) the aggregate principal amount of such CWIFP Loan repaid or prepaid by the Borrower, as reflected from time to time in the CWIFP

Loan Amortization Schedule for such CWIFP Loan in accordance with Section 7(c) (*Adjustments to CWIFP Loan Amortization Schedule*).

“**CWIFP Loan Disbursement Schedule**” means, for each CWIFP Loan, the disbursement schedule set forth in **Schedule III** (*CWIFP Loan Amortization Schedule*) to the applicable CWIFP Credit Agreement, reflecting the anticipated disbursement of proceeds of such CWIFP Loan, as such schedule may be amended from time to time pursuant to Section 10(c) (*Conditions Precedent to Disbursements*).

“**CWIFP Loan Documents**” means this Agreement, the CWIFP Bonds, the CWIFP Credit Agreements, the Master Resolution and the CWIFP Resolution.

“**CWIFP Loan Request**” has the meaning provided in Section 3(c) (*CWIFP Loans Under the Master Program*).

“**CWIFP Resolution**” means Resolution No. [], adopted by the Borrower on [], authorizing the Master Program, the execution and delivery of this Agreement and the initial and all subsequent CWIFP Credit Agreements, the issuance of the initial and all subsequent CWIFP Bonds and certain related actions by the Borrower in connection therewith.

“**CWIFP Term Sheet**” means a term sheet substantially in the form attached hereto as **Exhibit I** (*Form of CWIFP Term Sheet*) entered into by the Borrower and the CWIFP Lender in respect of any CWIFP Loan.

“**Debt Service**” means, for any Borrower Fiscal Year,

(a) the sum of:

(i) the interest payable during such Borrower Fiscal Year on all outstanding Obligations, assuming that all outstanding serial Obligations are retired as scheduled and that all outstanding term Obligations are prepaid or paid from sinking fund payments as scheduled (except to the extent that such interest is capitalized or is reasonably anticipated to be reimbursed to the Borrower by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111 5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program);

(ii) those portions of the principal amount of all outstanding serial Obligations maturing in such Borrower Fiscal Year (but excluding Excluded Principal);

(iii) those portions of the principal amount of all outstanding term Obligations required to be prepaid or paid in such Borrower Fiscal Year (but excluding Excluded Principal); and

(iv) any other portions of the Obligations required to be paid during such Borrower Fiscal Year (except to the extent the interest evidenced and represented thereby is capitalized or is reasonably anticipated to be reimbursed to the Borrower by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of

Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111 5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program); *minus*

(b) the earnings to be derived from the investment of moneys on deposit in debt service reserve funds established for all outstanding Obligations;

provided that, as to any such Obligations bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Debt Service shall, for all purposes, be assumed to bear interest at a fixed rate equal to the higher of:

(x) the then current variable interest rate borne by such Obligations; and

(y) if such Obligations have been outstanding for at least twelve (12) months, the average rate over the twelve (12) months immediately preceding the date of calculation, or if such Obligations have not been outstanding for the twelve (12) prior months, the average rate borne by variable rate debt of which the interest rate is computed by reference to an index comparable to that to be utilized in determining the interest rate for such Obligations to be issued;

provided further that if any series or issue of such Obligations have twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one year (and such principal is not Excluded Principal), Debt Service shall be determined for the Borrower Fiscal Year of determination as if the principal of and interest on such series or issue of such Obligations were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of forty (40) years from the date of calculation;

provided further that if any Obligations constitute Paired Obligations, the interest rate on such Obligations shall be the resulting linked rate or the effective fixed interest rate to be paid by the Borrower with respect to such Paired Obligations; and

provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Obligations for which such debt service reserve fund was established and to the extent the amount in such debt service reserve fund is in excess of such amount of principal, such excess shall be applied to the full amount of principal due, in each preceding year, in descending order, until such amount is exhausted.

“Debt Service Payment Commencement Date” has, for each CWIFP Loan, the meaning ascribed to such term in Section 1 (*Definitions*) of the applicable CWIFP Credit Agreement.

“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, for each CWIFP Loan, the meaning ascribed to such term in **Part C of Schedule I** (*CWIFP Loan Specific Terms*) to the applicable CWIFP Credit Agreement.

“Disbursement” means a disbursement of CWIFP Loan proceeds, subject to and in accordance with this Agreement and any applicable CWIFP Credit Agreement.

“**Dollars**” and “**\$**” means the lawful currency of the U.S.

“**Economically Justified**” means that the anticipated benefits will exceed the costs as determined by the Secretary and as reviewed and verified by the Borrower from time-to-time in accordance with Section 10(c) (*Conditions Precedent to Disbursements*), Section 11(k) (*Verifications*), Section 13(i) (*Compliance with Laws*) and Section 14(h) (*Site Disturbing Work*), as applicable.

“**Effective Date**” means the date of this Agreement, as specified in **Part A of Schedule I** (*CWIFP Master Program Terms*).

“**Eligible Project Costs**” means, with respect to each Project, amounts in the Project Budget relating to such Project that have been approved by the CWIFP Lender and which are paid by or for the account of the Borrower in connection with such Project (including, as applicable, Project expenditures incurred prior to the receipt of CWIFP credit assistance, or the repayment of amounts borrowed to make such expenditures prior to the receipt of CWIFP 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 pre-construction activities;
- (b) construction, reconstruction, rehabilitation and replacement activities;
- (c) acquisition of real property or an interest in real property (including water rights, land relating to such Project and improvements to land), environmental mitigation, construction contingencies and acquisition of equipment; or
- (d) capitalized interest (with respect to Obligations other than any CWIFP Loan) necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses and other carrying costs during construction;

provided, that such Eligible Project Costs must be consistent with all other applicable federal law, including the Act. As provided in the Act and in 33 C.F.R. § 386.13(a)(1), Eligible Project Costs may include Servicing Fees payable under any CWIFP Credit Agreement prior to the applicable Final Disbursement Date.

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

“**EMMA**” means the Electronic Municipal Market Access system established and maintained by the Municipal Securities Rulemaking Board (MSRB) or any successor system.

“Environmentally Acceptable” means, for each Project, that the Project will satisfy all applicable and necessary environmental requirements to include those identified in 33 C.F.R. § 386.5(a), such as NEPA, as determined by the Secretary and as reviewed and verified by the Borrower from time-to-time in accordance with Section 10(c) (*Conditions Precedent to Disbursements*), Section 11(k) (*Verifications*), Section 13(i) (*Compliance with Laws*) and Section 14(h) (*Site Disturbing Work*), as applicable.

“Event of Default” has the meaning provided in Section 15(a) (*Events of Default and Remedies*).

“Excluded Principal” means each payment of principal of Obligations with a maturity of less than forty-two (42) months and which the Borrower specifies in a certificate signed by an Authorized Officer (as defined in the Master Resolution) and filed with the CWIFP Lender that the Borrower intends to pay from the proceeds of Obligations, other bonds, notes or other obligations of the Borrower or moneys other than Water Utility System Revenues, Current Water Utility System Revenues or Net Water Utility System Revenues. No such determination shall affect the security for such Obligations or the obligation of the Borrower to pay such Obligations from Net Water Utility System Revenues.

“Existing Construction Contract” means, with respect to any applicable Project, each Construction Contract of the Borrower existing as of the applicable CWIFP Credit Agreement Effective Date, as set forth in **Part C of Schedule II** (*Project Details*) of the applicable CWIFP Credit Agreement.

“Existing Indebtedness” means, (a) as of the Effective Date, Obligations that have been issued or incurred prior to the Effective Date, as listed and described in **Part A of Schedule III** (*Borrower Disclosures*), and (b) as of each CWIFP Credit Agreement Effective Date, Obligations that have been issued or incurred prior to the applicable CWIFP Credit Agreement Effective Date, as listed and described in **Schedule IV** (*Borrower Disclosures*) of the applicable CWIFP Credit Agreement.

“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, with respect to each CWIFP Loan, the earliest of (a) the date on which such CWIFP Loan has been disbursed in full; (b) the date on which the Borrower has certified to the CWIFP Lender that it will not request any further disbursements under such CWIFP Loan; (c) the date on which the CWIFP Lender terminates its obligations relating to disbursements of any undisbursed amounts of such CWIFP Loan in accordance with Section 15 (*Events of Default and Remedies*); or (d) the date that is one (1) year after the Substantial Completion Date of the Project relating to such CWIFP Loan.

“Final Maturity Date” has, for each CWIFP Loan, the meaning ascribed to such term in **Part C of Schedule I** (*CWIFP Loan Specific Terms*) to the applicable CWIFP Credit Agreement. The Final Maturity Date shall be the earliest of (a) a fixed date set forth in the applicable CWIFP Credit Agreement (b) the Payment Date immediately preceding the date that is thirty-five (35) years following the applicable Projected Substantial Completion Date, as established as of the applicable CWIFP Credit Agreement Effective Date, (c) the date on which the maturity of the CWIFP Loan and corresponding CWIFP Bond have been accelerated or subject to mandatory redemption or prepayment (as the case may be) prior to maturity thereof, or (d) the Payment Date immediately preceding the date that is thirty-five (35) years following the applicable Substantial Completion Date.

“Financial Model” means the financial model or plan, prepared by the Borrower and delivered to the CWIFP Lender as part of the Application, forecasting the capital costs of the Water Utility System (including the Master Program) and the estimated debt service coverage, rates, revenues, operating expenses and major maintenance requirements of the Water Utility System for the Forecast Period, and based upon assumptions and methodology provided by the Borrower and acceptable to the CWIFP Lender as of the Effective Date.

“Financial Statements” has the meaning provided in Section 11(q) (*Reporting and Financial Statements*).

“Flow of Funds” has the meaning ascribed to such term in **Part C of Schedule I** (*CWIFP Master Program 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 four (4) immediately succeeding Borrower Fiscal Years or (b) the end of the Borrower Fiscal Year in which the Borrower’s then-currently effective capital improvement plan for the Water Utility System concludes.

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

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

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

“**Indemnatee**” has the meaning provided in Section 30 (*Indemnification*).

“**Initial Borrower Fiscal Year**” has the meaning ascribed to such term in **Part A of Schedule I** (*CWIFP Master Program 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, for each CWIFP Loan where applicable, the meaning ascribed to such term in **Part C of Schedule I** (*CWIFP Loan Specific Terms*) to the applicable CWIFP Credit Agreement.

“**Interest Payment Date**” has, for each CWIFP Loan, the meaning ascribed to such term in **Part C of Schedule I** (*CWIFP Loan Specific Terms*) to the applicable CWIFP Credit Agreement.

“**Interim Financing**” means interim bond anticipation notes, commercial paper or other short-term temporary financing, in each case with a maturity occurring on or before the Projected Substantial Completion Date under the applicable CWIFP Credit Agreement in effect on the date on which such short-term temporary financing is issued or incurred and the proceeds of which are applied to pay Eligible Project Costs for the applicable Project.

“**Investment Grade Rating**” means a rating category of ‘BBB-’, ‘Baa3’, ‘bbb-’ or ‘BBB (low)’, or higher assigned by an NRSRO.

“**Investment Policy**” means that certain Santa Clara Valley Water District Board Investment Policy, dated July 1, 2022, as may be amended by the Borrower from time to time.

“**Lien**” means (a) 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, (b) any sale-leaseback arrangement, any conditional sale or other title retention agreement or any financing lease, in each case having substantially the same effect as any of the matters referenced in clause (a), and (c) the filing of any financing statement or similar instrument under the UCC or any other applicable law.

“**Maintenance and Operation Costs**” means, for any Borrower Fiscal Year or other period, (a) costs for maintenance and operation of the Water Utility System (including the Master Program) calculated in accordance with GAAP, including (among other things) the reasonable expenses of management and repair and other expenses necessary to maintain and preserve the Water Utility System in good repair and working order, and including administrative costs of the Borrower that are charged directly or apportioned to the Water Utility System, including salaries and wages of employees, payments to the Public Employees Retirement System, overhead, insurance, taxes (if any), fees of engineers, auditors, accountants, attorneys, consultants, trustees, fiscal agents, letter of credit providers, dealers and remarketing agents and other charges and fees payable to credit or liquidity providers (other than payments of principal and interest constituting Debt Service) and insurance premiums, and including all other reasonable and necessary costs of the Borrower or

charges (other than Debt Service) required to be paid by it to comply with the terms of the Master Resolution, this Agreement or any other Obligation Document or of any other resolution or indenture authorizing the issuance of any Obligations or of such Obligations, (b) all costs of water purchased or otherwise acquired for delivery by the Water Utility System (including any interim or renewed arrangement therefor), including both fixed and variable components thereof except to the extent payable from amount identified in clause (x) of the definition of Current Water Utility System Revenues under the Master Resolution, and (c) all amounts payable with respect to Maintenance and Operation Obligations (as defined in the Master Resolution), including both fixed and variable components thereof, but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles, other bookkeeping entries of a similar nature and other maintenance and operation costs of a non-cash basis.

“Master Availability Period” has the meaning ascribed to such term in **Part B of Schedule I** (*Master Program Terms*).

“Master Program” means the Borrower’s anticipated improvements to the Water Utility System through the design, planning and construction of each Project as set forth in **Schedule II** (*CWIFP Master Program Projects and Budget*), as may be amended from time to time with approval of the CWIFP Lender in its sole discretion.

“Master Program Budget” means the total estimated aggregate budget for each Project attached to this Agreement as **Schedule II** (*CWIFP Master Program Projects and Budget*), as updated from time to time to reflect updated Project Budgets as provided in Section 10(b)(iv) (*Conditions Precedent to Effectiveness of Each CWIFP Credit Agreement*), or as otherwise amended from time to time with approval of the CWIFP Lender in its sole discretion.

“Master Resolution” means Resolution No. 16-10, adopted by the Borrower on February 23, 2016, as amended by Resolution No. 16-82, adopted by the Borrower on December 13, 2016.

“Material Adverse Effect” means a material adverse effect on (a) the Water Utility System, the Master Program, any Project or the Pledged Collateral, (b) the business, operations, properties or condition (financial or otherwise) of the Borrower with respect to the Water Utility System, (c) the legality, validity or enforceability of any material provision of any CWIFP Loan Document, (d) the ability of the Borrower to enter into, perform or comply with any of its material obligations under any CWIFP Loan Document, (e) the validity, enforceability or priority of the Liens provided under the CWIFP Loan Documents on the Pledged Collateral or (f) the CWIFP Lender’s rights or remedies available under any CWIFP Loan Document.

“Maximum Principal Amount” has, for each CWIFP Loan, the meaning ascribed to such term in **Part C of Schedule I** (*CWIFP Loan Specific Terms*) to the applicable CWIFP Credit Agreement. Each Maximum Principal Amount represents the maximum amount of aggregate Disbursements under the applicable CWIFP Loan and excludes capitalized interest that may be added to such Maximum Principal Amount in accordance with the terms hereof and of the applicable CWIFP Credit Agreement.

“**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.

“**Net Proceeds**” means, when used with respect to any casualty insurance or condemnation award, the proceeds from such insurance or condemnation award remaining after payment of all expenses (including attorneys’ fees) incurred in the collection of such proceeds.

“**Net Water Utility System Revenues**” means, for any Borrower Fiscal Year or other period, the Water Utility System Revenues during such Borrower Fiscal Year or period less the Maintenance and Operation Costs during such Borrower Fiscal Year or period.

“**NRSRO**” means any nationally recognized statistical rating organization registered with, and identified as such by, the Securities and Exchange Commission.

“**Obligation Document**” means any indenture, installment purchase agreement, bond, credit agreement, note, reimbursement agreement, letter of credit, guarantee or any other agreement, contract, instrument or document providing for the issuance of Obligations or otherwise establishing any terms or conditions relating to Obligations.

“**Obligations**” means, collectively, the Senior Obligations and the Parity Obligations.

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

“**Outstanding**” means, with respect to Obligations, Obligations that have not been cancelled or legally defeased or discharged.

“**Paired Obligations**” means any Obligations (or portion thereof) designated as Paired Obligations in the resolution, indenture, trust agreement or other security document authorizing the issuance or execution and delivery thereof (a) the principal of which is of equal amount maturing and to be redeemed or prepaid (or cancelled after acquisition thereof) on the same dates and in the same amounts, and (b) the interest rates which, taken together, are intended to result in a fixed interest rate obligation of the Borrower for all or a portion of the term of such Obligations, all as certified by an Experienced Banker or Advisor (as defined in the Master Resolution).

“**Parity Debt Service**” means, for any Borrower Fiscal Year,

(a) the sum of:

(i) the interest payable during such Borrower Fiscal Year on all outstanding Parity Obligations, assuming that all outstanding serial Parity Obligations are retired as scheduled and that all outstanding term Parity Obligations are prepaid or paid from sinking

fund payments as scheduled (except to the extent that such interest is capitalized or is reasonably anticipated to be reimbursed to the Borrower by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111 5, 23 Stat. 115 (2009)), enacted February 17, 2009)), or any future similar program);

(ii) those portions of the principal amount of all outstanding serial Parity Obligations maturing in such Borrower Fiscal Year (but excluding Excluded Principal);

(iii) those portions of the principal amount of all outstanding term Parity Obligations required to be prepaid or paid in such Borrower Fiscal Year (but excluding Excluded Principal); and

(iv) any other portions of the Parity Obligations required to be paid during such Borrower Fiscal Year (except to the extent the interest evidenced and represented thereby is capitalized or is reasonably anticipated to be reimbursed to the Borrower by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111 5, 23 Stat. 115 (2009)), enacted February 17, 2009)), or any future similar program); *minus*

(b) the earnings to be derived from the investment of moneys on deposit in debt service reserve funds established for all outstanding Parity Obligations;

provided that, as to any such Parity Obligations bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Parity Debt Service shall, for all purposes, be assumed to bear interest at a fixed rate equal to the higher of:

(x) the then current variable interest rate borne by such Parity Obligations; and

(y) if such Parity Obligations have been outstanding for at least twelve (12) months, the average rate over the twelve (12) months immediately preceding the date of calculation, or if such Parity Obligations have not been outstanding for the twelve (12) prior months, the average rate borne by variable rate debt of which the interest rate is computed by reference to an index comparable to that to be utilized in determining the interest rate for such Parity Obligations to be issued;

provided further that if any series or issue of such Parity Obligations have twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one year (and such principal is not Excluded Principal), Parity Debt Service shall be determined for the Borrower Fiscal Year of determination as if the principal of and interest on such series or issue of such Parity Obligations were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of forty (40) years from the date of calculation;

provided further that if any Parity Obligations constitute Paired Obligations, the interest rate on such Parity Obligations shall be the resulting linked rate or the effective fixed interest rate to be paid by the Borrower with respect to such Paired Obligations; and

provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Parity Debt Service shall be deducted from the amount of principal due at the final maturity of the Parity Obligations for which such debt service reserve fund was established and to the extent the amount in such debt service reserve fund is in excess of such amount of principal, such excess shall be applied to the full amount of principal due, in each preceding year, in descending order, until such amount is exhausted.

“Parity Obligations” means the CWIFP Bonds and all other obligations of the Borrower which are secured by a pledge of and lien on the Pledged Collateral and rank *pari passu* in right of payment and right of security with the CWIFP Bonds, including the Existing Indebtedness listed and described in Section 2 (*Existing Parity Obligations*) of **Part A of Schedule III** (*Borrower Disclosures*) and any Additional Parity Obligations; provided that Parity Obligations shall not include the CWIFP Bonds upon the occurrence of a Bankruptcy Related Event as further described in Section 6 (*Security and Priority; Flow of Funds*).

“Parity Project” means any additions, betterments, extensions or improvements to the Water Utility System (including the Master Program) designated by the Board of Directors of the Borrower as a Parity Project, the acquisition and construction of which is to be paid for with the proceeds of any Parity Obligations.

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

“Payment Default” has the meaning provided in Section 15(a)(i) (*Payment Default*).

“Permitted Debt” means:

- (a) Existing Indebtedness;
- (b) each CWIFP Loan (and corresponding CWIFP Bond);
- (c) Additional Obligations that satisfy the requirements of Section 14(a)(ii) (*Issuance of Additional Obligations*) and the Master Resolution; and
- (d) indebtedness incurred in respect of hedging transactions permitted under the Master Resolution and the CWIFP Loan Documents.

“Permitted Investment” means any investment permitted by both State law and the Investment Policy.

“Permitted Liens” means:

- (a) Liens imposed pursuant to the CWIFP Loan Documents and the other Obligation Documents for Permitted Debt;
- (b) Liens imposed by law, including Liens for taxes that are not yet due or are being contested in compliance with Section 13(j) (*Material Obligations; Payment of Claims*).

(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 Section 13(j) (*Material Obligations; Payment of Claims*);

(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 Section 15(a)(vii) (*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 and includes an individual, a general or limited partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization and any Governmental Authority, including in each case such Person's successors and permitted assigns.

"Planning and Design Monitoring Report" means, with respect to each applicable Project, a report on the status of such Project, substantially consistent with the requirements of **Part C of Schedule V** (*Reporting Requirements*).

"Planning and Design Project" means a Project for the development of complete plans and specifications that are certified by a professional engineer for construction bidding.

"Planning and Design Schedule" has, for each applicable Project, the meaning provided in Section 1 (*Definitions*) of the applicable CWIFP Credit Agreement.

"Pledged Collateral" has the meaning ascribed to such term in **Part C of Schedule I** (*Master Program Terms*).

"Principal Payment Date" has, for each CWIFP Loan, the meaning ascribed to such term in **Part C of Schedule I** (*CWIFP Loan Specific Terms*) to the applicable CWIFP Credit Agreement.

"Project" has, for each CWIFP Loan, the meaning ascribed to such term in **Part B of Schedule I** (*CWIFP Loan Specific Terms*) to the applicable CWIFP Credit Agreement.

"Project Acquisition Fund" has the meaning ascribed to such term in **Part C of Schedule I** (*CWIFP Master Program Terms*).

“Project Budget” has, for each Project, the meaning provided in Section 1 (*Definitions*) of the applicable CWIFP Credit Agreement.

“Project Closing Certificate” has the meaning provided in Section 10(b)(v) (*Conditions Precedent to Effectiveness of Each CWIFP Credit Agreement*).

“Projected Substantial Completion Date” has, for each CWIFP Loan, the meaning ascribed to such term in **Part B of Schedule I** (*CWIFP Loan Specific Terms*) to the applicable CWIFP Credit Agreement.

“Rate Covenant” has the meaning ascribed to such term in **Part C of Schedule I** (*CWIFP Master Program Terms*).

“Rate Stabilization Reserve Fund” has the meaning provided in the Master Resolution.

“Related Documents” means the CWIFP Loan Documents and each other Obligation Document.

“Requisition” means the request for Disbursement in the form attached hereto as **Exhibit C** (*Form of Requisition*).

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

“SAM Number” means, with respect to any Person, a Unique Entity ID and associated Commercial and Government Entity (CAGE) code issued by SAM as the unique entity identifier for such Person.

“Secretary” means the Secretary of the United States Department of the Army and, to the extent of the authority delegated by the Secretary of the United States Department of the Army to the Assistant Secretary of the Army (Civil Works), the Assistant Secretary of the Army (Civil Works).

“Senior Debt Service” means, for any Borrower Fiscal Year,

(a) the sum of:

(i) the interest payable during such Borrower Fiscal Year on all outstanding Senior Obligations, assuming that all outstanding serial Senior Obligations are retired as scheduled and that all outstanding term Senior Obligations are prepaid or paid from sinking fund payments as scheduled (except to the extent that such interest is capitalized or is reasonably anticipated to be reimbursed to the Borrower by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111 5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program);

(ii) those portions of the principal amount of all outstanding serial Senior Obligations maturing in such Borrower Fiscal Year (but excluding Excluded Principal);

(iii) those portions of the principal amount of all outstanding term Senior Obligations required to be prepaid or paid in such Borrower Fiscal Year (but excluding Excluded Principal); and

(iv) any other portions of the Senior Obligations required to be paid during such Borrower Fiscal Year (except to the extent the interest evidenced and represented thereby is capitalized or is reasonably anticipated to be reimbursed to the Borrower by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111 5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program); *minus*

(b) the earnings to be derived from the investment of moneys on deposit in debt service reserve funds established for all outstanding Senior Obligations;

provided that, as to any such Senior Obligations bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Senior Debt Service shall, for all purposes, be assumed to bear interest at a fixed rate equal to the higher of:

(x) the then current variable interest rate borne by such Senior Obligations;
and

(y) if such Senior Obligations have been outstanding for at least twelve (12) months, the average rate over the twelve (12) months immediately preceding the date of calculation, or if such Senior Obligations have not been outstanding for the twelve (12) prior months, the average rate borne by variable rate debt of which the interest rate is computed by reference to an index comparable to that to be utilized in determining the interest rate for such Senior Obligations to be issued;

provided further that if any series or issue of such Senior Obligations have twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one year (and such principal is not Excluded Principal), Senior Debt Service shall be determined for the Borrower Fiscal Year of determination as if the principal of and interest on such series or issue of such Senior Obligations were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of forty (40) years from the date of calculation;

provided further that if any Senior Obligations constitute Paired Obligations, the interest rate on such Senior Obligations shall be the resulting linked rate or the effective fixed interest rate to be paid by the Borrower with respect to such Paired Obligations; and

provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Senior Debt Service shall be deducted from the amount of principal due at the final maturity of the Senior Obligations for which such debt service reserve fund was established and to the extent the amount in such debt service reserve fund is in excess of such amount of principal, such excess shall be applied to the full amount of principal due, in each preceding year, in descending order, until such amount is exhausted.

“Senior Obligations” means all obligations of the Borrower which (a) are secured by a pledge of and lien on the Pledged Collateral and rank senior in right of payment and right of

security to the Parity Obligations and (b) constitute “Bonds” or “Contracts” under the Master Resolution; provided that Senior Obligations shall include the CWIFP Bonds upon the occurrence of a Bankruptcy Related Event as further described in Section 6 (*Security and Priority; Flow of Funds*).

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

“**Servicing Fee**” has, for each CWIFP Loan, the meaning ascribed to such term in **Part F of Schedule I** (*CWIFP Loan Specific Terms*) of the applicable CWIFP Credit Agreement.

“**Special Purpose Funds**” has the meaning provided in the Master Resolution.

“**State**” has the meaning ascribed to such term in **Part A of Schedule I** (*CWIFP Master Program Terms*).

“**Substantial Completion**” means, with respect to each Project, the earliest date on which such Project is considered to perform the functions for which such Project is designed; provided, however, that “Substantial Completion” for purposes of a Planning and Design Project means the stage in Project development at which complete plans and specification are certified by a professional engineer for construction bidding.

“**Substantial Completion Date**” means, with respect to each Project, the date on which the Borrower certifies to the CWIFP Lender, with evidence satisfactory to the CWIFP Lender and notice to the CWIFP Lender in accordance with the applicable CWIFP Credit Agreement, that Substantial Completion for such Project has occurred.

“**Technically Sound**” means, for each Project, that the Project will meet all applicable engineering, safety and other technical standards as determined by the Secretary and as reviewed and verified by the Borrower from time-to-time in accordance with Section 10(c) (*Conditions Precedent to Disbursements*), Section 11(k) (*Verifications*), Section 13(i) (*Compliance with Laws*) and Section 14(h) (*Site Disturbing Work*), as applicable.

“**Total Project Costs**” means, with respect to each Project, (a) the costs paid or incurred or to be paid or incurred by the Borrower in connection with or incidental to the acquisition, design, construction and equipping of such Project (as applicable), including legal, administrative, engineering, planning, design, insurance and financing (including costs of issuance); (b) amounts, if any, required by the CWIFP Loan Documents to be paid into any fund or account upon the incurrence of the applicable CWIFP Loan or any other Obligation, in each case in respect of such 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 Borrower (other than the CWIFP Loan in respect of such Project), in each case in connection with the acquisition, design, construction and equipping of such Project; and (d) costs of equipment and supplies and initial working capital and reserves required by the Borrower for the commencement of operation of such Project, including general administrative expenses and overhead of the Borrower.

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

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

“**Uncontrollable Force**” means any cause beyond the control of the 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 the Borrower shall not be required to settle any strike or labor disturbance in which it may be involved) or (b) the order or judgment of any federal, state or local court, administrative agency or governmental officer or body, if it is not also the result of willful or negligent action or a lack of reasonable diligence of the Borrower and the 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 the 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 Financial Model or (b) a financial plan in a format agreed with the CWIFP Lender, in each case reflecting the then-current and projected conditions for the Forecast Period, in accordance with **Part A of Schedule V** (*Reporting Requirements*).

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

“**Water Service**” has the meaning provided in the Master Resolution.

“**Water Utility System**” has the meaning provided in the Master Resolution.

“**Water Utility System Revenue Fund**” has the meaning provided in the Master Resolution.

“**Water Utility System Revenues**” has the meaning provided in the Master Resolution.

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

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

(b) Words of 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 the Borrower’s knowledge is implicated in this Agreement or the phrase “to the Borrower’s knowledge” or a similar phrase is used in this Agreement, the Borrower’s knowledge or such phrase(s) shall be interpreted to mean to the best of the Borrower’s knowledge after reasonable and diligent inquiry.

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

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

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

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

(j) Each reference to a statute or statutory provision includes any statute or statutory provision which amends, extends, consolidates or replaces the statute or statutory provision or which has been amended, extended, consolidated or replaced by the statute or statutory provision and includes any orders, regulations, by-laws, ordinances, codes of practice or instruments made under the relevant statute.

(k) Every request, order, demand, application, appointment, notice, statement, certificate, consent or similar communication or action hereunder by any party shall, unless otherwise specifically provided, be delivered in writing in accordance with Section 29 (*Notices*) and signed by a duly authorized representative of such party.

(l) References to “disbursements of CWIFP Loan proceeds” or similar phrasing shall be construed as meaning the same thing as “paying the purchase price of the CWIFP Bond.”

(m) Whenever this Agreement requires a change in principal amount, interest rate or amortization schedule of any CWIFP Loan, it is intended that such change be reflected in the corresponding CWIFP Bond. Whenever there is a prepayment of any CWIFP Loan, it is intended that such prepayment be implemented through a prepayment of the corresponding CWIFP Bond.

(n) If any provision of this Agreement (or any other CWIFP Loan Document) conflicts with any provision of a CWIFP Credit Agreement, the provisions of such CWIFP Credit Agreement shall prevail.

ARTICLE II

THE CWIFP LOANS

Section 3. CWIFP Loans Under the Master Program.

(a) Subject to the terms and conditions set forth in this Agreement and, with respect to each CWIFP Loan requested pursuant to the terms hereof, the terms and conditions set forth in the applicable CWIFP Credit Agreement (and related CWIFP Term Sheet), the Borrower may request CWIFP Loans for the Projects under the Master Program from time to time during the Master Availability Period in an aggregate principal amount (excluding any capitalized interest) not to exceed: (i) for all such Projects, the Aggregate Master Program Amount and (ii) for each such Project, the maximum commitment amount for such Project set forth in **Schedule II (CWIFP Master Program Projects and Budget)**; provided that the availability of any CWIFP Loan for a Project under the Master Program shall be subject to (x) there being sufficient availability of budgetary authority at the time the CWIFP Loan Request for such CWIFP Loan is made and (y) final eligibility and approval of such Project and CWIFP Loan, in each case as determined by the CWIFP Lender in accordance with the Act and applicable law.

(b) Prior to the execution of the applicable CWIFP Credit Agreement, (i) any Project (or component thereof) included in **Schedule II (CWIFP Master Program Projects and Budget)** may be replaced with one or more other Projects (or components thereof) and (ii) the maximum commitment amounts for the affected Projects set forth in **Schedule II (CWIFP Master Program Projects and Budget)** may be adjusted commensurately, so long as, following any such adjustment, (x) the maximum commitment amount for each affected Project, together with the amount of any other credit assistance provided under the Act to the Borrower for such Project, does not exceed eighty percent (80%) of the Total Project Costs for such Project and (y) the maximum commitment amount for all Projects set forth in **Schedule II (CWIFP Master Program Projects and Budget)** does not exceed the Aggregate Master Program Amount. In connection with any such modification, the Borrower shall provide the CWIFP Lender with a proposed modification to **Schedule II (CWIFP Master Program Projects and Budget)** to the CWIFP Lender no later than thirty (30) days prior to the proposed effective date of such modification, together with a detailed explanation of the reasons therefor. Each such revised schedule shall become effective upon the CWIFP Lender's approval thereof, which approval shall be in the CWIFP Lender's sole discretion.

(c) With respect to each CWIFP Loan and Project, the Borrower may, from time to time after the Effective Date but in any event (x) not more than once every sixty (60) days and (y) unless otherwise agreed to by the CWIFP Lender in its discretion, no later than one hundred eighty (180) days prior to the end of the Master Availability Period, request that the CWIFP Lender enter into a CWIFP Credit Agreement and related CWIFP Loan Documents in respect of such Project by delivering to the CWIFP Lender a written notice in the form of **Exhibit G (Form of CWIFP Loan Request)** (a "**CWIFP Loan Request**"), which shall specify the Project to which such CWIFP Loan Request relates, together with (i) a description of such Project, (ii) the most recent Updated

Financial Model/Plan delivered to the CWIFP Lender in accordance with **Part A of Schedule V** (*Reporting Requirements*) and (iii) such additional information relating to such Project as may be requested by the CWIFP Lender; provided that a CWIFP Loan Request shall not be required in connection with the initial CWIFP Credit Agreement entered into concurrently with the execution and delivery of this Agreement; provided further that no more than seven (7) CWIFP Loan Requests shall be delivered during the Master Availability Period. For each Project, the CWIFP Lender and the Borrower shall, subject to the terms and conditions set forth herein and the applicable CWIFP Credit Agreement, promptly and in good faith, negotiate, finalize and enter into the CWIFP Term Sheet, CWIFP Credit Agreement and the other CWIFP Loan Documents related to such Project.

(d) CWIFP Loan proceeds shall be disbursed in accordance with and subject to the conditions set forth in Section 10(c) (*Conditions Precedent to Disbursements*). The total amount of Disbursements for a CWIFP Loan shall not, in the aggregate, exceed the Maximum Principal Amount of such CWIFP Loan.

Section 4. Term. The term of each CWIFP Loan shall extend from the applicable CWIFP Credit Agreement Effective Date to the Final Maturity Date of such CWIFP Loan or to such earlier date as all amounts due or to become due to the CWIFP Lender under such CWIFP Credit Agreement have been irrevocably paid in full in immediately available funds.

Section 5. Interest Rate. With respect to each CWIFP Loan, the Borrower shall pay interest on the applicable CWIFP Loan Balance at the relevant CWIFP Interest Rate; provided, that, upon the occurrence of an Event of Default, the Borrower shall pay interest on the applicable CWIFP 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 such CWIFP 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 and the applicable CWIFP Credit Agreement or waived by the CWIFP Lender and (ii) the applicable CWIFP Loan Balance has been irrevocably paid in full in immediately available funds. Interest shall (x) accrue on each CWIFP Loan commencing on the date of the first Disbursement of each CWIFP Loan, (y) be payable commencing on the applicable Debt Service Payment Commencement Date and (z) be computed on the applicable CWIFP Loan Balance on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months.

Section 6. Security and Priority; Flow of Funds.

(a) As evidence of the Borrower's obligation to repay each CWIFP Loan, the Borrower shall issue and deliver to the CWIFP Lender, as the registered owner, on or prior to the applicable CWIFP Credit Agreement Effective Date, a CWIFP Bond. As security for each CWIFP Bond, the Borrower hereby irrevocably pledges, assigns and grants to the CWIFP Lender for its benefit, Liens on the Pledged Collateral to the extent and in the manner and priority set forth in the applicable CWIFP Loan Documents. The Water Utility System Revenues and such other components of the Pledged Collateral shall not be used for any other purpose while any CWIFP Bond remains outstanding; provided that out of the Water Utility System Revenues there may be apportioned such sums for such purposes as are expressly permitted herein and in the Master

Resolution. This pledge shall constitute a lien on the Water Utility System Revenues and, subject to application of amounts on deposit therein as permitted herein and in the Master Resolution, the Water Utility System Revenue Fund, the Rate Stabilization Reserve Fund and the Special Purpose Funds for the payment of the CWIFP Bonds in accordance with the terms hereof and of the other CWIFP Loan Documents. The pledge granted herein on the CWIFP Debt Service Account shall constitute an exclusive lien on the CWIFP Debt Service Account.

(b) Each CWIFP Bond shall (i) be secured by the Liens on the Pledged Collateral, (ii) not be subordinate in right of payment or in right of security to any Lien on the Pledged Collateral other than, during any period when a Bankruptcy Related Event has not occurred, the Liens on the Pledged Collateral for the benefit of the Senior Obligations and with respect to Maintenance and Operation Costs, and (iii) (A) during any period when a Bankruptcy Related Event has not occurred, be *pari passu* in right of payment and right of security only to the Lien on the Pledged Collateral for the benefit of the Parity Obligations and (B) during any period when a Bankruptcy Related Event has occurred, be *pari passu* in right of payment and right of security only to the Lien on the Pledged Collateral for the benefit of the Senior Obligations, in each case without the need for any notice to or from any Person, physical delivery, recordation, filing or further act. Prior to the occurrence of a Bankruptcy Related Event, each CWIFP Bond constitutes a Parity Obligation under this Agreement and a revenue bond of the Borrower secured by the Water Utility System Revenues in accordance with Section 2.1 (*Establishment of Water Utility System Revenue Fund*) of the Master Resolution and payable from Water Utility System Revenues in accordance with Section 2.2(h) (*Allocation of Water Utility System Revenues*) of the Master Resolution. Upon the occurrence of a Bankruptcy Related Event, each CWIFP Bond shall constitute a Senior Obligation under this Agreement and a “Bond” under the Master Resolution and shall not be subordinate in right of payment or in right of security to any Lien on the Pledged Collateral.

(c) The Borrower shall not use any Pledged Collateral to make any payments or satisfy any obligations other than in accordance with the Flow of Funds, the provisions of this Section 6 and the Related Documents and shall not apply any portion of the Pledged Collateral in contravention of this Agreement or the other Related Documents. All Water Utility System Revenues shall, immediately upon receipt thereof, be deposited by the Borrower into the Water Utility System Revenue Fund. Amounts deposited in the Water Utility System Revenue Fund shall be applied in the order of priority described in, and in accordance with, the Flow of Funds.

Section 7. Repayments.

(a) Payment of CWIFP Debt Service.

(i) No CWIFP Debt Service in respect of any CWIFP Loan shall be due or payable prior to the applicable Debt Service Payment Commencement Date. The Borrower shall pay (A) CWIFP Debt Service in the amounts and manner and on the Payment Dates as set forth in the applicable CWIFP Loan Amortization Schedule for the applicable CWIFP Loan, as the same may be revised pursuant to Section 7(c) (*Adjustments to CWIFP Loan Amortization Schedule*) and (B) payments of any other amounts on each other date on which payment thereof is required to be made hereunder or under the applicable CWIFP Credit Agreement; provided, that, in either case if any such date is not

a Business Day, payment shall be made on the next Business Day following such date. CWIFP Loan proceeds borrowed and repaid may not be re-borrowed.

(ii) Notwithstanding anything herein to the contrary, with respect to each CWIFP Loan, the applicable CWIFP Loan Balance and any accrued interest thereon shall be due and payable in full on the applicable Final Maturity Date (or on any earlier date on which the related CWIFP Loan and CWIFP Bond are subject to mandatory redemption, prepayment or acceleration prior to maturity).

(iii) If a Capitalized Interest Period is applicable for a CWIFP Loan as set forth in **Part C of Schedule I** (*CWIFP Loan Specific Terms*) to the applicable CWIFP Credit Agreement, during the Capitalized Interest Period applicable to such CWIFP Loan, no payment of the principal of or interest on the CWIFP Loan will be required to be made. On each applicable Capitalized Interest Date, interest accrued and not paid on the applicable CWIFP Loan during each such six (6) month period ending immediately prior to such date (or such shorter period if such Capitalized Interest Period ends earlier) shall be capitalized and added to the relevant CWIFP Loan Balance, as set forth in the applicable CWIFP Loan Amortization Schedule. Notwithstanding the foregoing, an applicable Capitalized Interest Period shall end immediately upon written notification to the Borrower by the CWIFP Lender that an Event of Default has occurred and that the CWIFP Lender has elected to end the Capitalized Interest Period, in which case interest shall no longer be capitalized (except, at the election of the CWIFP Lender in its discretion, for interest accruing since the immediately preceding Capitalized Interest Date through such end of the Capitalized Interest Period), 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 and of such CWIFP Credit Agreement.

(iv) With respect to each CWIFP Loan, if an Interest Only Period is applicable as set forth in **Part C of Schedule I** (*CWIFP Loan Specific Terms*) to the applicable CWIFP Credit Agreement, during such Interest Only Period, the applicable CWIFP Debt Service payable by the Borrower shall consist of one hundred percent (100%) of the amount of interest then due and payable on the applicable CWIFP Loan Balance, and no payment of principal of such CWIFP Loan will be due and payable during such Interest Only Period.

(v) Any defeasance of the applicable CWIFP Loan in accordance with applicable law shall not be deemed a repayment or prepayment of such CWIFP Loan in full, and the Borrower shall comply with all of its obligations hereunder and under the other CWIFP Loan Documents (other than with respect to payments of CWIFP Debt Service, which payments shall continue to be made in accordance with the applicable CWIFP Loan Amortization Schedule by the succeeding entity assuming the Borrower's payment obligations), unless otherwise agreed by the CWIFP Lender, until the irrevocable payment

in full in immediately available funds of the CWIFP Loan Balance with respect to such CWIFP Loan, together with all accrued interest, fees and expenses with respect thereto.

(b) Manner of Payment. Payments under the CWIFP Credit Agreements (and the corresponding CWIFP Bonds, 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 CWIFP Lender pursuant to Section 29 (*Notices*) prior to the relevant payment, as may be modified in writing from time to time by the CWIFP Lender; provided, that the failure to provide updated payment instructions shall not affect in any manner the Borrower's obligations hereunder or under any other CWIFP Loan Document.

(c) Adjustments to CWIFP Loan Amortization Schedule.

(i) The CWIFP Lender may, from time to time, modify the CWIFP Loan Amortization Schedule included in **Schedule III** (*CWIFP Loan Amortization Schedule*) to any CWIFP Credit Agreement, to reflect (A) any change to the CWIFP Loan Balance for the applicable CWIFP Loan, (B) any change to the date and amount of any principal or interest due and payable or to become due and payable by the Borrower hereunder or under the corresponding CWIFP Credit Agreement in accordance therewith, (C) any mathematical corrections as the CWIFP Lender may determine are necessary and (D) with the consent of the Borrower (not to be unreasonably withheld), such other information as the CWIFP Lender may determine is necessary for administering such CWIFP Loan or such CWIFP Credit Agreement. Any calculations described above shall be rounded up to the nearest whole cent. Any adjustments or revisions to such CWIFP Loan Amortization Schedule as a result of a decrease in such CWIFP Loan Balance shall be applied to reduce future payments due with respect to such CWIFP Loan in inverse order of maturity, other than prepayments which shall be applied in accordance with Section 8(c) (*General Prepayment Instructions*). If any CWIFP Loan Amortization Schedule is modified pursuant to this Section 7(c), the CWIFP Lender shall provide the Borrower with a copy of such revised CWIFP Loan Amortization Schedule, but no failure to provide or delay in providing the Borrower with such copy shall affect any of the obligations of the Borrower under this Agreement or the other CWIFP Loan Documents. The CWIFP Lender may also, from time to time or when so requested by the Borrower, advise the Borrower by written notice of the amount of the CWIFP Loan Balance as of the date of such notice. Absent manifest error, the CWIFP Lender's determination of the applicable CWIFP Loan Balance and all matters as set forth on the corresponding CWIFP Loan Amortization Schedule shall be deemed conclusive evidence thereof; provided, that neither the failure to make any such determination, modification or recordation nor any error in such determination, modification or recordation shall affect in any manner the Borrower's obligations hereunder or under any other CWIFP Loan Document.

(ii) The Borrower shall have the right to propose modifications to the CWIFP Loan Amortization Schedule with respect to any CWIFP Loan exercisable once on or prior to the date that is forty-five (45) days prior to the first Principal Payment Date for such CWIFP Loan. Such modifications shall be submitted by the Borrower to the CWIFP Lender in the form of an updated CWIFP Loan Amortization Schedule for the applicable CWIFP Loan; provided that (A) the form of and any modification to any CWIFP Loan

Amortization Schedule shall be acceptable to the CWIFP Lender, acting reasonably, (B) the weighted average life of the applicable CWIFP Loan shall not exceed the maximum number of years specified in the applicable CWIFP Credit Agreement and (C) any CWIFP Loan Amortization Schedule, as modified, shall comply with all applicable requirements under this Agreement, the relevant CWIFP Credit Agreement and law. Any such revised CWIFP Loan Amortization Schedule shall become effective as of the first Principal Payment Date for the relevant CWIFP Loan unless the CWIFP Lender notifies the Borrower that such revised CWIFP Loan Amortization Schedule does not meet the requirements of this Section 7(c)(ii).

Section 8. Prepayment.

(a) Mandatory Prepayments. If the Borrower is required to prepay any other Parity Obligation with Net Proceeds in accordance with the terms of the Obligation Documents with respect to such other Parity Obligations, the Borrower shall apply such Net Proceeds to the prepayment of each CWIFP Loan and the other Parity Obligations on a pro rata and concurrent basis. The amount of any such prepayment for each CWIFP Loan shall include the unpaid interest accrued on the amount of principal to be prepaid, as determined in accordance with this Section 8(a). Any such prepayment shall be paid to the CWIFP Lender and applied against each CWIFP Loan Balance in accordance with Section 8(c) (*General Prepayment Instructions*).

(b) Optional Prepayments. The Borrower may prepay any CWIFP Loan, without penalty or premium, (i) in full on any date or (ii) in part on any Payment Date, but not more than once annually in accordance with 33 U.S.C. § 3908(c)(4). The Borrower may make such prepayment by paying to the CWIFP Lender such principal amount of the CWIFP 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 CWIFP Lender. Each prepayment of a CWIFP Loan pursuant to this Section 8(b) shall be made on such date and in such principal amount as shall be specified by the Borrower in a written notice, signed by the Borrower's Authorized Representative and delivered to the CWIFP Lender not less than ten (10) days or more than thirty (30) days prior to the date set for prepayment, unless otherwise agreed by the CWIFP Lender. At any time between delivery of such written notice and the applicable optional prepayment, the Borrower may, without penalty or premium, rescind its announced optional prepayment by further written notice to the CWIFP Lender. Anything in this Section 8(b) to the contrary notwithstanding, the failure by the Borrower to make any optional prepayment shall not constitute a breach or default under this Agreement or the applicable CWIFP Credit Agreement.

(c) General Prepayment Instructions. Upon the CWIFP Lender's receipt of confirmation that payment in full in immediately available funds of the entire CWIFP Loan Balance with respect to any CWIFP Loan and any unpaid interest, fees and expenses with respect thereto has occurred as a result of a prepayment, the CWIFP Lender shall surrender the corresponding CWIFP Bond to the Borrower or its authorized representative, by mail in accordance with Section 29 (*Notices*) or as otherwise agreed between the parties hereto. If the Borrower prepays only part of the unpaid balance of principal of any CWIFP Loan, the CWIFP Lender may make a notation on the applicable CWIFP Loan Amortization Schedule indicating the amount of principal of and interest on such CWIFP Loan then being prepaid. Absent manifest

error, the CWIFP Lender's determination of such matters as set forth on such updated CWIFP Loan Amortization Schedule shall be conclusive evidence thereof; provided, that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner the Borrower's obligations hereunder or under any other CWIFP Loan Document. All partial prepayments of principal shall be applied to reduce the applicable CWIFP Loan Balance such that the remaining scheduled principal payments for the applicable CWIFP Loan set out in the corresponding CWIFP Loan Amortization Schedule are reduced substantially *pro rata*. If such funds have not been so paid on the prepayment date, such principal amount of such CWIFP Loan shall continue to bear interest until payment thereof at the rate provided for in the applicable CWIFP Credit Agreement.

Section 9. Fees and Expenses.

(a) Servicing Fees. The Borrower shall pay to the CWIFP Lender for each CWIFP Loan a 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 until (and including) the Final Maturity Date; provided, that:

(i) the Servicing Fee for each CWIFP Credit Agreement due and payable with respect to the Federal Fiscal Year during which the applicable CWIFP Credit Agreement Effective Date occurs shall be equal to the *pro-rata* monthly portion of the then applicable Servicing Fee multiplied by the number of partial or whole months remaining between the applicable CWIFP Credit Agreement Effective Date and October 1;

(ii) the Servicing Fee for each CWIFP Credit Agreement due and payable with respect to the Federal Fiscal Year during which the Final Maturity Date of the applicable CWIFP Loan occurs shall be equal to the *pro-rata* monthly portion of the then applicable Servicing Fee multiplied by the number of partial or whole months remaining between October 1 and such Final Maturity Date; and

(iii) the amount of each Servicing Fee for each CWIFP Credit Agreement, commencing with the second Servicing Fee payable for each CWIFP Loan, 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 CWIFP Lender shall notify the Borrower of the amount of each such fee at least thirty (30) days before payment is due, which determination shall be conclusive absent manifest error.

(b) Other Fees and Expenses. The Borrower agrees, whether or not the transactions hereby contemplated shall be consummated, to reimburse the CWIFP Lender on demand from time to time, within thirty (30) days after receipt by the Borrower of any invoice from the CWIFP Lender, for any and all fees, costs, charges and expenses incurred by it (including the fees, costs and expenses of its legal counsel, financial advisors, auditors and other consultants and advisors) in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the other CWIFP 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 review of each CWIFP Loan Request and the negotiation, preparation, execution, delivery and performance of each CWIFP Term Sheet, CWIFP Credit Agreement and the other CWIFP Loan Documents related to the relevant Project; (ii) the enforcement of or attempt to enforce, or the monitoring, protection or preservation of any right or claim under, the Liens on the Pledged Collateral or any provision of this Agreement or any of the other CWIFP Loan Documents or the rights of the CWIFP Lender hereunder or thereunder; (iii) any amendment, modification, re-execution, waiver or consent with respect to this Agreement or any other CWIFP Loan Document; and (iv) any work-out, restructuring or similar arrangement of the obligations of the Borrower under this Agreement or the other CWIFP Loan Documents, including during the pendency of any Event of Default.

(c) The obligations of the Borrower under this Section 9 (*Fees and Expenses*) shall survive the payment or prepayment in full or transfer of any CWIFP Loan, the enforcement of any provision of this Agreement or the other CWIFP Loan Documents, any amendments, waivers or consents with respect thereto, any Event of Default, and any work-out, restructuring or similar arrangement of the Borrower's obligations under this Agreement or the other CWIFP Loan Documents. Failure of the Borrower to make timely payment may lead to delays or withholding of Disbursements to Borrower until all outstanding fees and expenses are paid. In addition, the CWIFP Lender may exercise all rights and remedies available under this Agreement, the applicable CWIFP Credit Agreement and applicable law to recover fees and expenses payable by the Borrower hereunder.

ARTICLE III

CONDITIONS PRECEDENT

Section 10. Conditions Precedent.

(a) Conditions Precedent to Effectiveness of this Agreement. 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 CWIFP Lender in its sole discretion:

(i) The Borrower shall have duly executed and delivered to the CWIFP Lender this Agreement in form and substance satisfactory to the CWIFP Lender.

(ii) The Borrower shall have delivered to the CWIFP Lender a copy of the CWIFP Resolution described in clause (a) of the definition thereof, along with a certification in the Closing Certificate that such CWIFP Resolution is in full force and effect and that, except as expressly contemplated by Section 10(b) (*Conditions Precedent to Effectiveness of Each CWIFP Credit Agreement*), no further instruments or documents (including any resolutions, ordinances and supplements) are necessary for the Borrower to execute and deliver, and to perform its obligations under, this Agreement and each other CWIFP Loan Document to which the Borrower is a party and to consummate and implement the transactions contemplated by this Agreement and each other CWIFP Loan Document to which the Borrower is a party.

(iii) The Borrower shall have delivered to the CWIFP Lender a certified, complete copy of the adopted Master Resolution, together with any amendments, supplements, waivers or modifications thereto, that has been adopted on or prior to the Effective Date, along with a certification in the Closing Certificate that the Master Resolution is complete and in full force and effect, and that all conditions contained in the Master Resolution and the CWIFP Resolution described in clause (a) of the definition thereof that are necessary to the closing of the CWIFP transactions contemplated hereby have been fulfilled.

(iv) Counsel to the Borrower shall have rendered to the CWIFP Lender legal opinions satisfactory to the CWIFP Lender in its sole discretion (including those opinions set forth on **Exhibit F-1** (*Form of Opinion of Borrower's General Counsel*)) and bond counsel to the Borrower shall have rendered to the CWIFP Lender legal opinions satisfactory to the CWIFP Lender in its sole discretion (including those opinions set forth on **Exhibit F-2** (*Form of Opinion of Borrower's Bond Counsel*)).

(v) The Borrower shall have delivered to the CWIFP Lender a certificate, signed by the Borrower's Authorized Representative, substantially in the form attached hereto as **Exhibit B** (*Form of Closing Certificate*) (the "**Closing Certificate**"), designating the Borrower's Authorized Representative, confirming such person's position and incumbency and certifying as to the satisfaction of the conditions precedent (and, if requested by the CWIFP Lender, has provided evidence satisfactory to the CWIFP Lender of such satisfaction). Such Closing Certificate shall contain all certifications set forth in **Exhibit B** (*Form of Closing Certificate*).

(b) Conditions Precedent to Effectiveness of Each CWIFP Credit Agreement. Notwithstanding anything in this Agreement to the contrary, no CWIFP Credit Agreement shall become effective until each of the following conditions precedent has been satisfied or waived in writing by the CWIFP Lender in its sole discretion:

(i) Except with respect to the initial CWIFP Credit Agreement entered into concurrently with the execution and delivery of this Agreement, the Borrower shall have (A) duly executed and delivered to the CWIFP Lender a CWIFP Loan Request in accordance with and subject to the provisions of Section 3 (*CWIFP Loans Under the Master Program*) and (B) provided the CWIFP Lender with all information and documentation required by Section 3 (*CWIFP Loans Under the Master Program*) or otherwise requested by the CWIFP Lender in connection therewith.

(ii) The Borrower shall have duly executed and delivered to the CWIFP Lender the CWIFP Credit Agreement, CWIFP Term Sheet and the CWIFP Bond, each for and with respect to the applicable Project and in form and substance satisfactory to the CWIFP Lender.

(iii) To the extent not previously delivered to the CWIFP Lender, the Borrower shall have delivered to the CWIFP Lender complete and fully executed copies of (A) any amendments, supplements, waivers or modifications to the Master Resolution and (B) any Related Document with respect to which all or a portion of the applicable

proceeds are or will be applied to fund all or any portion of the applicable Total Project Costs, together with any amendments, supplements, waivers or modifications thereto, in each case that has been entered into on or prior to the applicable CWIFP Credit Agreement Effective Date, along with a certification in the applicable Closing Certificate that each such document is complete, fully executed and in full force and effect, and that all conditions contained in the Related Documents that are necessary to the closing of the applicable CWIFP transaction contemplated (if any) have been fulfilled.

(iv) Counsel to the Borrower shall have rendered to the CWIFP Lender legal opinions satisfactory to the CWIFP Lender in its sole discretion (including those opinions set forth on **Exhibit F-1** (*Form of Opinion of Borrower's General Counsel*)) and bond counsel to the Borrower shall have rendered to the CWIFP Lender legal opinions satisfactory to the CWIFP Lender in its sole discretion (including those opinions set forth on **Exhibit F-2** (*Form of Opinion of Borrower's Bond Counsel*)), in each case with respect to the relevant Project.

(v) The Borrower shall have delivered to the CWIFP Lender a certificate, signed by the Borrower's Authorized Representative, substantially in the form attached hereto as **Exhibit D** (*Form of Project Closing Certificate*) (the "**Project Closing Certificate**"), designating the Borrower's Authorized Representative, confirming such person's position and incumbency and certifying as to the satisfaction of the conditions precedent (and, if requested by the CWIFP Lender, has provided evidence satisfactory to the CWIFP Lender of such satisfaction). Such Closing Certificate shall contain all certifications set forth in **Exhibit D** (*Form of Project Closing Certificate*).

(vi) The Borrower shall have provided evidence to the CWIFP Lender's satisfaction, prior to the applicable CWIFP Credit Agreement Effective Date, of the assignment by at least one (1) NRSRO of an Investment Grade Rating on the applicable CWIFP Loan and the Senior Obligations of the Project then Outstanding, along with a certification in the Borrower Project Closing Certificate that no such rating has been reduced, withdrawn or suspended as of the applicable CWIFP Credit Agreement Effective Date.

(vii) The Borrower shall have delivered to the CWIFP Lender the Public Benefits Report with respect to the relevant Project.

(viii) The Borrower shall have provided evidence in form and substance satisfactory to the CWIFP Lender that the issuance of the CWIFP Bond in connection with the applicable CWIFP Credit Agreement meets all requirements and conditions for the issuance of a "Bond" under the Master Resolution such that, upon the occurrence of a Bankruptcy Related Event, the CWIFP Bond shall be a "Bond" under the Master Resolution and shall not be subordinate in right of payment or in right of security to any Lien on the Pledged Collateral, automatically and without the need for any notice to or from any Person, physical delivery, recordation, filing or further act.

(ix) To the extent not previously paid, the Borrower shall have paid in full (A) any outstanding Servicing Fees due and payable under Section 9 (*Fees and*

Expenses) and (B) all invoices delivered by the CWIFP Lender to the Borrower on or prior to the relevant CWIFP Credit Agreement Effective Date for any applicable Servicing Fees and the fees and expenses in accordance with Section 9 (*Fees and Expenses*), including fees and expenses of the CWIFP Lender's counsel and financial advisors and any auditors or other consultants retained by the CWIFP Lender for the purposes of the CWIFP Loan Documents.

(c) Conditions Precedent to Disbursements.

(i) Any CWIFP 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 Borrower in connection with the relevant Project, including, for the avoidance of doubt, Eligible Project Costs that were initially funded with Interim Financing proceeds. Each Disbursement of the applicable CWIFP Loan shall be made pursuant to the procedures in **Schedule IV** (*Requisition Procedures*) and subject to the conditions set forth in this Section 10(c) (*Conditions Precedent to Disbursements*); provided, that no Disbursements shall be made after the Final Disbursement Date of the applicable CWIFP Loan.

(ii) Any scheduled Disbursement (as reflected in the applicable CWIFP 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 of the applicable CWIFP Loan, with the effect of automatically updating such CWIFP Loan Disbursement Schedule (and corresponding CWIFP Loan Amortization Schedule) without need for the CWIFP Lender's approval. The Borrower may also amend the applicable CWIFP Loan Disbursement Schedule by submitting a revised version thereof to the CWIFP Lender no later than thirty (30) days prior to the proposed effective date of such amendment.

(iii) Notwithstanding anything in this Agreement or any CWIFP Credit Agreement to the contrary, the CWIFP Lender shall have no obligation to make any Disbursement of any CWIFP Loan to the Borrower until each of the following conditions precedent has been satisfied or waived in writing by the CWIFP Lender in its sole discretion:

(A) the Borrower shall have delivered to the CWIFP Lender a Requisition that complies with the provisions of this Section 10(c) (*Conditions Precedent to Disbursements*) and **Schedule IV** (*Requisition Procedures*) and **Exhibit C** (*Form of Requisition*), which Requisition shall be executed by the Borrower's Authorized Representative and shall contain all certifications set forth in **Exhibit C** (*Form of Requisition*);

(B) if applicable, to the extent necessary to make the representations and warranties in Sections 11(f) (*Litigation*) and 11(j) (*Compliance with Laws*) true, correct and complete as of the date of the applicable Disbursement, the Borrower shall have delivered an updated **Schedule III** (*Borrower Disclosures*) in form and substance acceptable to the CWIFP Lender; and

(C) consistent with Section 14(h) (*Site Disturbing Work*), prior to any Disbursement for site disturbing work, the Borrower shall have affirmed that it has provided all relevant documentation under Section 11(j) (*Compliance with Laws*) and reviewed and verified the determination that the Project or, if applicable, the component or sub-project thereof, is Environmentally Acceptable, Economically Justified and Technically Sound consistent with Section 11(k) (*Verifications*).

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 11. Representations and Warranties of the Borrower. The Borrower hereby represents and warrants that, as of (i) the Effective Date (other than with respect to the representations and warranties contained in the first sentence of Section 11(m) (*Construction Contracts*) and Section 11(t) (*Sufficient Funds*)), (ii) each CWIFP Credit Agreement Effective Date and (iii) each date on which any Disbursement of a CWIFP Loan is requested or made (other than those contained in the first sentence of Section 11(m) (*Construction Contracts*)):

(a) Organization; Power and Authority. The Borrower is a special district duly organized and validly existing under its Organization 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 CWIFP Loan Documents then in existence, to execute and deliver this Agreement and the other CWIFP Loan Documents and to carry out and consummate all transactions contemplated hereby and thereby and has duly authorized the execution, delivery and performance of this Agreement and the other CWIFP Loan Documents. Other than such Organizational Documents and the CWIFP Resolution, there are no additional instruments or documents necessary for the Borrower to execute and deliver, or to perform its obligations under, the applicable CWIFP Loan Documents to which it is a party and to consummate and implement the transactions contemplated by such CWIFP Loan Documents.

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

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

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

(e) Consents and Approvals. All Governmental Approvals required as of the Effective Date, each CWIFP Credit Agreement Effective Date and any subsequent date on which this representation is made (or deemed made) for the undertaking, construction and completion by the Borrower of each Project and the operation and maintenance of the Water Utility System, and to execute and deliver and perform its obligations under the CWIFP Loan Documents and the Construction Contracts, have been obtained or effected and are in full force and effect. The Borrower is not in default with respect to any Governmental Approval, which default could reasonably be expected to result in a Material Adverse Effect. No consent or approval of any trustee, holder of any indebtedness of the Borrower or any other Person is necessary in connection with the execution, delivery and performance by the Borrower of the CWIFP Loan Documents and the consummation of any transaction contemplated thereunder, except as have been obtained or made and as are in full force and effect.

(f) Litigation. Except as set forth in **Part B of Schedule III (Borrower Disclosures)**, there is no action, suit, proceeding or, to the knowledge of the Borrower, any inquiry or investigation, in any case which is material before or by any court or other Governmental Authority pending or, to the knowledge of the Borrower, threatened against or affecting the Water Utility System (including the Master Program), any Project or the ability of the Borrower to execute, deliver and perform its obligations under the CWIFP Loan Documents. Except as set forth in **Part B of Schedule III (Borrower Disclosures)**, there is no action, suit, proceeding or, to the knowledge of the Borrower, any inquiry or investigation before or by any court or other Governmental Authority pending, or to the knowledge of the Borrower, threatened against or affecting the Water Utility System (including the Master Program), the Borrower or the assets, properties or operations of the Borrower, that in any case could reasonably be expected to result in a Material Adverse Effect.

(g) Security Interests. (i) This Agreement and the Organizational Documents together establish, and (ii) the Borrower has taken all necessary action to pledge, assign and grant, in each case for the benefit of the CWIFP Lender, legal, valid, binding and enforceable Liens on the Pledged Collateral purported to be created, pledged, assigned and granted pursuant to and in accordance with this Agreement, irrespective of whether any Person has notice of the pledge and without the need for any physical delivery, recordation, filing or further act. Such Liens are in full force and effect and are (A) not subordinate or junior to any other Liens in respect of the Pledged Collateral other than, during any period when a Bankruptcy Related Event has not occurred, the

Liens on the Pledged Collateral for the benefit of the Senior Obligations and with respect to Maintenance and Operation Costs and (B) not *pari passu* with any Liens in respect of the Pledged Collateral other than (1) during any period when a Bankruptcy Related Event has not occurred, the Liens on the Pledged Collateral for the benefit of the Parity Obligations and (2) during any period when a Bankruptcy Related Event has occurred, the Liens on the Pledged Collateral for the benefit of the Senior Obligations. The Lien on the CWIFP Debt Service Account in favor of the CWIFP Lender is the only Lien with respect to the CWIFP Debt Service Account. The Borrower is not in breach of any covenant set forth in Section 13(b) (*Securing Liens*) or in any other CWIFP Loan Document with respect to the matters described in Section 13(b) (*Securing Liens*). As of the Effective Date and as of each other date this representation and warranty is made, (x) all documents and instruments have been recorded or filed for record in such manner and in such places as are required and all other action as is necessary or desirable has been taken to establish a legal, valid, binding and enforceable Lien on the Pledged Collateral for the benefit of the CWIFP Lender, and (y) all taxes and filing fees that are due and payable in connection with the execution, delivery or recordation of any CWIFP Loan Document or any instruments, certificates or financing statements in connection with the foregoing, have been paid. Neither the attachment, validity, enforceability or priority of the security interest in the Pledged Collateral granted pursuant to the CWIFP Loan Documents is governed by Article 9 of the UCC.

(h) No Debarment. The 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 the Borrower nor any of its principals (as defined in 2 C.F.R. § 180.995) (i) is debarred, suspended or voluntarily excluded from participation in Government contracts, procurement or non-procurement matters; (ii) is presently indicted for or otherwise criminally or civilly charged by a Governmental Authority with commission of any of the offenses contemplated by 2 C.F.R. Part 180 or 2 C.F.R. Part 1125; or (iii) has, within the three (3) year period preceding the Effective Date, (x) been convicted for or had a civil judgment rendered against it or them for any such 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 the Borrower's knowledge and belief, (A) no Federal appropriated funds have been paid or will be paid, by or on behalf of the 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 any CWIFP Loan, execution (including amendments or modifications) of any CWIFP Loan Document 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 any CWIFP Loan, the Borrower has completed and submitted to the CWIFP Lender Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(j) Compliance with Laws.

(i) The Borrower has complied, and has required each of its contractors and subcontractors at all tiers with respect to the Master Program to comply, with all applicable laws, rules, regulations and requirements, including those enumerated in

Appendix A (*Federal Requirements and Related Laws*). The Borrower collects, reviews and maintains all supporting documentation with respect to such compliance, such as weekly certified payroll records and certifications for all iron and steel products used for the Master Program, and any supporting documentation is available for review upon request by the CWIFP Lender.

(ii) To ensure such compliance, the Borrower has included in all contracts with respect to the Master Program (A) the contract clauses relating to applicable federal requirements (such as Davis-Bacon and Equal Employment Opportunity) and (B) requirements that its contractors shall (1) comply with all applicable laws, rules, regulations and requirements set forth or referenced in this Section 11(j) and follow applicable federal guidance and (2) incorporate in all subcontracts (and cause all subcontractors to include in lower tier subcontracts) such terms and conditions as are required to be incorporated therein by any applicable laws, rules, regulations and requirements set forth in Appendix A (*Federal Requirements and Related Laws*).

(iii) Except as set forth in **Part C of Schedule III** (*Borrower Disclosures*) hereof, the Borrower is in compliance with all laws applicable to the Water Utility System (including the Master Program) relating to any applicable federal, state or local environmental review and approval requirements, and with its obligations under Section 14(h) (*Site Disturbing Work*).

(k) Verifications. As of each CWIFP Credit Agreement Effective Date and as of each subsequent date this representation and warranty is made, the Borrower has reviewed and verified the Secretary's determinations that each Project is Environmentally Acceptable, Economically Justified and Technically Sound.

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

(m) Construction Contracts. As of any CWIFP Credit Agreement Effective Date, attached as **Part C of Schedule II** (*Project Details*) to the applicable CWIFP Credit Agreement is a list of the Existing Construction Contracts. 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 CWIFP Loan Documents and any documents, certificates or statements provided to the CWIFP Lender by representatives of the Borrower in connection with the transactions contemplated thereby, which for purposes of this Section 11(n), shall consist of all documents or statements related to the Application or the Master Program, cash flow schematics, responses to due diligence interrogatories or requests from the CWIFP Lender or its advisors and documents uploaded to the online CWIFP application portal made accessible to the Borrower by the CWIFP Lender, to the extent such documents, certificates, statements or other materials relate to the Borrower (including its finances or operations) or the Master Program, when taken as a whole, are true and correct in all material respects (other than for projections and other forward-looking statements contained in the Financial Model and any Updated Financial Model/Plan which have been made in good faith and based on reasonable assumptions) and do not

contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading as of the date made or furnished.

(o) Insurance. The Borrower is in compliance with all insurance obligations required under each Construction Contract and the Related Documents (including Section 13(f) (*Insurance; Eminent Domain and Insurance Proceeds*) hereof) as of the date on which this representation and warranty is made. To the extent the Borrower self-insures, the Borrower's self-insurance program is actuarially sound.

(p) No Prohibited Liens. Except for Permitted Liens, the Borrower has not created, and is not under any obligation to create, and has not entered into any transaction or agreement that would result in the imposition of, any Lien on the Pledged Collateral, the Water Utility System, the Master Program, any Project, the Water Utility System Revenues or the Borrower's respective rights in any of the foregoing.

(q) Reporting and Financial Statements. The Borrower has delivered all required deliverables under and in compliance with the requirements of **Schedule V** (*Reporting Requirements*), except as has been otherwise agreed by the CWIFP Lender. Each income statement, balance sheet and statement of operations and cash flows (collectively, "**Financial Statements**") delivered to the CWIFP Lender pursuant to **Part B of Schedule V** (*Reporting Requirements*) has been prepared in accordance with GAAP and presents fairly, in all material respects, the financial condition (including any liabilities or obligations that are required to be disclosed in accordance with GAAP) of the Borrower as of the respective dates of the balance sheets included therein and the results of operations of the Borrower for the respective periods covered by the statements of income included therein.

(r) Securities Laws. Under existing law, each CWIFP Bond may be issued and sold without registration under the Securities Act of 1933, as amended, and any State blue sky laws.

(s) No Delinquent Taxes or Federal Debt. The 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). The 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 each CWIFP Loan, when combined with all other funds committed or reasonably expected to be available for the development and construction of the applicable Project, as set forth under the various sources of funds in the applicable Project Budget, will be sufficient to carry out the relevant Project, pay all Total Project Costs anticipated for the development and construction of such Project and achieve Substantial Completion with respect to such Project by the Projected Substantial Completion Date with respect to such Project. The total federal assistance provided to each Project, including the Maximum Principal Amount of the applicable CWIFP Loan, does not exceed eighty percent (80%) of Total

Project Costs for such Project. The Financial Model/Plan or the Updated Financial Model/Plan most recently delivered to the CWIFP Lender in accordance with **Part A of Schedule V** (*Reporting Requirements*), as applicable, demonstrates that the projected Water Utility System Revenues are sufficient to meet the CWIFP Loan Amortization Schedules for all of the Projects. The Borrower has developed, and identified adequate revenues to implement, a plan for operating, maintaining and repairing each Project over the useful life of such Project.

(u) Sovereign Immunity. The 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 the Borrower under any of the Related Documents to which the Borrower is a party or the transactions contemplated hereby or thereby, including the obligations of the Borrower hereunder and thereunder, or, to the extent that the Borrower has such immunity, the Borrower has waived such immunity pursuant to Section 13(l) (*Immunity*).

(v) Existing Indebtedness. As of the Effective Date, except as set forth in **Part A of Schedule III** (*Borrower Disclosures*), and as of each CWIFP Credit Agreement Effective Date, except as set forth in **Schedule IV** (*Borrower Disclosures*) of the applicable CWIFP Credit Agreement, no Obligations of the Borrower are Outstanding.

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

Section 12. Representations and Warranties of the CWIFP Lender. The CWIFP Lender represents and warrants that:

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

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

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

ARTICLE V

COVENANTS

Section 13. Affirmative Covenants. The Borrower covenants and agrees as follows until, subject to such longer periods as are provided for under Section 13(n) (*Access; Records*) with respect to the Borrower's obligations thereunder, the date each CWIFP Bond and all of the obligations of the Borrower under this Agreement and each CWIFP Credit Agreement (other than contingent indemnity obligations to the extent applicable) are irrevocably paid in full by the Borrower in immediately available funds and the CWIFP Lender no longer has any commitment to make Disbursements to the Borrower, unless the CWIFP Lender waives compliance in writing:

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

(b) Securing Liens. The 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 or desirable in connection with assuring, conveying, granting, assigning, securing and confirming the Liens on the Pledged Collateral (whether now existing or hereafter arising) granted to the CWIFP Lender for its benefit pursuant to the CWIFP Loan Documents, or intended so to be granted pursuant to the CWIFP Loan Documents, or which the Borrower may become bound to grant. The Borrower shall at all times maintain the Pledged Collateral free and clear of any Lien that has priority over, or equal rank with, the Liens created by CWIFP Loan Documents, other than as permitted by the CWIFP Loan Documents, and all organizational, regulatory or other necessary action on the part of the Borrower to that end shall be duly and validly taken at all times. The Borrower shall at all times, to the extent permitted by law, defend, preserve and protect the Liens on the Pledged Collateral granted pursuant to the CWIFP Loan Documents and for the benefit of the CWIFP Lender under the CWIFP Loan Documents against all claims and demands of all Persons whomsoever, subject to Permitted Liens.

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

(d) Prosecution of Work; Verification Requirements.

(i) The Borrower shall diligently prosecute the work relating to each Project and complete each Project in accordance with the Planning and Design Schedule or the Construction Schedule (as the case may be) for such Project (and on or prior to the Projected Substantial Completion Date), the Governmental Approvals in connection with such Project and prudent industry practice.

(ii) The Borrower shall comply with Subpart C of 2 C.F.R. Part 180, as supplemented by Subpart C of 2 C.F.R. Part 1125 (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 each Project similar terms or requirements for compliance.

(e) Operations and Maintenance. The Borrower will maintain and preserve the Projects and the Water Utility System in good repair and working order at all times and will operate the Projects and the Water Utility System in an efficient and economical manner and substantially in accordance with its maintenance and operation plan and in accordance with the requirements of all applicable laws and each applicable CWIFP Loan Document, and will pay all Maintenance and Operation Costs as they become due and payable. The 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 the Water Utility System.

(f) Insurance; Eminent Domain and Insurance Proceeds.

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

(ii) Except for any self-insurance, the Borrower shall cause (1) all liability insurance policies that it maintains (excluding property damage, automobile or workers' compensation insurance), to reflect the CWIFP Lender as an additional insured to the extent of its insurable interest and (2) all required insurance policies to provide that the Borrower shall be given thirty (30) days' prior written notice of any intended cancellation thereof or reduction of coverage provided thereby (and promptly upon receipt of such notice, the Borrower shall deliver to the CWIFP Lender a copy of such notice).

(iii) Promptly upon request by the CWIFP Lender, the Borrower shall deliver to the CWIFP Lender certificates of insurance and copies of any underlying insurance policies obtained by or on behalf of the Borrower in respect of the Master Program or, as applicable, a letter of self-insurance. All such insurance policies shall be available at all reasonable times for inspection by the CWIFP Lender, its agents and representatives.

(iv) If all or any part of the Water Utility System shall be taken by eminent domain proceedings, or if the Borrower receives any insurance proceeds resulting from a casualty loss to the Water Utility System, the Net Proceeds thereof shall be used to substitute other components for the condemned or destroyed components of the Water Utility System or applied to the prepayment or cancellation of the Senior Obligations and as otherwise required by the Obligation Documents.

(g) Maintain Legal Structure. The Borrower shall maintain its existence as a special district created by the State Legislature.

(h) Water Utility System Accounts; Permitted Investments.

(i) The Borrower shall maintain the Water Utility System Revenue Fund in accordance with the terms hereof, the Master Resolution and the other CWIFP Loan Documents. All Water Utility System Revenues received shall be deposited into the Water Utility System Revenue Fund when and as received in trust for the benefit of the holders of the Obligations, subject to the application of Water Utility System Revenues in accordance with Section 2.2 (*Allocation of Water Utility System Revenues*) of the Master Resolution and the Flow of Funds. The Borrower shall maintain and hold separate and apart from other funds the Water Utility System Revenue Fund so long as any Parity Obligations remain unpaid. Moneys in the Water Utility System Revenue Fund shall be used and applied by the Borrower as provided in the Flow of Funds.

(ii) All moneys held by the Borrower in the Water Utility System Revenue Fund shall be held uninvested or invested in Permitted Investments and the investment earnings thereon shall remain on deposit in such fund, except as otherwise provided herein.

(iii) The Borrower shall establish the CWIFP Debt Service Account on or prior to the Effective Date and maintain the CWIFP Debt Service Account in accordance with the CWIFP Loan Documents for the benefit of the CWIFP Lender so long as any CWIFP Bond remains outstanding. The CWIFP Debt Service Account shall be subject to a Lien and is pledged by the Borrower pursuant to this Agreement as part of the Pledged Collateral and as security solely for the benefit of the CWIFP Lender and any subsequent holder of a CWIFP Bond. The CWIFP Debt Service Account shall not be subject to any security interest in favor of any Person other than the CWIFP Lender and any subsequent holder of a CWIFP Bond. The Borrower shall fund the CWIFP Debt Service Account in accordance with the Flow of Funds and in an amount not less than the amount of the CWIFP Debt Service coming due on each Payment Date not later than five (5) Business Days prior to the applicable Payment Date. Amounts on deposit in the CWIFP Debt Service Account shall be applied by the Borrower solely to pay CWIFP Debt Service; provided that, on the last Business Day of each Borrower Fiscal Year, the Borrower may transfer to the Water Utility System Revenue Fund any amounts on deposit in the CWIFP Debt Service Account that are not needed for such purpose.

(iv) Prior to each CWIFP Credit Agreement Effective Date, the Borrower shall establish a Project Acquisition Fund for the applicable CWIFP Loan and shall thereafter maintain and hold in trust such Project Acquisition Fund for the purpose of receiving and disbursing CWIFP Loan proceeds in accordance with the CWIFP Loan Documents.

(i) Compliance with Laws.

(i) The Borrower shall, and shall require its contractors and subcontractors at all tiers with respect to the Master Program to, comply with all applicable laws, rules, regulations and requirements, including those enumerated in Appendix A (*Federal Requirements and Related Laws*).

(ii) To ensure such compliance, the Borrower shall include in all contracts with respect to the Master Program (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 or referenced in this Section 13(i) and follow applicable federal guidance and (2) incorporate in all subcontracts (and cause all subcontractors to include in lower tier subcontracts) such terms and conditions as are required to be incorporated therein by any applicable laws, rules, regulations and requirements set forth in Appendix A (*Federal Requirements and Related Laws*).

(iii) To the extent not obtained prior to each CWIFP Credit Agreement Effective Date, the Borrower shall file applications for and obtain any required federal, State and local environmental and regulatory approvals for the Master Program, and the Borrower shall coordinate with the CWIFP Lender in the satisfaction of its obligations under this Section 13(i) and under Section 14(h) (*Site Disturbing Work*).

(iv) To the extent not provided prior to each CWIFP Credit Agreement Effective Date, the Borrower shall provide final design documents, an updated Programmatic Environmental Assessment Environmental Questionnaire and Supporting Document Checklist as set forth in the applicable CWIFP Credit Agreement, all applicable environmental permits, approvals and consultation documents, and any other documents reasonably requested by the CWIFP Lender to confirm prior to any site disturbing work under Section 14(h) (*Site Disturbing Work*) that each Project, or applicable component or sub-project, is Environmentally Acceptable, Economically Justified and Technically Sound.

(j) Material Obligations; Payment of Claims.

(i) The Borrower shall pay its material obligations with respect to the Water Utility System promptly and in accordance with their terms.

(ii) The Borrower shall pay and discharge promptly all taxes, assessments and governmental charges or levies imposed upon it or upon the Pledged Collateral or other assets of the Water Utility System (including the Master Program), before the same shall become delinquent or in default provided, that such payment and discharge shall not be required with respect to any such tax, assessment, charge, levy, claim or Lien so long as the validity or amount thereof shall be contested by the Borrower in good faith by appropriate proceedings and so long as the 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.

(iii) The Borrower shall pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a Lien on the Water Utility System (or any part thereof), the Master Program, the Pledged Collateral or any fund or account of the Borrower pledged to pay Parity Obligations or Senior Obligations.

(k) SAM Registration and SAM Number. The Borrower shall obtain and maintain, on or prior to the Effective Date through (i) each Final Disbursement Date, an active SAM registration status and (ii) each Final Maturity Date, a SAM Number.

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

(m) Accounting and Audit Procedures.

(i) The Borrower shall establish fiscal controls and accounting procedures sufficient to assure proper accounting for all (A) Water Utility System Revenues, Maintenance and Operation Costs, and, with respect to the Water Utility System, capital expenses, depreciation, reserves, debt issued and outstanding and debt payments and (B) Project-related costs, Requisitions submitted, CWIFP Loan proceeds received, payments made by the Borrower with respect to the Projects and other sources of funding for the Projects (including amounts paid from such sources for Project costs so that audits may be performed to ensure compliance with and enforcement of this Agreement and the CWIFP Credit Agreements). The Borrower shall use accounting, audit and fiscal procedures conforming to GAAP, including, with respect to the CWIFP Loans, accounting of principal and interest payments, disbursements, prepayments and calculation of interest and principal amounts outstanding.

(ii) The Borrower shall have a single or program-specific audit conducted in accordance with 2 C.F.R. Part 200 Subpart F and 31 U.S.C. § 7502 from (and including) the first Borrower Fiscal Year in which a Disbursement is made under the initial CWIFP Credit Agreement and annually thereafter to the extent required by applicable law, except in all cases to the extent biennial audits are permitted for the Borrower pursuant to 2 C.F.R. § 200.504 and 31 U.S.C. § 7502(b). Upon reasonable notice, the Borrower shall cooperate fully in the conduct of any periodic or compliance audits conducted by the CWIFP Lender or the Inspector General, or the duly authorized representatives thereof, pursuant to 2 C.F.R. Part 200 Subpart F, 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 Master Program or the CWIFP Loans to the CWIFP Lender and the Inspector General, or the duly authorized representatives thereof, for any such project or programmatic audit.

(n) Access; Records.

(i) So long as any CWIFP Loan or any portion thereof shall remain outstanding and until five (5) years after such CWIFP Loan shall have been paid in full, the CWIFP Lender and the Inspector General, or the duly authorized representatives thereof, shall have the right, upon reasonable prior notice, to visit, monitor and/or inspect any portion of the relevant Project and its operations, to examine books of account and records of the Borrower relating to such Project and the Water Utility System, to make copies and extracts therefrom at the Borrower's expense and to discuss the Borrower's affairs, finances and accounts relating to the Water Utility System with, and to be advised as to the same by, its officers and employees and its independent public accountants (and by this provision the Borrower irrevocably authorizes its independent public accountants to discuss with the CWIFP Lender such affairs, finances and accounts, whether or not any representative of the Borrower is present, it being understood that nothing contained in this Section 13(n) is intended to confer any right to exclude any such representative from such discussions), all at such reasonable times and intervals as the CWIFP Lender may request.

(ii) The Borrower shall maintain and retain all pertinent files relating to the Master Program and the CWIFP Loans, as may be necessary for the CWIFP Lender to facilitate an effective and accurate audit and performance evaluation of any Project, until three (3) years after the later of the date on which (A) all rights and duties of the Borrower under this Agreement and under the CWIFP Credit Agreements and corresponding CWIFP Bonds (including payments) have been fulfilled and any required audits have been performed and (B) any litigation relating to the Master Program, the CWIFP Loans, the CWIFP Credit Agreements or this Agreement is finally resolved or, if the CWIFP Lender has reasonable cause to extend such date, a date to be mutually agreed upon by the CWIFP Lender and the Borrower. The Borrower shall provide to the CWIFP Lender in a timely manner all records and documentation relating to the Master Program that the CWIFP Lender may reasonably request from time to time.

(o) Reporting Requirements. The Borrower shall comply with each of the reporting requirements set out in **Schedule V** (*Reporting Requirements*).

(p) Disbursements and Total Project Costs. The Borrower shall ensure that the aggregate amount of Disbursements under any CWIFP Credit Agreement does not exceed eighty percent (80%) of the Total Project Costs, as determined upon completion of the applicable Project. If at any time after the completion of the applicable Project the Borrower becomes aware, or is notified by the CWIFP Lender, that the aggregate amount of Disbursements under the applicable CWIFP Credit Agreement has exceeded eighty percent (80%) of the Total Project Costs with respect to the applicable Project, the Borrower shall promptly, and in no event later than thirty (30) days following such notice or determination, repay to the CWIFP Lender the amount of such excess Disbursement(s).

Section 14. Negative Covenants. The Borrower covenants and agrees as follows until the date each CWIFP Bond and all of the Obligations of the Borrower under this Agreement and each CWIFP Credit Agreement (other than contingent indemnity obligations to the extent applicable) are irrevocably paid in full in immediately available funds and the CWIFP Lender no longer has any commitment to make Disbursements to the Borrower, unless the CWIFP Lender waives compliance in writing:

(a) Additional Obligations.

(i) Program Requirements. The Borrower shall not create, incur or suffer to exist (A) any obligations (1) the payments with respect to which are senior or prior in right of payment by the Borrower of any CWIFP Loan, other than the Senior Obligations (prior to the occurrence of a Bankruptcy Related Event) or (2) secured by a Lien on the Pledged Collateral that is senior to the Lien on the Pledged Collateral in favor of the CWIFP Lender, other than the Senior Obligations (prior to the occurrence of a Bankruptcy Related Event), or (B) any obligations, all or a portion of the proceeds of which are or will be applied at any time to fund any purchase, construction, condemnation, acquisition or expansion of the Water Utility System, that are secured by a Lien on the Pledged Collateral or payable from the Pledged Collateral except in either case, Senior Obligations, Parity Obligations or obligations so secured on a basis subordinate to the Parity Obligations. The Borrower shall not incur any indebtedness of any kind payable from, secured or supported by the Pledged Collateral, without the prior written consent of the CWIFP Lender, while a Payment Default or a Bankruptcy Related Event has occurred and is continuing.

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

(b) No Lien Extinguishment or Adverse Amendments. The Borrower shall not, and shall not permit any Person to, without the prior written consent of the CWIFP Lender, (i) extinguish or impair the Liens on the Pledged Collateral granted pursuant to the CWIFP Loan Documents for the benefit of the CWIFP Lender, (ii) amend, modify, replace or supplement any Related Document to which the Borrower is a party or permit a waiver of any provision thereof in a manner that could reasonably be expected to result in a Material Adverse Effect or (iii) terminate, assign or replace any Related Document to which the Borrower is a party in a manner that could reasonably be expected to have a Material Adverse Effect. The Borrower shall not take or omit to take any action under any contract if the effect of such act or failure to act would in any manner impair or adversely affect the ability of the Borrower to secure adequate Water Utility System Revenues to meet its obligations under the CWIFP Loan Documents.

(c) No Prohibited Liens. Except for Permitted Liens, the Borrower shall not create, incur, assume or permit to exist any Lien on any Project, the Water Utility System, the Master Program, the Pledged Collateral or the Borrower's respective rights in any of the foregoing. Except for the Lien in favor of the CWIFP Lender and any subsequent holder of the CWIFP Bonds pursuant to the CWIFP Loan Documents, the Borrower shall not create, incur, assume or permit to exist any Lien on the CWIFP Debt Service Account.

(d) Restricted Payments and Transfers. The Borrower shall not permit Water Utility System Revenues or any funds in any other fund or account held by or on behalf of the Borrower with respect to the Water Utility System, to be paid or transferred or otherwise applied for purposes that would violate the terms of the Master Resolution.

(e) Prohibition Against Sale or Other Disposition of Property. The Borrower shall not sell, lease or otherwise dispose of the Water Utility System or any part thereof essential

to the proper operation of the Water Utility System or to the maintenance of the Net Water Utility System Revenues, and shall not enter into any agreement or lease which impairs the operation of the Water Utility System or any part thereof necessary to secure adequate Net Water Utility System Revenues to meet the requirements of the CWIFP Loan Documents, or which would otherwise impair the rights of the Borrower under the CWIFP Loan Documents with respect to the Net Water Utility System Revenues or the operation of the Water Utility System. Any real or personal property which has become nonoperative or which is not needed for the efficient and proper operation of the Water Utility System, or any material or equipment which has become worn out, may be sold if such sale will not reduce the Net Water Utility System Revenues below the requirements to be maintained under Section 13(a) (*Rate Covenant*). Nothing herein shall restrict the ability of the Borrower to sell or lease any facilities which are part of the Water Utility System if such facilities are immediately repurchased or re-leased, as the case may be, by the Borrower and if such arrangement cannot by its terms result in the purchaser of such facilities exercising any remedy which would deprive the Borrower of or otherwise interfere with its right to own and operate such facilities.

(f) Mergers and Acquisitions. The Borrower shall not, and shall not agree to, reorganize, consolidate with or merge into another Person unless (i) such reorganization, merger or consolidation is with or into another entity established by State law and such reorganization, merger or consolidation is permitted or required by State law, and in each case, could not reasonably be expected to have a Material Adverse Effect or adversely affect or impair to any extent or in any manner (A) the Water Utility System Revenues or other elements of the Pledged Collateral or (B) the availability of the Water Utility System Revenues for the payment and security of the obligations of the Borrower under this Agreement; and (ii) the Borrower provides to the CWIFP Lender notice of such reorganization, consolidation or merger in accordance with **Part D of Schedule V** (*Reporting Requirements*) and such other information concerning such reorganization, consolidation or merger as shall have been reasonably requested by the CWIFP Lender.

(g) Hedging. The 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 CWIFP Lender.

(h) Site Disturbing Work. From and after the Effective Date, the Borrower shall not perform any destruction, excavation or other site work related to the Master Program (including (x) investigations, construction, reconstruction, rehabilitation and replacement activities; (y) modifying, removing or demolishing structures; and (z) changing the visual, atmospheric, audible or land use characteristics of an area) prior to demonstrating to the CWIFP Lender's satisfaction that all applicable environmental, regulatory and engineering requirements have been met and that each Project, including any applicable component or sub-project thereof, is Environmentally Acceptable, Economically Justified and Technically Sound as determined by the CWIFP Lender in its sole discretion. Without limitation, such demonstration shall include demonstrating to the CWIFP Lender's satisfaction that, prior to the performance of any such site work, the Borrower did not make any irreversible or irretrievable commitment of resources with respect to the applicable Project that has or had the effect of foreclosing the formulation or implementation of any reasonable and prudent alternative measures or foreclosing the

consideration of alternatives to avoid, minimize or mitigate adverse effects on historic properties protected under applicable law.

(i) Cash Contributions. The Borrower shall not use any of the CWIFP Loan proceeds to provide cash contributions to the Corps for Project-related costs, except for such fees as are permitted by the Act, which are limited to the application, transaction processing and Servicing Fees.

ARTICLE VI

EVENTS OF DEFAULT AND REMEDIES

Section 15. Events of Default and Remedies.

(a) An “**Event of Default**” shall exist under this Agreement and each CWIFP Credit Agreement if any of the following occurs; provided, that the occurrence of an event set forth in sub-clauses (v) through (and including) (viii) below shall not constitute an Event of Default under this Agreement or any CWIFP Credit Agreement, and such Event of Default shall not be deemed to have occurred hereunder or thereunder, until the CWIFP 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 Borrower hereunder, including any obligation to cure any event or condition contemplated under this Section 15(a):

(i) Payment Default. The Borrower shall fail to pay when due any part of the principal amount of or interest on any CWIFP Loan (including CWIFP Debt Service required to have been paid pursuant to the provisions of Section 7 (*Repayments*)) and such failure continues for a period of five (5) days, when and as the payment thereof shall be required under this Agreement, any CWIFP Credit Agreement or any CWIFP Bond or on any Final Maturity Date (each such failure, a “**Payment Default**”).

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

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

(iv) Invalidity of CWIFP Loan Documents. (A) Any CWIFP Loan Document ceases to be in full force and effect (other than as a result of the termination thereof in accordance with its terms) or becomes void, voidable, illegal or unenforceable, or the Borrower contests in any manner the validity or enforceability of any CWIFP Loan Document or denies it has any further liability under any CWIFP Loan Document, or purports to revoke, terminate or rescind any CWIFP Loan Document; (B) this Agreement ceases (other than as expressly permitted hereunder) to be effective or to grant a valid and binding security interest in any material portion of the Pledged Collateral for the benefit of the CWIFP Lender and with the priority purported to be created hereby; or (C) any other

event occurs that results in the impairment of the validity, enforceability, perfection or priority of the CWIFP Lender's security interest in the Pledged Collateral.

(v) Covenant Default. The Borrower shall fail to observe or perform any covenant, agreement or obligation of the Borrower under this Agreement, any CWIFP Credit Agreement, any CWIFP Bond or any other CWIFP Loan Document (other than in the case of any Payment Default), and such failure shall not be cured within thirty (30) days after the earlier to occur of (A) receipt by the Borrower from the CWIFP Lender of written notice thereof or (B) the Borrower'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 the 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 any failure to pay fees, expenses or indemnities hereunder, the cure period shall be thirty (30) days and such cure period shall not be subject to extension.

(vi) Misrepresentation Default. Any of the representations, warranties or certifications of the Borrower made in or delivered pursuant to any CWIFP Loan Document (or in any certificates delivered by the Borrower in connection with any CWIFP Loan Document) shall prove to have been false or misleading in any material respect when made or deemed made; provided, that no Event of Default shall be deemed to have occurred under this Section 15(a)(vi) if and so long as (A) such misrepresentation is not intentional, (B) such misrepresentation is not a misrepresentation in respect of Section 11(g) (*Security Interests*), Section 11(h) (*No Debarment*), Section 11(i) (*No Lobbying*) or Section 11(j) (*Compliance with Laws*), (C) in the reasonable determination of the CWIFP 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 CWIFP Lender, the underlying issue giving rise to the misrepresentation is capable of being cured and (E) the underlying issue giving rise to the misrepresentation is cured by the Borrower within thirty (30) days after the date on which the Borrower first became aware (or reasonably should have become aware) of such misrepresentation.

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

(viii) Material Adverse Judgment. Any final, non-appealable judgment related to the Pledged Collateral, the Water Utility System (including the Master Program) or any Project shall be entered against the Borrower which has a Material Adverse Effect.

(b) Upon the occurrence of any Bankruptcy Related Event, all obligations of the CWIFP Lender hereunder and under the CWIFP Loan Documents with respect to the Disbursement of any undisbursed amounts of any CWIFP Loan shall automatically be deemed terminated, and the CWIFP Loan Balance of each CWIFP Loan, together with all interest accrued thereon and all fees, costs, expenses, indemnities and other amounts payable to the CWIFP Lender under the CWIFP Loan Documents, shall automatically become immediately due and payable, without presentment, demand, notice, declaration, protest or other requirements of any kind, all of which are hereby expressly waived. Following the occurrence of a Bankruptcy Related Event, the lien provisions of Section 6(a) (*Security and Priority; Flow of Funds*) relating to a first priority security interest shall automatically be effective.

(c) Upon the occurrence of any Event of Default hereunder or under any CWIFP Credit Agreement, the CWIFP Lender, by written notice to the Borrower, may exercise any or all of the following remedies:

(i) the CWIFP Lender may suspend or terminate all of its obligations hereunder or under each CWIFP Credit Agreement with respect to the Disbursement of any undisbursed amounts of such CWIFP Loan;

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

(iii) the CWIFP Lender may apply the Default Rate provisions of Section 5 (*Interest Rate*) with respect to the applicable CWIFP Loan;

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

(v) the CWIFP Lender shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of any sums due and unpaid under this Agreement, the applicable CWIFP Credit Agreement and corresponding CWIFP Bond or the other applicable CWIFP Loan Documents, and may prosecute any such judgment or final decree against the Borrower and collect in the manner provided by law out of the property of the Borrower the moneys adjudged or decreed to be payable, and the CWIFP Lender shall have all of the rights and remedies of a creditor, including all rights and remedies of a secured creditor under the Uniform Commercial Code (if applicable), and may take such other actions at law or in equity as may appear necessary or desirable to collect all amounts payable by the Borrower under this Agreement, the applicable CWIFP Credit Agreement and corresponding CWIFP Bond or the other applicable CWIFP Loan Documents then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Agreement, the applicable CWIFP Credit Agreement and corresponding CWIFP Bond or the other applicable CWIFP Loan Documents; and

(vi) the CWIFP Lender may declare the unpaid principal amount of the relevant CWIFP Bond 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 to the CWIFP Lender under this Agreement, the relevant CWIFP Credit Agreement and the other CWIFP Loan Documents, all without presentment, demand, notice, protest or other requirements of any kind, all of which are hereby expressly waived.

(d) The Borrower agrees that irreparable damage would occur in the event that any of the covenants set forth in this Agreement and the applicable CWIFP Credit Agreement were not performed in accordance with their specific terms or were otherwise breached or threatened to be breached and that an award of money damages would be inadequate in such event. Accordingly, it is acknowledged that the CWIFP Lender shall be entitled to equitable relief, without proof of actual damages, including an injunction or injunctions or an order or orders of specific performance to prevent breaches of this Agreement and the applicable CWIFP Credit Agreement and to enforce specifically the terms of this Agreement, the applicable CWIFP Credit Agreement and all other CWIFP Loan Documents, in addition to any other remedy to which the CWIFP Lender is entitled under the CWIFP Loan Documents, at law or in equity as a remedy for any such breach or threatened breach. The Borrower further agrees that the CWIFP Lender shall not be required to obtain, furnish or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this Section, and the Borrower (i) irrevocably waives any right it may have to require the obtaining, furnishing or posting of any such bond or similar instrument, (ii) agrees to cooperate fully in any attempt by the CWIFP Lender in obtaining such equitable relief and (iii) agrees that the only permitted objection that it may raise in response to any action for equitable relief is that it contests the existence of a breach or threatened breach of this Agreement, the applicable CWIFP Credit Agreement or the other CWIFP Loan Documents.

(e) No action taken pursuant to this Section 15 shall (i) relieve the Borrower from its obligations pursuant to this Agreement, the CWIFP Credit Agreements and the corresponding CWIFP Bonds or the other CWIFP Loan Documents, all of which shall survive any such action, or (ii) limit the CWIFP Lender's rights under any other CWIFP Loan Document or applicable law.

ARTICLE VII

MISCELLANEOUS

Section 16. Disclaimer of Warranty. The CWIFP 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 any Project or any portion thereof or any other warranty with respect thereto. In no event shall the CWIFP Lender be liable for any incidental, indirect, special or consequential damages incidental to or arising out of this Agreement, the Water Utility System (including the Master Program) or any Project or the existence, furnishing, functioning or use of any Project or any item or products or services provided for in this Agreement.

Section 17. No Personal Recourse. No official, employee or agent of the CWIFP Lender or the Borrower or any Person executing this Agreement or any of the other CWIFP Loan

Documents shall be personally liable on this Agreement or such other CWIFP Loan Documents by reason of the issuance, delivery or execution hereof or thereof.

Section 18. No Third-Party Rights. The parties hereby agree that this Agreement creates no third-party rights against the Borrower, the Federal Government or the CWIFP Lender, solely by virtue of the CWIFP Loans and that no third-party creditor of the Borrower shall have any right against the CWIFP Lender with respect to any CWIFP Loan made pursuant to this Agreement.

Section 19. Borrower's Authorized Representative. The Borrower shall at all times have appointed a Borrower's Authorized Representative by designating such Person or Persons from time to time to act on the Borrower's behalf pursuant to a written certificate furnished to the CWIFP Lender and the Servicer, if any, containing the specimen signature or signatures of such Person or Persons and signed by the Borrower.

Section 20. CWIFP Lender's Authorized Representative. The CWIFP Lender hereby appoints the Director of the CWIFP, whose notice details are set forth below in Section 29 (*Notices*), to serve as the CWIFP 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 CWIFP Lender's Authorized Representative. The CWIFP Lender shall provide notice to the Borrower within a reasonable time period following the succession.

Section 21. Servicer. The CWIFP Lender may from time to time designate another entity or entities to perform, or assist the CWIFP Lender in performing, the duties of the Servicer or specified duties of the CWIFP Lender under this Agreement and the CWIFP Credit Agreements and corresponding CWIFP Bonds. The CWIFP Lender shall give the Borrower 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 or in the CWIFP Credit Agreements and corresponding CWIFP Bonds to the CWIFP Lender shall be deemed to be a reference to the Servicer with respect to any duties which the CWIFP Lender shall have delegated to such Servicer. The CWIFP Lender may at any time assume the duties of any Servicer under this Agreement and the CWIFP Credit Agreements and corresponding CWIFP Bonds. The Borrower 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 and under the CWIFP Credit Agreements; provided that (a) the Borrower shall not be required to provide any public disclosure, representation, warranty, estoppel, certification or indemnity to the Servicer in connection with the proposed appointment thereof and (b) no fees or costs of the Borrower payable to the CWIFP Lender hereunder shall significantly increase solely as a result of any appointment of a Servicer and such increase in fees or costs shall not in any event be more than the amount of the Servicing Fee applicable at the time the Servicer is appointed as set forth in the applicable CWIFP Credit Agreements.

Section 22. Amendments, Waivers and Termination. No amendment, modification, termination or waiver of any provision of this Agreement or the CWIFP Credit Agreements and corresponding CWIFP Bonds shall in any event be effective without the prior written consent of each of the parties hereto and thereto. Notwithstanding the foregoing sentence, if the first Disbursement of any CWIFP Loan has not occurred on or prior to the applicable Final

Disbursement Date of such CWIFP Loan, the CWIFP Lender or the Borrower may terminate the corresponding CWIFP Credit Agreement upon no less than ten (10) Business Days' prior written notice to the other party, subject to Section 34 (*Survival*). Once terminated, a CWIFP Credit Agreement may not be reinstated.

Section 23. Governing Law. This Agreement and the CWIFP Credit Agreements shall be governed by the federal laws of the United States of America if and to the extent such federal laws are applicable and by the internal laws of the State, if and to the extent such federal laws are not applicable.

Section 24. 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 25. Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective permitted successors and assigns and shall inure to the benefit of the parties hereto and their permitted successors and assigns. Neither the Borrower's rights or obligations hereunder or under the CWIFP Credit Agreements or the corresponding CWIFP Bonds nor any interest herein or therein may be assigned or delegated by the Borrower without the prior written consent of the CWIFP Lender.

Section 26. Remedies Not Exclusive. No remedy conferred herein, in the CWIFP Credit Agreements or the corresponding CWIFP Bonds or reserved to the CWIFP Lender is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the other CWIFP Loan Documents or now or hereafter existing at law or in equity or by statute.

Section 27. Delay or Omission Not Waiver. No delay or omission of the CWIFP Lender to exercise any right or remedy provided hereunder or under the CWIFP Credit Agreements, the corresponding CWIFP Bonds or any other CWIFP Loan Document upon a default of the 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 herein or therein. Every right and remedy given by this Agreement or under the CWIFP Credit Agreements, the corresponding CWIFP Bonds, any other CWIFP Loan Document or by law to the CWIFP Lender may be exercised from time to time, and as often as may be deemed expedient by the CWIFP Lender.

Section 28. 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 Section 29

(Notices) shall be effective as delivery of an original executed counterpart of this Agreement or such other document or instrument, as applicable.

Section 29. Notices.

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

(b) Notices to the CWIFP Lender shall be made by (i) email to the email address noted below for the CWIFP Lender or (ii) submission through another electronic medium or transmission system as designated by the CWIFP Lender in accordance with this Section 29, unless otherwise instructed by the CWIFP Lender:

If to CWIFP Lender: U.S. Army Corps of Engineers Corps Water
Infrastructure Financing Program
Attention: CWIFP Director
Email: CWIFP.portfolio@usace.army.mil

(c) Notices to the Borrower shall be made by (i) nationally recognized courier service, (ii) hand delivery, (iii) email, to the email addresses noted below for the Borrower or (iv) another electronic medium as designated by the Borrower in accordance with this Section 29, unless otherwise instructed by the Borrower's Authorized Representative:

If to Borrower: The notice details are set forth in **Part E of Schedule I**
(*CWIFP Master Program Terms*)

(d) Each such notice, request or communication shall be effective (i) if given by email or other electronic method, when such email is delivered to the email address specified in this Section 29 (or in accordance with the latest unrevoked written direction from the receiving party) 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 (ii) if delivered by hand or by courier service, when delivered at the address specified in this Section 29 (or in accordance with the latest unrevoked written direction from the receiving party); provided, that (A) unless otherwise instructed by the CWIFP Lender, notices to the CWIFP Lender shall be effective only if given by email in accordance with this Section 29 and (B) notices received on a day that is not a Business Day or after 5:00 p.m. Eastern Time on a Business Day will be deemed to be effective on the next Business Day. The parties shall act reasonably in designating any electronic medium other than e-mail for notices, requests or communications hereunder, and neither party shall designate an electronic medium to which the other party has a reasonable objection.

Section 30. Indemnification. The Borrower shall, to the extent permitted by law, indemnify the CWIFP Lender and any official, employee, agent, advisor or representative of the CWIFP Lender (each such Person being herein referred to as an "**Indemnatee**") against, and hold each Indemnatee 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 Related Document, (b) the CWIFP Loan or the use of the proceeds thereof or (c) the violation of any law, rule, regulation, order, decree, judgment or administrative decision relating to the environment, the preservation or reclamation of natural resources, the management, release or threatened release of any hazardous material or to health and safety matters; in each case arising out of or in direct relation to the Project; provided, that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities, fines, penalties, costs or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. In case any action or proceeding is brought against an Indemnitee by reason of any claim with respect to which such Indemnitee is entitled to indemnification hereunder, the Borrower shall be entitled, at its expense, to participate in the defense thereof; provided, that such Indemnitee has the right to retain its own counsel, at the Borrower's expense, and such participation by the Borrower in the defense thereof shall not release the Borrower of any liability that it may have to such Indemnitee. Any Indemnitee against whom any indemnity claim contemplated in this Section 30 is made shall be entitled, after consultation with the Borrower and upon consultation with legal counsel wherein such Indemnitee is advised that such indemnity claim is meritorious, to compromise or settle any such indemnity claim. Any such compromise or settlement shall be binding upon the Borrower for purposes of this Section 30. Nothing herein shall be construed as a waiver of any legal immunity that may be available to any Indemnitee. To the extent permitted by applicable law, neither the Borrower nor the CWIFP Lender shall assert, and each of the Borrower and the CWIFP Lender hereby waives, any claim against any Indemnitee or the 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 Related Document, the other transactions contemplated hereby and thereby, the CWIFP Loan or the use of the proceeds thereof, provided, that nothing in this sentence shall limit the Borrower's indemnity obligations to the extent such damages are included in any third party claim in connection with which an Indemnitee is entitled to indemnification hereunder. All amounts due to any Indemnitee under this Section 30 shall be payable promptly upon demand therefor. The obligations of the Borrower under this Section 30 shall survive the payment or prepayment in full or transfer of the CWIFP 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 Section 30) or consents in respect hereof or thereof, any Event of Default and any workout, restructuring or similar arrangement of the obligations of the Borrower hereunder or thereunder.

Section 31. Sale of CWIFP Loans. The CWIFP Lender shall not sell any CWIFP Loan at any time prior to the later of (a) the Substantial Completion Date of the Project relating to such CWIFP Loan and (b) other than with respect to a sale or transfer to another Governmental Entity within the Federal Government, the Final Disbursement Date for such CWIFP Loan. After such date, the CWIFP Lender may sell such CWIFP Loan to another entity or reoffer the CWIFP Loan into the capital markets only in accordance with the provisions of this Section 31. Such sale or reoffering shall be on such terms as the CWIFP Lender shall deem advisable. However, in making such sale or reoffering the CWIFP Lender shall not change the terms and conditions of such CWIFP Loan without the prior written consent of the Borrower in accordance with Section 22 (*Amendments, Waivers and Termination*). Prior to any sale or reoffering of any CWIFP Loan, the CWIFP Lender shall provide reasonable written notice to the Borrower of the CWIFP Lender's

intention to consummate such a sale or reoffering. The provision of any notice pursuant to this Section 31 shall neither (x) obligate the CWIFP Lender to sell nor (y) provide the Borrower with any rights or remedies in the event the CWIFP Lender, for any reason, does not sell such CWIFP Loan. The Borrower shall have no obligation to provide any disclosure, representation, warranty, estoppel, certificate, consent, agreement, approval or other assistance to the CWIFP Lender or any proposed purchaser or assignee of any CWIFP Loan in connection with any proposed sale or assignment of such CWIFP Loan.

Section 32. Effectiveness. This Agreement shall be effective on the Effective Date.

Section 33. Release of Lien. Upon the irrevocable payment in full in immediately available funds by the Borrower of all CWIFP Loan Balances, together with all accrued interest, fees and expenses and all other amounts with respect thereto, the CWIFP Lender shall surrender each CWIFP Bond to the Borrower in accordance with Section 8(c) (*General Prepayment Instructions*).

Section 34. Survival. The indemnification requirements of Section 30 (*Indemnification*), the reporting and record keeping requirements of Section 13(n) (*Access; Records*), the Borrower's payment obligations hereunder (including the payment requirements of Section 9 (*Fees and Expenses*)), the remedies of the CWIFP Lender under Section 15 (*Events of Default and Remedies*) following any Event of Default and all provisions necessary to give effect to such remedies, including the Borrower's covenant in Section 13(l) (*Immunity*), shall survive the termination of this Agreement as provided in such Sections.

Section 35. Integration. This Agreement, together with the other CWIFP 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.

SANTA CLARA VALLEY WATER DISTRICT,
by its authorized representative

By: _____
Name:
Title:

*[Signature Page to Master Program for Dam Safety Program –
Santa Clara Valley Water District – CWIFP Master Agreement]*

**UNITED STATES DEPARTMENT OF
THE ARMY**, acting by and through the
United States Army Corps of Engineers

By: _____

Name:

Title:

*[Signature Page to Master Program for Dam Safety Program –
Santa Clara Valley Water District – CWIFP Master Agreement]*

SCHEDULE I

CWIFP MASTER PROGRAM TERMS

No.	Item	CWIFP Master Program Terms
PART A. Key Borrower Metrics		
1.	Execution Date	[], 2025.
2.	Effective Date	[], 2025.
3.	Borrower	Santa Clara Valley Water District, a special district created by the State Legislature duly organized and existing under the laws of the State.
4.	Legal Entity	Special district.
5.	State	State of California.
6.	Borrower FEIN	94-1695531.
7.	Borrower SAM Number	RL6RZWJN7C83.
8.	Initial Borrower Fiscal Year	The fiscal year of the Borrower commencing on July 1 of any given calendar year and ending on June 30 of the immediately succeeding calendar year.
9.	Water Utility System	As defined in the Master Resolution.
10.	Trustee	Not Applicable.
11.	Trustee Location	Not Applicable.
12.	[Reserved]	
PART B. Key Master Program Metrics		
13.	Master Program	The Master Program is the Dam Safety Program, located at the Master Program Location, and consists of the Almaden, Calero, Coyote and Guadalupe Dam safety projects as enumerated in Schedule II (CWIFP Master Program Projects and Budget) .
14.	Master Program Location	Santa Clara County, CA.
15.	Aggregate Master Program Amount	\$652,903,504.00.
16.	Master Availability Period	The period from the Effective Date until the date that is five (5) years from the Effective Date.

No.	Item	CWIFP Master Program Terms
<i>PART C. Key Security Metrics</i>		
17.	Lien priority	Subordinated lien.
18.	Springing lien	Applicable (see Section 6 (<i>Security and Priority; Flow of Funds</i>)).
19.	Dedicated revenue source	The dedicated revenue source shall be the Water Utility System Revenues.
20.	Pledged Collateral	(i) All Water Utility System Revenues, the Water Utility System Revenue Fund and all amounts on deposit in the Water Utility System Revenue Fund, (ii) the Rate Stabilization Reserve Fund and all amounts on deposit in the Rate Stabilization Reserve Fund, (iii) each Special Purpose Fund and all amounts on deposit in such Special Purpose Fund, (iv) the Project Acquisition Fund and all amounts on deposit in the Project Acquisition Fund and (v) the CWIFP Debt Service Account and all amounts on deposit in the CWIFP Debt Service Account.
21.	CWIFP Debt Service Account	The debt service account established and maintained by the Borrower pursuant to this Agreement for the payment of CWIFP Debt Service in accordance with this Agreement, including each subaccount established for each CWIFP Loan.
22.	Project Acquisition Fund	Each fund established and maintained by the Borrower pursuant to this Agreement for receipt and disbursement of CWIFP Loan proceeds.
23.	Rate Covenant	(a) To the fullest extent permitted by law, the Borrower shall fix and prescribe rates, fees and charges for Water Service at the commencement of each Borrower Fiscal Year, which, together with other Current Water Utility System Revenues or Net Water Utility System Revenues, as the case may be, are reasonably expected to be at least sufficient to yield during each Borrower Fiscal Year (i) Current Water Utility System Revenues in an amount sufficient to meet the Maintenance and Operation Costs, the Debt Service for the then current Borrower Fiscal Year and the interest and principal payable for the then current Borrower Fiscal Year in respect of any obligations that are secured by a Lien on the Pledged Collateral or payable

No.	Item	CWIFP Master Program Terms
		<p>from the Pledged Collateral, in each case on a basis subordinate to the Parity Obligations, (ii) Net Water Utility System Revenues equal to one hundred twenty-five percent (125%) of the Senior Debt Service for such Borrower Fiscal Year and (iii) Net Water Utility System Revenues for such Borrower Fiscal Year equal to one hundred ten percent (110%) of the Debt Service for such Borrower Fiscal Year. For purposes of clause (iii) above, Net Water Utility System Revenues may be increased by Budgeted Transfers (measured as of the last day of the immediately preceding Borrower Fiscal Year) in an amount no greater than ten percent (10%) of Debt Service referred to in clause (iii) above. The Borrower may make adjustments from time to time in such rates, fees and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates, fees and charges then in effect unless the Current Water Utility System Revenues or Net Water Utility System Revenues, as the case may be, from such reduced rates, fees and reasonably expected to be sufficient to meet the requirements of this clause (a).</p> <p>(b) For avoidance of doubt, so long as the Borrower has complied with its obligations set forth in clause (a) above, the failure of Current Water Utility System Revenues to meet the threshold set forth in clause (a)(i) above or the failure of Net Water Utility System Revenues to meet the thresholds set forth in clause (a)(ii) or clause (a)(iii) above at the end of a Borrower Fiscal Year shall not constitute a Default or an Event of Default so long as the Borrower has complied with clause (a) above at the commencement of the succeeding Borrower Fiscal Year.</p> <p>(c) The Borrower shall charge and collect or cause to be collected the rates, fees and charges applicable to the Water Service and will not permit any part of the Water Utility System or any facility thereof to be used or taken advantage of free of charge by any corporation, firm or person, or by any public agency (including the Federal Government, the State and any city, county, district, political subdivision, public corporation or agency of any thereof) if such use would prevent the Borrower from complying with the requirements of clause (a) above.</p>

No.	Item	CWIFP Master Program Terms
24.	Additional Obligations Test	<p>(a) The Borrower may incur Senior Obligations in accordance with Section 3.1 (<i>Additional Bonds and Contracts</i>) of the Master Resolution.</p> <p>(b) The Borrower may incur Additional Parity Obligations in accordance with the terms hereof; <u>provided</u> that:</p> <p>(i) the Net Water Utility System Revenues for the most recent audited Borrower Fiscal Year preceding the date of adoption by the Board of Directors of the resolution authorizing the incurrence of such Additional Parity Obligations (or if no such resolution exists, the date of incurrence of such Additional Parity Obligations), adjusted to reflect any change in rates and charges for the Water Service approved and in effect as of the date of calculation, remaining after payment of amounts under Sections 2.2(d) (<i>Allocation of Water Utility System Revenues</i>) and 2.2(e) (<i>Allocation of Water Utility System Revenues</i>) of the Master Resolution due and payable in such Borrower Fiscal Year as evidenced by a calculation prepared by the Borrower, shall be equal to at least one hundred ten percent (110%) of the sum of (1) the Parity Debt Service for such Borrower Fiscal Year, (2) the Parity Debt Service which would have been payable on any Parity Obligations incurred since the end of such Borrower Fiscal Year assuming such Parity Obligations had been incurred at the beginning of such Borrower Fiscal Year and (3) the Parity Debt Service which would have been payable had such Additional Parity Obligations been incurred at the beginning of such Borrower Fiscal Year; and</p> <p>(ii) the estimated Net Water Utility System Revenues for the then current Borrower Fiscal Year and for each Borrower Fiscal Year thereafter to and including the first complete Borrower Fiscal Year after the latest Date of Operation of any uncompleted Parity Project, as evidenced by a certificate of an Authorized Officer of the Borrower on file with the Borrower, including (after giving effect to the completion of all such uncompleted Parity Projects) an allowance for estimated Net Water Utility System Revenues for each such Borrower Fiscal Year arising from any increase in the income, rents, fees, rates and charges estimated to be fixed, prescribed or</p>

No.	Item	CWIFP Master Program Terms
		<p>received for the Water Service and which are economically feasible and reasonably considered necessary based on projected operations for such period, as evidenced by a certificate of an Authorized Officer on file with the Borrower, shall be equal to at least one hundred ten percent (110%) of the estimated Debt Service for each of such Borrower Fiscal Years, after giving effect to the incurrence of all Obligations estimated to be required to be incurred to pay the costs of completing all uncompleted Parity Projects within such Borrower Fiscal Years, assuming that all such Obligations have maturities, interest rates and proportionate principal repayment provisions similar to the Obligation last incurred or then being incurred for the purpose of acquiring and constructing any of such uncompleted Parity Projects. For the purposes of this clause (b), Net Water Utility System Revenues may be increased by Budgeted Transfers (measured as of the last day of the immediately preceding Borrower Fiscal Year) in an amount no greater than ten percent (10%) of the estimated Debt Service referred to in the preceding sentence.</p> <p>(c) Notwithstanding clauses (a) and (b) above, Obligations may be incurred to refund outstanding Obligations if the Average Annual Debt Service on Obligations after the refunding is not greater than the Average Annual Debt Service on Obligations outstanding prior to the refunding.</p>
25.	Flow of Funds	As set forth in Annex A to this Schedule I (<i>CWIFP Program Master Terms</i>).
PART D. Other Key CWIFP Loan Documents		
26.	[Reserved]	
PART E. Borrower Related Notices		
27.	Borrower notice details	Santa Clara Valley Water District 5750 Almaden Expressway San Jose, CA 95118

No.	Item	CWIFP Master Program Terms
		Attention: Treasury and Debt Officer Email: wifia-loan-admin@valleywater.org

ANNEX A
FLOW OF FUNDS

1. Master Resolution Terms

Reference is made to Section 2.2 (*Allocation of Water Utility System Revenues*) of the Master Resolution, and the applicable requirements and conditions contained therein as of the Effective Date, which, other than deletion of clauses (b), (c), (f) and (g) of Section 2.2 (*Allocation of Water Utility System Revenues*) of the Master Resolution, which are no longer applicable, are set forth verbatim below. Capitalized terms used in this Section 1 of this Flow of Funds shall have the respective meanings assigned to such terms in the Master Resolution.

“Section 2.2. Allocation of Water Utility System Revenues. In order to carry out and effectuate the obligations of the District to pay Debt Service, the District agrees and covenants that all Current Water Utility System Revenues received by it shall be deposited when and as received in the Water Utility System Revenue Fund.

The District shall transfer or make payments from the Water Utility System Revenue Fund the amounts set forth below at the following times and in the following order of priority:

- (a) Such amounts at such times as the District shall require to provide for the payment of Maintenance and Operation Costs;
- (d) Debt Service at the times and in the amounts required by applicable Bonds or Contracts or the Trust Agreements securing each Bond or Contract;
- (e) To each Trustee for deposit in the applicable reserve fund with respect to such Bonds or Contracts, if any, an amount equal to the amount, if any, at such times as required to be deposited therein to build up or replenish such Bond or Contract reserve fund as and to the extent required by the applicable Bond or Contract or the resolutions, trust agreements, indentures or other instruments securing each Bond or Contract;
- (h) So long as the District reasonably determines that there will be sufficient Current Water Utility System Revenues to make the transfers in (a) through (e) above for the remainder of such Fiscal Year, for any purpose of the Water Utility System; and
- (i) So long as the District reasonably determines that there will be sufficient Current Water Utility System Revenues to make the transfers in (a) through (e) above for the remainder of such Fiscal Year, for any lawful purpose of the District.”

2. CWIFP Supplemental Terms

Capitalized terms used in this Section 2 of this Flow of Funds have meanings set forth in this Agreement.

(a) In order to carry out and effectuate the pledge contained in the Master Resolution, on or prior to the date that is five (5) Business Days prior to each Payment Date, the Borrower shall pay, in accordance with Section 2.2 of the Master Resolution, from Net Water Utility System Revenues remaining after making payments required by Section 2.2(d) and (e) of the Master Resolution, to the CWIFP Lender and deposit into the CWIFP Debt Service Account, the CWIFP Debt Service due and payable on such Payment Date. Notwithstanding the foregoing, after the occurrence of a Bankruptcy Related Event, Borrower shall deposit into the CWIFP Debt Service Account the CWIFP Debt Service due and payable on such Payment Date on a pro rata basis with Bonds and Contracts in accordance with Section 2.2(d) of the Master Resolution.

(b) If an Event of Default shall occur and be continuing, all Water Utility System Revenues thereafter received by Borrower and amounts on deposit in the funds and accounts held under the Master Resolution shall be applied in the following order:

(i) to the payment, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, of the fees, costs and expenses of the CWIFP Lender, owners of other Obligations, and any agents and assignees of each of the foregoing, if any, including reasonable compensation to their accountants and counsel;

(ii) to the payment of Maintenance and Operation Costs;

(iii) (A) during any period when a Bankruptcy Related Event has not occurred, to the payment of the entire principal amount of the unpaid principal amount of all Senior Obligations and the accrued interest thereon, with interest on the overdue installments at the rate or rates of interest applicable to such Senior Obligations if paid in accordance with their respective terms, and (B) following the occurrence of a Bankruptcy Related Event, to the payment without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, of the entire principal amount of the unpaid CWIFP Bonds and the unpaid principal amount of all other Senior Obligations and the accrued interest thereon, with interest on the overdue installments at the rate or rates of interest applicable to the CWIFP Bonds and such other Senior Obligations if paid in accordance with their respective terms; and

(iv) to the payment without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, of the entire unpaid principal amount of all Parity Obligations and the accrued interest thereon, with interest on the overdue installments at the rate or rates of interest applicable to such Parity Obligations if paid in accordance with their respective terms.

SCHEDULE II

CWIFP MASTER PROGRAM PROJECTS AND BUDGET

Project Name	Total Project Cost	CWIFP Loan Commitment Amount	Percentage of Aggregate Master Program Amount
TOTAL			

SCHEDULE III
BORROWER DISCLOSURES

PART A. Existing Indebtedness.

1. Existing Senior Obligations

1.	Santa Clara Valley Water District Water System Refunding Revenue Bonds, Series 2016A, issued pursuant to the Indenture of Trust, dated as of February 1, 2016, by and between U.S. Bank Trust Company, National Association, as trustee, and the District	\$106,315,000
2.	Santa Clara Valley Water District Water System Refunding Revenue Bonds, Taxable Series 2016B, issued pursuant to the Indenture of Trust, dated as of February 1, 2016, by and between U.S. Bank Trust Company, National Association, as trustee, and the District	75,215,000
3.	Santa Clara Valley Water District Revenue Certificates of Participation (Water Utility System Improvement Projects), Series 2016C, issued pursuant to the Trust Agreement, dated as of February 1, 2016, by and among the Borrower, the District and U.S. Bank Trust Company, National Association, as trustee, and the related Installment Purchase Agreement, dated as of February 1, 2016, by and between the Borrower and the District	17,060,000
4.	Santa Clara Valley Water District Revenue Certificates of Participation (Water Utility System Improvement Projects), Taxable Series 2016D, issued pursuant to the Trust Agreement, dated as of February 1, 2016, by and among the Borrower, the District and U.S. Bank Trust Company, National Association, as trustee, and the related Installment Purchase Agreement, dated as of February 1, 2016, by and between the Borrower and the District	21,385,000
5.	Santa Clara Valley Water District Water System Refunding Revenue Bonds, Series 2017A, issued pursuant to the Indenture of Trust, dated as of March 1, 2017, by and between U.S. Bank Trust Company, National Association, as trustee, and the District	39,255,000
6.	Santa Clara Valley Water District Water System Refunding Revenue Bonds, Series 2019A, issued pursuant to the Indenture of Trust, dated as of March 1, 2019, by and between U.S. Bank Trust Company, National Association, as trustee, and the District	13,665,000
7.	Santa Clara Valley Water District Water System Refunding Revenue Bonds, Taxable Series 2019B, issued pursuant to the	69,635,000

	Indenture of Trust, dated as of March 1, 2019, by and between U.S. Bank Trust Company, National Association, as trustee, and the District	
8.	Santa Clara Valley Water District Water System Refunding Revenue Bonds, Taxable Series 2019C, issued pursuant to the Indenture of Trust, dated as of November 1, 2019, by and between U.S. Bank Trust Company, National Association, as trustee, and the District	26,345,000
9.	Santa Clara Valley Water District Water System Refunding Revenue Bonds, Series 2020A, issued pursuant to the Indenture of Trust, dated as of September 1, 2020, by and between U.S. Bank Trust Company, National Association, as trustee, and the District	24,120,000
10.	Santa Clara Valley Water District Water System Refunding Revenue Bonds, Taxable Series 2020B, issued pursuant to the Indenture of Trust, dated as of September 1, 2020, by and between U.S. Bank Trust Company, National Association, as trustee, and the District	68,530,000
11.	Santa Clara Valley Water District Revenue Certificates of Participation (Water Utility System Improvement Projects), Series 2020C, issued pursuant to the Trust Agreement, dated as of September 1, 2020, by and among the Borrower, the District and U.S. Bank Trust Company, National Association, as trustee, and the related Installment Purchase Agreement, dated as of September 1, 2020, by and between the Borrower and the District	34,820,000
12.	Santa Clara Valley Water District Revenue Certificates of Participation (Water Utility System Improvement Projects), Taxable Series 2020D, issued pursuant to the Trust Agreement, dated as of September 1, 2020, by and among the Borrower, the District and U.S. Bank Trust Company, National Association, as trustee, and the related Installment Purchase Agreement, dated as of September 1, 2020, by and between the Borrower and the District	68,215,000
13.	Santa Clara Valley Water District Water System Refunding Revenue Bonds, Series 2023A, issued pursuant to the Indenture of Trust, dated as of November 1, 2022, by and between U.S. Bank Trust Company, National Association, as trustee, and the District	52,090,000
14.	Santa Clara Valley Water District Water System Refunding Revenue Bonds, Taxable Series 2023B, issued pursuant to the Indenture of Trust, dated as of November 1, 2022, by and between U.S. Bank Trust Company, National Association, as trustee, and the District	66,640,000
15.	Santa Clara Valley Water District Revenue Certificates of Participation (Water Utility System Improvement Projects),	64,185,000

	Series 2023C-1, issued pursuant to the Trust Agreement, dated as of November 1, 2022, by and among the Borrower, the District and U.S. Bank Trust Company, National Association, as trustee, and the related Installment Purchase Agreement, dated as of November 1, 2022, by and between the Borrower and the District	
16.	Santa Clara Valley Water District Revenue Certificates of Participation (Water Utility System Improvement Projects), Series 2023C-2, issued pursuant to the Trust Agreement, dated as of November 1, 2022, by and among the Borrower, the District and U.S. Bank Trust Company, National Association, as trustee, and the related Installment Purchase Agreement, dated as of November 1, 2022, by and between the Borrower and the District	39,150,000
17.	Santa Clara Valley Water District Revenue Certificates of Participation (Water Utility System Improvement Projects), Series 2023D, issued pursuant to the Trust Agreement, dated as of November 1, 2022, by and among the Borrower, the District and U.S. Bank Trust Company, National Association, as trustee, and the related Installment Purchase Agreement, dated as of November 1, 2022, by and between the Borrower and the District	37,495,000
18.	Santa Clara Valley Water District Water System Refunding Revenue Bonds, Series 2024A-1, issued pursuant to the Indenture of Trust, dated as of January 1, 2024, by and between U.S. Bank Trust Company, National Association, as trustee, and the District	104,765,000
19.	Santa Clara Valley Water District Water System Refunding Revenue Bonds, Taxable Series 2024B-1, issued pursuant to the Indenture of Trust, dated as of January 1, 2024, by and between U.S. Bank Trust Company, National Association, as trustee, and the District	87,385,000
20.	Santa Clara Valley Water District Water System Refunding Revenue Bonds, Series 2024A-2, issued pursuant to the Indenture of Trust, dated as of January 1, 2024, by and between U.S. Bank Trust Company, National Association, as trustee, and the District	50,590,000
21.	Santa Clara Valley Water District Water System Refunding Revenue Bonds, Taxable Series 2024B-2, issued pursuant to the Indenture of Trust, dated as of January 1, 2024, by and between U.S. Bank Trust Company, National Association, as trustee, and the District	25,025,000
22.	Santa Clara Valley Water District Water System Revenue Bonds, Series 2024C, issued pursuant to the Indenture of Trust, dated as of January 1, 2024, by and between U.S. Bank	41,265,000

	Trust Company, National Association, as trustee, and the District	
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2. Existing Parity Obligations

1.	\$75,000,000 Santa Clara Valley Water District 2025-2026 Tax-Exempt Tax and Revenue Anticipation Note and \$75,000,000 Taxable Tax and Revenue Anticipation Note which secure up to \$150,000,000 Santa Clara Valley Water District Revolving Certificates, Series C (Tax-Exempt) (Non-Syndicated) and Series D (Taxable) (Non-Syndicated), issued pursuant to the Certificate Purchase and Reimbursement Agreement, dated as of April 1, 2022, by and among the Borrower, the District, the lenders party thereto and U.S. Bank National Association	\$90,000,000
2.	\$73,904,324 WIFIA Note dated February 14, 2023, issued by the Borrower pursuant to the WIFIA Loan Agreement (WIFIA ID – 22115CA), dated as of February 14, 2023, by and among the Borrower, the District and the WIFIA Lender	27,455,457
3.	\$91,581,116 WIFIA Note dated October 30, 2023, issued by the Borrower pursuant to the WIFIA Loan Agreement (WIFIA ID – 20114CA), dated as of October 30, 2023, by and among the Borrower, the District and the WIFIA Lender	0
4.	Up to \$250,000,000 Santa Clara Valley Water District Commercial Paper Notes, Series A (Tax-Exempt) and Series B (Taxable) issued pursuant to the Reimbursement Agreement dated as of December 1, 2024, by and between the District and Sumitomo Mitsui Banking Corporation, acting through its New York Branch	50,000,000

PART B. Litigation Disclosure.

[2017 Flooding in the City of San Jose

Following a series of storms, a flood event occurred on the Coyote Creek in San Jose, California on or about February 21, 2017. The Coyote Creek is approximately 42 miles long and is the longest creek in the County. In the southern portion of the County, Valley Water owns and maintains the Leroy Anderson Dam and Reservoir along the Coyote Creek near Morgan Hill, California. The Anderson Dam is upstream from the City of San Jose. After the reservoir reached capacity, water began going over the Anderson Dam spillway, as was designed, on February 18, 2017. The spillover volume peaked on the morning of February 21, 2017, increasing flows on Coyote Creek. Beginning on or about February 21, 2017, certain residential and non-residential areas of San Jose along Coyote Creek experienced flooding due to rising water levels in the creek. Thousands of residents were temporarily evacuated, and numerous properties experienced flood damage. Such flood water receded within a short period of time after February 21, 2017.

A number of claimants filed lawsuits in Santa Clara County Superior Court against Valley Water and the City of San Jose alleging damage from the Coyote Creek flood event. There is one remaining action in the Santa Clara County Superior Court arising from the same flood event (San José Unified School District v. SCVWD, Case No. 18CV330233). A mediation took place in July 2025, and the case was settled for \$1,000,000 (to be paid by and through Valley Water's insurer). A final settlement and mutual release agreement was signed on August 5, 2025.

Aguirre, et al. v. SCVWD

In May 2023, Valley Water was served with an action by five former Valley Water employees (Amanda Aguirre, Matthew Bruni, Eric Calderon, Raymond Corral, and Jesse Perez). The plaintiffs are alleging violations of the California Fair Employment and Housing Act, retaliation, and wrongful discharge in violation of public policy in relation to their dismissals or resignations from Valley Water. The plaintiffs were either released by Valley Water for failing to comply with Valley Water's COVID-19 policies then in effect or resigned after being told they would be subject to the policies. This case is in the discovery phase and a jury trial is scheduled for May 26, 2026. As with any litigation, there is uncertainty as to the result. However, Valley Water believes it has reasonable defenses to plaintiffs' allegations, which it intends to assert. Valley Water cannot predict what effects this lawsuit may have or if such effects would be material.

City of Fresno, et al. v. United States of America

The City of Fresno and 17 other CVP Friant Division water contractors filed a lawsuit against the United States of America, alleging that in 2014 the USBR violated its water service contracts with them by using water stored in Millerton Reservoir that should have been provided to them but was instead released to satisfy water deliveries to senior water rights holder the San Joaquin River Exchange Contractors Authority. Among other arguments, plaintiffs claimed that

USBR could not use water stored in Millerton Reservoir as “substitute water” to provide to the “Exchange Contractors.” SLDMWA and Valley Water intervened in this action. If this argument prevailed, it could have negatively impacted future CVP water allocations to Valley Water and other non-Friant Division South of Delta CVP contractors. The trial court granted summary judgment in favor of defendant United States and intervenors. The Court of Appeal issued a decision upholding the trial court decision in its entirety.

Plaintiffs recently filed an application to the U.S. Supreme Court for an extension of time to file a petition for Supreme Court review of the Court of Appeal’s decision.

Great Oaks Water Co. v. SCVWD

In 2005, Great Oaks filed suit against Valley Water alleging, among other things, that Valley Water’s groundwater production charges violated Proposition 218 (which added Article XIII D to the California Constitution), because proceeds are used to fund projects and services that benefit the general public, not just ratepayers (Great Oaks Water Company v. Santa Clara Valley Water District, Santa Clara County Superior Court Case No. 2005-CV-053142; Cal. Court of Appeals Case Nos. HO35260 and HO35885; Cal. Supreme Court No. S231846 (the “Great Oaks Case”). While the 2005 Great Oaks case was pending, Great Oaks filed additional annual claims and additional annual lawsuits challenging Valley Water’s groundwater production charges for each year after 2005, continuing through the present. Great Oaks’ subsequent, similar lawsuits were stayed pending resolution of its 2005 case.

On February 3, 2010, the trial court issued a judgment ruling that Valley Water owed Great Oaks a refund of groundwater charges of approximately \$4.6 million plus interest at 7% per annum.

This judgment was appealed, and in 2015, the Court of Appeal reversed in full the judgment of the trial court finding that Valley Water’s groundwater production charges did not violate Proposition 218 or the law. Great Oaks petitioned the California Supreme Court to review the Court of Appeal’s ruling, and the Supreme Court granted its petition. The case was placed on hold pending the California Supreme Court’s decision in a similar case, City of Buenaventura v. United Water Conservation District (“UWCD”). In late 2017, the California Supreme Court issued its opinion in the UWCD case, finding that Proposition 218 does not apply to groundwater charges, but that Article XIII C of the California Constitution does apply.

On June 12, 2020, an amended proposed omnibus “Master Complaint” of plaintiffs was approved for filing and filed under Santa Clara Superior Court Case No. 2011-CV-205462. Great Oaks alleged that Valley Water’s groundwater production charges violated Proposition 26, and that Valley Water did not levy or collect groundwater charges from agricultural pumpers but instead used property taxes to pay these charges.

The second trial in the Great Oaks Case took place in June 2022 at which Great Oaks sought approximately \$85 million for the full amount it contends it paid to Valley Water for the years in question. A final statement of decision fully in Valley Water’s favor was issued on February 8, 2023, and judgment for Valley Water was entered.

In March 2023, Great Oaks filed a notice of appeal of the judgment. In a February 28, 2025, decision, the Sixth District Court of Appeal ruled in favor of Valley Water affirming the trial court's judgment in full. The Court of Appeal determined that Valley Water's groundwater charges levied against Great Oaks were not taxes. The Court of Appeal reasoned that these charges fell within exceptions under Proposition 26 for a specific benefit conferred or privilege granted, or a specific government service or produce provided directly to the payor (Great Oaks) that was not provided to those who were not charged. The Court of Appeal determined that Valley Water established that the groundwater charges were not more than necessary to cover the reasonable costs of its government activity. The Court of Appeal further determined that the manner in which Valley Water allocated these costs to Great Oaks bore a fair and reasonable relationship to the benefits Great Oaks receives from and the burdens it imposes on the government activity in satisfaction of Proposition 26. Finally, the Court of Appeal also determined that the requirements under Valley Water's use of ad valorem taxes to fund its agricultural discount was lawful and did not violate either the California Constitution or the California Water Code.

Great Oaks filed a petition for rehearing, which the Court of Appeal denied. On March 28, 2025, the Court of Appeal modified its opinion slightly and ordered it published. Great Oaks filed a petition for review with the California Supreme Court. In July 2025, the Supreme Court denied Great Oaks' petition, effectively ending this litigation.

Howard Jarvis Taxpayer Association v. Coachella Valley Water District

Howard Jarvis Taxpayers Association is pursuing litigation against Coachella Valley Water District ("Coachella") challenging Coachella's collection of the SWP tax and use of SWP tax proceeds. Among other things, the lawsuit alleges that Coachella violated the California Constitution in imposing a SWP tax without evidence showing that this was necessary, i.e., that Coachella's water rate revenue was insufficient to pay SWP expenses. The trial court agreed with plaintiff, in holding that SWP expenses should generally be paid through water rates and not taxes, and Coachella's SWP tax was unlawful because the record failed to show that it was necessary for Coachella to impose the SWP tax, i.e., that it was infeasible to pay SWP expenses through its rates. The trial of this action was bifurcated and the damages phase of trial has not yet started. A final judgment will likely not be issued until late 2025 at the earliest.

Many SWP contractors, including Valley Water, rely on the imposition of the SWP tax to pay for all or most of their SWP expenses. If the trial court's decision is appealed and upheld on appeal, this could impair the ability of Valley Water and other SWP contractors to pay for their SWP expenses through use of the SWP tax, resulting in a significant increase in their water rates.

San Francisco Baykeeper v. SCVWD

In September 2022, petitioner, San Francisco Baykeeper, filed a petition for writ of mandate and declaratory relief against Valley Water in Santa Clara County Superior Court for alleged violations of the California Fish and Game Code, waste and unreasonable use of water resources and violations of the public trust doctrine. (San Francisco Baykeeper v. Valley Water, Santa Clara County Superior Court, Case No. 22CV403523). Petitioners alleged that Valley Water does not operate its dams and waterways to allow sufficient water flows to maintain fish stocks in good condition, to remove artificial barriers that prevent fish passage and has failed to manage its waterways to protect habitat values for fish and wildlife. The petitioner in this action asks the

court to order Valley Water to modify its operations to rectify the foregoing, and for an injunction enjoining all activity of Valley Water which violate the California Fish and Game Code and common law until Valley Water implements an appropriate flow regime.

Valley Water filed two motions to stay this proceeding in 2024. In the first motion, Valley Water asked the Court to stay the case regarding operations in the Coyote Watershed (within which the Anderson Dam Seismic Retrofit Project is located) to allow a FERC proceeding to be completed. In the second motion, Valley Water asked the Court to stay the case regarding Valley Water's water rights licenses in the Guadalupe River and Stevens Creek Watersheds, because there is already a pending, contested water rights proceeding before the SWRCB involving all of Valley Water's licenses in these two watersheds. The Court granted these motions, staying this action pending resolution of the SWRCB hearing on Valley Water's water rights' change petitions. A further Case Management Conference has been scheduled for December 11, 2025.

As with any litigation, there is uncertainty as to the result. However, Valley Water believes it has reasonable defenses to petitioner's allegations, which it intends to assert. Valley Water cannot predict what effects this lawsuit may have or if such effects would be material.

Santa Clara Valley Water District v. 3M Company; et al.

In response to required testing for PFAS chemicals at various fire-fighting training sites, Valley Water learned that PFAS were detected at one of its recharge ponds immediately adjacent to a fire training site. (The site drains to the pond.) In addition, several Valley Water retailer wells have tested positive for PFAS chemicals above State and federal recommended or mandated levels. In response, Valley Water has expended monies conducting testing for PFAS chemicals at a wide variety of sites and wells throughout the County. The EPA has proposed drinking water test standards for various PFAS chemicals, and PFAS are proposed to be listed as hazardous substances under federal law, imposing potential cleanup liability on any entity that handles, processes, or transports PFAS chemicals. This could impact Valley Water's disposal of sludge or reverse osmosis concentrate from its water treatment plants.

Valley Water filed suit against PFAS manufacturers to recoup current and anticipated future costs relating to PFAS testing and remediation, and this action was removed and transferred, pursuant to a Multi-District Litigation Order applicable to all PFAS cases involving aqueous film-forming foam, to the U.S. District Court for the District of South Carolina for all pre-trial proceedings. Valley Water has not settled its claims with any of the PFAS manufacturers that have entered into class action settlements (e.g., 3M, Dupont/Chemours, BASF, Tyco) and this matter remains pending in the district court.

Stanford University Claims

On April 23, 2021, Valley Water received a claim from Stanford University ("Stanford") challenging Valley Water's application of groundwater charges in Charge Zone W-2 to Stanford. Stanford sought a refund of the Fiscal Year 2020-21 groundwater charges that it paid to Valley Water that fiscal year. Stanford has subsequently presented additional claims for a refund of all groundwater charges it has paid each fiscal year since this time through the present. The total value

of these claims at present is approximately \$4.5 million. Valley Water has denied all of Stanford's claims.

Stanford argues that Valley Water's groundwater charges, as applied to Stanford, violate Proposition 26 (California Constitution, Article XIIC) and the District Act, and unlawfully interferes with Stanford's water rights and constitutes a taking. In its claim, Stanford asserts that imposition of the groundwater charges on Stanford are unlawful because Stanford does not materially benefit from Valley Water's groundwater recharge or other water utility activities. Valley Water believes Stanford's claims are without merit since Valley Water's consultant concluded in a 2020 groundwater benefit zone study that the groundwater basin from which Stanford pumps water benefits from Valley Water's groundwater recharge activities. This comprehensive study was relied upon by the Board when the Board updated Valley Water's groundwater charge zones, including Charge Zone W-2, on April 28, 2020.

Valley Water and Stanford have entered into a tolling agreement, tolling Stanford's time to bring suit while the parties attempt to informally resolve this dispute. If Stanford were to be successful in challenging Valley Water's groundwater charges, Valley Water would be liable for a refund of some or all groundwater charges levied against Stanford since Fiscal Year 2020-21. In addition, other pumpers might then bring similar lawsuits. A successful challenge by Stanford may have a material impact on Valley Water's groundwater charge revenue generated from groundwater benefit zone W-2.

Toledo v. San Joaquin Regional Rail Commission, et al.

This matter involves a pedestrian versus train accident on the Guadalupe River railroad bridge in the Alviso neighborhood of San Jose. Decedent was struck by a train and died while walking her dog with a friend on a railroad bridge crossing the Guadalupe River near Alviso, San Jose. Plaintiff, the father of decedent Celeste Toledo, brought this action against Valley Water and other defendants claiming a dangerous condition of public property and negligent bridge construction. After Valley Water agreed to a \$75,000 settlement with plaintiff and his counsel, which settlement was approved by the court, plaintiff unexpectedly passed away. Plaintiff's counsel is now seeking to substitute plaintiff's children, as well as the decedent's recently located mother as new plaintiffs. Valley Water expects its \$75,000 settlement will apply to the proposed new plaintiffs and still limit its obligations to the other defendants. If, for some reason, this settlement is not finalized, Valley Water believes it has strong defenses to plaintiffs' allegations, and Valley Water has filed a summary judgment motion. Valley Water cannot predict what effects this lawsuit may have if it goes forward or if such effects would be material.

County of Santa Clara – Dunne Avenue Damages

The County submitted a claim to Valley Water seeking damages for alleged landslide and settlement damages to its East Dunne Avenue roadway adjacent to Anderson Reservoir. The County maintains that the damages were caused by Valley Water's draining of the reservoir for a capital project. While no amount was specified in the claim, the County has since asserted that its estimated damages exceed \$4.2 million. Valley Water is currently evaluating the claim with respect to liability.

Flooding Along Penitencia Creek

Valley Water has received claims from the property owner, manager and certain residents of an apartment community located along the banks of Penitencia Creek for property damage from a flood event. The claims allege that overflow from Penitencia Creek which caused the flood was the result of Valley Water's negligence in properly designing, maintaining, inspecting and/or operating the stormwater drainage systems (including Penitencia Creek) and other water control infrastructure in the affected area. Valley Water is currently evaluating the claims with respect to liability. Valley Water may receive additional claims resulting from this flood event.]

PART C. Environmental Matters Disclosures.

None.

SCHEDULE IV

REQUISITION PROCEDURES

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

PART A. General Requirements.

(a) Manner of Request: All requests by the Borrower for a Disbursement of a CWIFP Loan shall be made in writing by electronic submission to the CWIFP Lender, in accordance with Section 29 (*Notices*).

(b) Required Documentation: Any request by the Borrower for a Disbursement shall include the submission of a Requisition, in the form attached as **Exhibit C** (*Form of Requisition*), including the Status of Key Site Disturbance Permits attached thereto, completed and executed by the Borrower's Authorized Representative, and otherwise in form and substance satisfactory to the CWIFP Lender. For the first Requisition submitted by the Borrower, the Borrower shall submit Eligible Project Costs Documentation satisfactory to the CWIFP Lender. Thereafter, the Borrower shall maintain complete and accurate copies of all Eligible Project Costs Documentation and shall provide the CWIFP Lender with Eligible Project Costs Documentation promptly upon any request for such documentation by the CWIFP Lender in connection with its review of any Requisition, in connection with any audit or pursuant to its rights under Section 13(n) (*Access; Records*).

(c) Timing: Any request for a Disbursement must be received by the CWIFP Lender and the Servicer (if any) at or before 5:00 P.M. (Eastern Time) on the first (1st) Business Day of a calendar month in order to obtain the requested Disbursement on the fifteenth (15th) day of such 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 Borrower 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 for a CWIFP Loan.

PART B. CWIFP Lender Review Process.

(a) The CWIFP Lender shall review the Requisition, including any attachments thereto, for compliance with CWIFP Disbursement requirements.

(b) If a Requisition is approved by the CWIFP Lender, the CWIFP Lender will notify the Borrower of such approval and of the amount so approved. A Requisition containing an apparent mathematical error may be corrected by the CWIFP Lender, after telephonic or email notification to the Borrower, and, if so corrected, 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 CWIFP 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 CWIFP Lender will so notify the Borrower.

(c) The CWIFP Lender shall be entitled to withhold approval (in whole or in part) of any pending or subsequent requests for the Disbursement of CWIFP Loan proceeds if: (i) a Default or an Event of Default shall have occurred and be continuing or (ii) the Borrower (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 CWIFP Lender to monitor compliance by the Borrower with applicable law pertaining to the relevant Project or with the terms and conditions of the relevant CWIFP Credit Agreement; (3) fails to observe or comply with any applicable law, or any term or condition of the relevant CWIFP Credit Agreement; (4) fails to satisfy the conditions set forth in Section 10(c) (*Conditions Precedent to Disbursements*); or (5) fails to maintain complete and accurate Eligible Project Costs Documentation satisfactory to the CWIFP Lender or to provide such Eligible Project Costs Documentation with the first Requisition or when otherwise requested by the CWIFP Lender pursuant to paragraph (b) of **Part A of this Schedule IV** (*Requisition Procedures*); provided, that with respect to sub-clause (5) above, in the case where the Borrower provides adequate Eligible Project Costs Documentation in part, the CWIFP 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 CWIFP Lender will notify the Borrower of any withholding, and the reasons therefor.

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

SCHEDULE V

REPORTING REQUIREMENTS

PART A. Updated Financial Model/Plan. Unless otherwise agreed by the CWIFP Lender, the Borrower shall provide to the CWIFP 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 Borrower's reasonable expectations, using assumptions that the Borrower believes to be reasonable, and include: (a) the Borrower's capital improvement plan, major maintenance plan, projected rates and charges, projected debt outstanding and annual debt service, projected Revenues and projected Operation and Maintenance Expenses for the Forecast Period, consistent with the Borrower's operating and financial planning and demonstrating that the Borrower has developed and identified adequate revenues to implement a plan for operating, maintaining, and repairing the Project; (b) evidence of compliance with the Rate Covenant for the most recent Borrower Fiscal Year for which the 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 Borrower shall deliver to the CWIFP Lender, as soon as available, but no later than two hundred seventy (270) days after the end of each Borrower Fiscal Year, a copy of the audited income statement and balance sheet of the Borrower as of the end of such Borrower Fiscal Year and the related audited statements of operations and of cash flow of the 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 Borrower 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. Project Monitoring.

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

(b) Final Design. The Borrower shall provide final plans, specifications and design documentation, certified by a professional engineer for each Project, or each applicable component or sub-project thereof, no later than thirty (30) days prior to the requested disbursement

of funds for any site disturbing work consistent with Section 14(h) (*Site Disturbing Work*). The Borrower may provide drafts of such documentation at an earlier date to initiate the environmental or technical reviews. The Borrower shall upload all relevant documentation in the CWIFP Lender's online application system.

(c) Programmatic Environmental Assessments. To the extent not provided prior to the Effective Date, on or prior to completion of one hundred percent (100%) design (but no earlier than completion of sixty percent (60%) design) of each Project or, if applicable, a component or sub-project thereof, the Borrower shall provide the CWIFP Lender with a completed Programmatic Environmental Assessment Environmental Questionnaire and Supporting Document Checklist for the Project or the applicable component or sub-project in the form set forth in the following link: https://cwifp.high.powerappsportals.us/CWIFP_PEA_Environmental_Questionnaire.docx, as may be updated from time to time.

(d) Planning and Design Monitoring Reports and Construction Monitoring Reports. With respect to any Planning and Design Project, during the period beginning with the CWIFP Credit Agreement Effective Date through and until Substantial Completion of such Project, the Borrower shall furnish to the CWIFP Lender, on a periodic basis (quarterly, or as directed by the CWIFP Lender, acting reasonably), a Planning and Design Monitoring Report. With respect to any other Project, during the period beginning with bid advertisement of the first Construction Contract for each Project (or beginning with the applicable CWIFP Credit Agreement Effective Date if after such bid advertisement), through and until Substantial Completion of such Project, the Borrower shall furnish to the CWIFP Lender, on a periodic basis (quarterly, or as directed by the CWIFP Lender, acting reasonably), a Construction Monitoring Report. Each Planning and Design Monitoring Report and Construction Monitoring Report shall be submitted to the CWIFP Lender through the online application portal within ten (10) days of the end of each specified period (or if such day is not a Business Day, on the next following Business Day). After planning and design or construction (as the case may be) has concluded for each Project, the Borrower shall provide a notification of completion that, (i) for a Planning and Design Project, includes the development of complete plans and specifications that are certified by a professional engineer for construction bidding and, (ii) for any other Project, includes a written notification, signed, sealed and dated by a professional engineer, attesting to the best of their knowledge that such Project was completed in substantial compliance with the final plans and specifications certified by a professional engineer and any executed construction change orders consistent with **Exhibit E** (*Form of Certificate of Substantial Completion*). The Planning and Design Monitoring Report or the Construction Monitoring Report for each Project or any component or sub-project thereof, as applicable, shall include at a minimum: (i) Project description, location and status; (ii) planning and design or construction progress and key activities; (iii) Project schedule, including (1) any proposed adjustment to the Projected Substantial Completion Date and a description and mitigation plan for actions or circumstances impacting the critical path and extending the Projected Substantial Completion Date by more than twelve (12) months from the Projected Substantial Completion Date established as of the applicable CWIFP Credit Agreement Effective Date and (2) contractor's current schedule; (iv) Project/sub-project costs, including (1) revised contract amount, including modifications, (2) expenditures to date, (3) description of cost increases of ten percent (10%) or more as measured from the Total Project Costs, including reason and mitigation measures, if applicable; (v) any changes that would impact the existing NEPA and/or the

Environmentally Acceptable determination; and (vi) a summary of key inspections and compliance reviews conducted by regulatory agencies or other governmental authorities that impact such Project. For each such inspection, (A) indicate if it was conducted during the reporting period; (B) provide any findings and corrective actions, as applicable; (C) indicate any problems encountered or anticipated that impedes or may impede Project completion within the scope, cost and schedule; and (D) provide supporting documentation, as applicable, such as regulatory compliance letters, inspection reports and photographs. The Projected Substantial Completion Date shall automatically be adjusted to the new date specified by the Borrower in such Planning and Design Monitoring Report or Construction Monitoring Report (as the case may be) unless the CWIFP Lender objects to the adjustment in writing to the Borrower within sixty (60) days following receipt of such Planning and Design Monitoring Report or Construction Monitoring Report (as the case may be) on the basis that such report does not demonstrate the matters specified in this paragraph.

(e) Construction Contracts, Plans and Specifications. The Borrower shall maintain complete and accurate copies of all Construction Contracts, including any amendments, waivers or modifications thereto, and of final specifications relating to the development and construction of the Project (including each component or sub-project thereof, if applicable), demonstrating compliance with all applicable federal requirements and including a summary of the scope of work thereunder. The Borrower shall provide the CWIFP Lender with copies of any such documentation promptly upon request by the CWIFP Lender.

(f) Modifications. If any Project constitutes a combination of discrete and severable components (each, a “sub-project” for purposes of this clause (e)), and the Borrower reasonably determines that it is necessary or desirable to (i) replace one or more existing sub-projects with one or more new sub-projects or (ii) remove one or more existing sub-projects, then the Borrower shall submit a written request to the CWIFP Lender, setting out an explanation for the request, an updated Project description, budget and schedule and such additional information as may be requested by the CWIFP Lender. Any replacement or removal of a sub-project hereunder shall be consistent with the terms and conditions of this Agreement, in compliance with all applicable laws, and subject to the CWIFP Lender’s approval in the CWIFP Lender’s sole discretion.

PART D. Notices.

(a) The Borrower shall, within fifteen (15) days after the Borrower learns of the occurrence, give the CWIFP 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 E** (*Form of Certificate of Substantial Completion*);

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

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

(v) Delayed Governmental Approvals: any failure to receive or delay in receiving any Governmental Approval or in 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 Borrower's plans to remedy or mitigate the effects of such failure or delay;

(vi) Environmental Notices: any material notice of violation related to the Master Program or any material change to any Project that could reasonably be expected to affect the Environmentally Acceptable determination or the Borrower's compliance with NEPA or any other applicable environmental law;

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

(viii) Related Document Defaults: any material breach or default or event of default on the part of the 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 applicable CWIFP CUSIP Number with a reference to the relevant provision of the applicable CWIFP Credit Agreement;

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

(x) Ratings Changes: any change in the rating assigned to any CWIFP Loan or any other Obligations, in each case by any NRSRO 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 applicable CWIFP CUSIP Number with a reference to the relevant provision of the applicable CWIFP Credit Agreement;

(xi) 2 C.F.R. § 180.350 Notices: any notification required pursuant to 2 C.F.R. § 180.350, whether attributable to a failure by the Borrower to disclose information

previously required to have been disclosed or due to the Borrower or any of its principals meeting any of the criteria set forth in 2 C.F.R. § 180.335;

(xii) Issuance of Obligations: the issuance or incurrence of any Obligations, together with copies of any final issuing instrument prepared in connection therewith (including any continuing disclosure documents, ordinances, official statement, certifications or cash flow projections), and a confirmation by the Borrower 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 applicable CWIFP CUSIP Number with a reference to the relevant provision of the applicable CWIFP Credit Agreement;

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

(xiv) SAM: any change in the Borrower’s SAM registration status (including any exclusions, expiration or inactive registration); provided, that such notice may be accomplished through the posting of the relevant document on EMMA under the applicable CWIFP CUSIP Number with a reference to the relevant provision of the applicable CWIFP Credit Agreement;

(xv) Reorganization, Consolidation or Merger: the anticipated or actual occurrence of any reorganization, consolidation or merger with respect to the Borrower, together with the agreements and documents authorizing such reorganization, consolidation or merger;

(xvi) Fiscal Year: any change to or adoption of any fiscal year 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 applicable CWIFP CUSIP Number with a reference to the relevant provision of the applicable CWIFP Credit Agreement; and

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

(b) The Borrower shall, at any time while any CWIFP Loan remains Outstanding, promptly deliver to the CWIFP Lender such additional information regarding the business, financial, legal or organizational affairs of the Borrower or regarding the Water Utility System, the Master Program, any Project or the Water Utility System Revenues as the CWIFP Lender may from time to time reasonably request. The Borrower agrees that the delivery of any

documents or information under and pursuant to this Agreement shall not be construed as compliance with, or affect in any manner, any obligations of the Borrower under any other contracts, agreements, decrees, Governmental Approvals or other documents with the Corps (other than the CWIFP Loan Documents) or the Federal Government.

PART E. Public Benefits Report.

With respect to each Project and in coordination with the CWIFP Lender, the Borrower shall deliver to the CWIFP Lender a public benefits report (the “**Public Benefits Report**”) prior to the applicable CWIFP Credit Agreement Effective Date. The Borrower agrees that information contained in any Public Benefits Report may be made publicly available by the CWIFP Lender at its discretion.

APPENDIX A

FEDERAL REQUIREMENTS AND RELATED LAWS

All projects receiving credit assistance under CWIFP shall comply with all applicable federal laws and requirements, which includes, but may not be limited to, the following:

Environmental Authorities

1. National Environmental Policy Act of 1969, 42 U.S.C. §§ 4321 et seq.
2. Archeological and Historic Preservation Act, 16 U.S.C. §§ 469-469c.
3. Clean Air Act, 42 U.S.C. §§ 7401 et seq.
4. Clean Water Act, 33 U.S.C. §§ 1251 et seq.
5. Coastal Barrier Resources Act, 16 U.S.C. §§ 3501 et seq.
6. Coastal Zone Management Act, 16 U.S.C. §§ 1451 et seq.
7. Endangered Species Act, 16 U.S.C. §§ 1531 et seq.
8. Floodplain Management, Exec. Order No. 11,988, 3 C.F.R. 117 (1978).
9. Protection of Wetlands, Exec. Order No. 11,990, 3 C.F.R. 121 (1977), as amended by Exec. Order No. 12,608, 3 C.F.R. 245 (1987).
10. Farmland Protection Policy Act, 7 U.S.C. §§ 4201 et seq.
11. Fish and Wildlife Coordination Act, 16 U.S.C. §§ 661-666c.
12. Magnuson-Stevens Fishery Conservation and Management Act, 16 U.S.C. §§ 1801 et seq.
13. National Historic Preservation Act, 54 U.S.C. §§ 300101 et seq.
14. Safe Drinking Water Act, 42 U.S.C. §§ 300f et seq.
15. Wild and Scenic Rivers Act, 16 U.S.C. §§ 1271 et seq.
16. Rivers and Harbors Act of 1899, 33 U.S.C. §§ 403, 408.
17. Bald and Golden Eagle Protection Act, 16 U.S.C. §§ 668-668c.
18. Marine Mammal Protection Act, 16 U.S.C. §§ 1361-1407.
19. Migratory Bird Treaty Act, 16 U.S.C. §§ 703-712.
20. Wilderness Act, 16 U.S.C. §§ 1131 et seq.

Economic and Miscellaneous Authorities

21. Build America, Buy America Act, Pub L. No. 117-58, § 70901-52 (2021).
22. Davis-Bacon Act Requirements, 40 U.S.C. §§ 3141-3144, 3146, and 3147.
23. American Iron and Steel Products, 33 U.S.C. § 3914.
24. Non-Debarment Requirements, 20 C.F.R. §§ 180.320, 1532.
25. Non-Lobbying Requirements, 31 U.S.C. § 1352; 49 C.F.R. § 20.100.
26. Debarment and Suspension, Exec. Order Nos. 12,549, 3 C.F.R. 189 (1986) and 12,689, 2 C.F.R. 180 (1989).
27. New Restrictions on Lobbying, 31 U.S.C. § 1352.
28. Clean Water Act and Clear Air Act Prohibitions on Federal Contracts, 42 U.S.C. § 7606; 33 U.S.C. § 1368, Exec. Order No. 11,738, 3 C.F.R. 799 (1975).
29. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. §§ 4601 et seq.

Civil Rights, Nondiscrimination, Equal Employment Opportunity Authorities

- 30. Age Discrimination Act of 1975, 42 U.S.C. §§ 6101 et seq.
- 31. Rehabilitation Act of 1973, § 504, 29 U.S.C. § 794; supplemented by Exec. Order No. 12,250, 28 C.F.R. 41 (1978).
- 32. Civil Rights Act of 1964, Title VI, 42 U.S.C. §§ 2000d et seq.

Others Authorities

- 33. Other federal laws, rules and requirements as may be applicable.

EXHIBIT A

FORM OF CWIFP BOND

SANTA CLARA VALLEY WATER DISTRICT

DAM SAFETY PROGRAM

(CWIFP ID – [____])

CWIFP BOND

Interest Rate	Final Maturity Date	Dated Date	CWIFP CUSIP
[____]%, subject to the Default Rate (as defined and in accordance with the CWIFP Credit Agreement)	[____], subject to adjustment as set forth in the CWIFP Credit Agreement	[____]	[____]
Registered Owner	UNITED STATES DEPARTMENT OF THE ARMY, acting by and through the UNITED STATES ARMY CORPS OF ENGINEERS		
Maximum Principal Amount	\$[____] (excluding capitalized interest)		

SANTA CLARA VALLEY WATER DISTRICT, a special district created by the State of California Legislature duly organized and existing under the laws of the State of California (the “**Borrower**”), for value received, hereby promises to pay to the order of the **UNITED STATES DEPARTMENT OF THE ARMY**, acting by and through the **UNITED STATES ARMY CORPS OF ENGINEERS**, or its assigns (the “**CWIFP Lender**”), the lesser of (x) the Maximum Principal Amount set forth above and (y) the aggregate unpaid principal amount of all Disbursements made by the CWIFP Lender (such lesser amount, together with any interest that is capitalized and added to principal in accordance with the provisions of the CWIFP Credit 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 CWIFP Credit Agreement) on the Outstanding Principal Sum and all fees, costs and other amounts payable in connection therewith, all as more fully described in the CWIFP Credit Agreement. The principal hereof shall be payable in the manner and at the place provided in the CWIFP Credit Agreement in accordance with Schedule III (*CWIFP Loan Amortization Schedule*) to the CWIFP Credit Agreement, as revised from time to time in accordance with the CWIFP Credit Agreement and that certain CWIFP Master Agreement, dated as of [____],

2025, by and between the Borrower and the CWIFP Lender (the “**CWIFP Master Agreement**”), until paid in full (which Schedule III, as modified from time to time in accordance with the terms of the CWIFP Credit Agreement and the CWIFP Master Agreement, is incorporated in and is a part of this CWIFP Bond). The CWIFP Lender is hereby authorized to modify the CWIFP Loan Amortization Schedule included in Schedule III to the CWIFP Credit Agreement from time to time in accordance with the terms of the CWIFP Master Agreement and the CWIFP Credit Agreement to reflect the amount of each Disbursement made thereunder and the date and amount of principal or interest paid by the Borrower thereunder. Absent manifest error, the CWIFP Lender’s determination of such matters as set forth on Schedule III to the CWIFP Credit 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 the Borrower’s obligations hereunder or under any other CWIFP Loan Document (as defined in the CWIFP Master Agreement).

Payments hereon are to be made in accordance with Section 7(b) (*Manner of Payment*) and Section 29 (*Notices*) of the CWIFP Master Agreement as the same become due. Principal of and interest on this CWIFP Bond shall be made in Dollars and in immediately available funds (without counterclaim, offset or deduction). Any payment in respect of the CWIFP Bond shall be treated as a payment in respect of the CWIFP Loan and any prepayment of principal in respect of the CWIFP Loan shall be treated as a redemption in respect of the CWIFP Bond. If the Final Maturity Date is adjusted in accordance with the CWIFP Credit Agreement, the due date of this CWIFP Bond shall be deemed to be amended to change the due date to such revised Final Maturity Date without any further action required on the part of the Borrower or the CWIFP Lender and such amendment shall in no way amend, modify or affect the other provisions of this CWIFP Bond without the prior written agreement of the CWIFP Lender. Any such amendment shall be reflected in a revised CWIFP Loan Amortization Schedule.

This CWIFP Bond has been executed to evidence the Borrower’s obligation under that certain CWIFP Credit Agreement (CWIFP ID – [____]), dated as of the date hereof, by and between the Borrower and the CWIFP Lender (the “**CWIFP Credit Agreement**”) and is issued to evidence the obligation of the Borrower under the CWIFP Credit Agreement to repay the loan made by the CWIFP Lender and any other payments of any kind required to be paid by the Borrower under the CWIFP Credit Agreement or the other CWIFP Loan Documents referred to therein. Reference is made to the Borrower’s Master Resolution and the CWIFP Master Agreement and the CWIFP Credit Agreement for all details relating to the Borrower’s obligations hereunder. All capitalized terms used in this CWIFP Bond and not defined herein shall have the meanings set forth in the CWIFP Credit Agreement or, if not defined therein, the CWIFP Master Agreement.

Payment of the obligations of the Borrower under this CWIFP Bond is secured pursuant to the Borrower’s Master Resolution, the CWIFP Master Agreement and the other CWIFP Loan Documents. The Lien on the Pledged Collateral securing this CWIFP Bond for the benefit of the CWIFP Lender is (i) during any period when a Bankruptcy Related Event has not occurred, *pari passu* in right of payment and right of security only to the Lien on the Pledged Collateral for the benefit of the Parity Obligations and (ii) during any period when a Bankruptcy Related Event has occurred, *pari passu* in right of payment and right of security only to the Lien on the Pledged Collateral for the benefit of the Senior Obligations, all as more particularly described in the CWIFP Master Agreement.

This CWIFP Bond is subject to mandatory prepayment in accordance with Section 8 (*Prepayment*) of the CWIFP Master Agreement. This CWIFP Bond may be prepaid at the option of the Borrower in whole or in part, without penalty or premium, in accordance with Section 8 (*Prepayment*) of the CWIFP Master Agreement.

This CWIFP Bond shall be subject to mandatory prepayment on the terms and conditions set forth in the CWIFP Master Agreement and the CWIFP Credit Agreement.

This CWIFP Bond is a limited obligation of the Borrower, payable solely from the Water Utility System Revenues in accordance with the CWIFP Master Agreement and the CWIFP Credit Agreement, and does not constitute a debt of the State or any of its political subdivisions, except the Borrower.

Any delay on the part of the CWIFP 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 CWIFP Bond have happened, exist and have been performed as so required. This CWIFP Bond is issued with the intent that the federal laws of the United States of America shall govern its construction to the extent such federal laws are applicable and the internal laws of the State shall govern its construction to the extent such federal laws are not applicable.

IN WITNESS WHEREOF, SANTA CLARA VALLEY WATER DISTRICT has caused this CWIFP Bond to be executed in its name and its seal to be affixed hereto and attested by its duly authorized officer, all as of the Effective Date set forth above.

**SANTA CLARA VALLEY WATER
DISTRICT,**
by its authorized representative

(SEAL)

By: _____
Name:
Title:

ATTEST:

By: _____
Name:
Title:

(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 CWIFP Bond 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.

EXHIBIT B

FORM OF CLOSING CERTIFICATE

Reference is made to that certain CWIFP Master Agreement, dated as of [____], 2025 (the “**CWIFP Master Agreement**”), by and between the Santa Clara Valley Water District (the “**Borrower**”) and the United States Department of the Army, acting by and through the United States Army Corps of Engineers (the “**CWIFP Lender**”). Capitalized terms used in this certificate and not defined shall have the respective meanings ascribed to such terms in the CWIFP Master Agreement.

In connection with Section 10(a) (*Conditions Precedent to Effectiveness of this Agreement*) of the CWIFP Master Agreement, the undersigned, as the Borrower’s Authorized Representative, does hereby certify on behalf of the Borrower and not in his/her personal capacity, as of the date hereof:

- (a) attached hereto as Annex A is an incumbency certificate that lists all persons, together with their positions and specimen signatures, who are duly authorized by the Borrower to execute the CWIFP Loan Documents to which the Borrower is or will be a party, and who have been appointed as a Borrower’s Authorized Representative in accordance with Section 19 (*Borrower’s Authorized Representative*) of the CWIFP Master Agreement;
- (b) pursuant to Section 10(a)(ii) of the CWIFP Master Agreement, the Borrower has delivered to the CWIFP Lender a copy of the Master Resolution, together with any amendments, supplements, waivers or modifications thereto, as in effect on the Effective Date, and the Master Resolution is complete and in full force and effect, and all conditions contained in the Master Resolution and the CWIFP Resolution that are necessary to the closing of the CWIFP transaction contemplated by the CWIFP Master Agreement have been fulfilled;
- (c) pursuant to Section 10(a)(iv) of the CWIFP Master Agreement, the Borrower has delivered to the CWIFP Lender a copy of the CWIFP Borrower Resolution, the CWIFP Borrower Resolution is in full force and effect and no further instruments or documents (including any resolutions, ordinances or supplements) are necessary for the Borrower to execute and deliver, and to perform its obligations under, the CWIFP Master Agreement and to consummate and implement the transactions contemplated by the CWIFP Master Agreement;
- (d) the Borrower has (i) obtained a FEIN, as evidenced by the Borrower’s W-9 which is included in the closing transcript of the CWIFP Master Agreement, and a SAM Number, in each case as set forth on Part A of Schedule I (*CWIFP Master Program Terms*) to the CWIFP Master Agreement, and (ii) registered with, and obtained confirmation of active SAM registration status, which confirmation is included in the closing transcript of the CWIFP Master Agreement;
- (e) the representations and warranties of the Borrower set forth in the CWIFP Master Agreement and in each other CWIFP Loan Document to which the Borrower is a

party are true and correct on and as of the date hereof, except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct as of such earlier date;

- (f) for any site disturbing work performed prior to the Effective Date, the Borrower affirms that it has provided to the CWIFP Lender all environmental permits, approvals and supporting documentation for the Project and has reviewed and verified the Secretary's determination that the Project is Environmentally Acceptable consistent with Section 11(k) (*Verifications*) of the CWIFP Master Agreement; and
- (g) no Borrower Material Adverse Effect, or any event or condition that could reasonably be expected to have a Borrower Material Adverse Effect, has occurred or arisen since the date of the Application.

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

SANTA CLARA VALLEY WATER DISTRICT,
by its authorized representative

By: _____
Name:
Title:

ANNEX A TO EXHIBIT B

INCUMBENCY CERTIFICATE

The undersigned certifies that he/she is the [Secretary] of [____], a [____], (the “**Borrower**”), 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 Borrower 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 CWIFP Loan Documents as the Borrower’s Authorized Representative (each as defined in that certain CWIFP Master Agreement, dated as of the date hereof, between the Borrower and the United States Department of the Army, acting by and through the United States Army Corps of Engineers):

<u>Name</u>	<u>Title</u>	<u>Signature</u>
[_____]	[_____]	_____
[_____]	[_____]	_____
[_____]	[_____]	_____
[_____]	[_____]	_____
[_____]	[_____]	_____

IN WITNESS WHEREOF, the undersigned has executed this certificate as of this _____ day of [____], 2025.

SANTA CLARA VALLEY WATER DISTRICT,
by its authorized representative

By: _____
Name:
Title:

EXHIBIT C
FORM OF REQUISITION

VIA EMAIL

United States Army Corps of Engineers¹
Attention: CWIFP Director
Email:

Re: Dam Safety Program (CWIFP ID – [])

Ladies and Gentlemen:

Pursuant to Section 10(c) (*Conditions Precedent to Disbursements*) and Schedule IV (*Requisition Procedures*) of the CWIFP Master Agreement, dated as of [date] (the “**CWIFP Master Agreement**”), by and between SANTA CLARA VALLEY WATER DISTRICT (the “**Borrower**”) and the UNITED STATES DEPARTMENT OF THE ARMY, acting by and through the UNITED STATES ARMY CORPS OF ENGINEERS (the “**CWIFP Lender**”), the Borrower hereby requests a Disbursement in the amount set forth below in respect of Eligible Project Costs paid or incurred by the Borrower. Capitalized terms used but not defined herein have the meaning set forth in the CWIFP Master Agreement and the CWIFP Credit Agreement.

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

1.	Project name	Dam Safety Program
2.	Borrower name	Santa Clara Valley Water District
3.	CWIFP Loan ID	[]
4.	Borrower SAM Number	RL6RZWJN7C83
5.	Borrower FEIN number	94-1695531
6.	Requisition number	[]
7.	Requested Disbursement amount	\$([])
8.	Requested date of Disbursement (the “Disbursement Date”)²	[]
9.	Total amounts previously disbursed under the CWIFP Credit Agreement	\$([])

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

² Note this should be the actual disbursement date on which the Borrower requests to receive the funds, not the date that this Requisition form is submitted to the CWIFP Lender. Consistent with Paragraph C, Part A of Schedule IV, any request for a Disbursement must be received by the CWIFP Lender and the Servicer (if any) at or before 5:00 P.M. (Eastern Time) on the first (1st) Business Day of a calendar month in order to obtain the requested Disbursement on the fifteenth (15th) day of such calendar month or on the next succeeding Business Day if the fifteenth (15th) day is not a Business Day.

10.	Current estimated Total Project Costs	\$[]
11.	Wire or ACH transfer instructions (please specify method)	[]
12.	Identify the date and amount of any costs incurred prior to the applicable CWIFP Credit Agreement Effective Date³	

13. The information set forth in the completed Status of Key Site Disturbance Permits form attached hereto as Annex A that is submitted as part of this Requisition to show the status of any applicable key Governmental Approvals is true and correct as of the date hereof and as of the Disbursement Date.
14. Consistent with Section 14(h) (*Site Disturbing Work*), prior to any Disbursement for site disturbing work, the Borrower affirms that it has provided all relevant documentation under Section 11(j) (*Compliance with Laws*) and reviewed and verified the determination that the Project or, if applicable, the component or sub-project thereof, is Environmentally Acceptable, Economically Justified and Technically Sound consistent with Section 11(k) (*Verifications*).
15. No Material Adverse Effect, or any event or condition that could reasonably be expected to have a Material Adverse Effect, has occurred since the Effective Date.
16. 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 CWIFP Credit Agreement) does not exceed the lesser of (a) the Maximum Principal Amount or (b) the amount of Eligible Project Costs paid or incurred by the Borrower.
17. The Eligible Project Costs for which reimbursement or payment is being requested has not been reimbursed or paid by any previous disbursement of (a) CWIFP Loan proceeds or (b) any other source of funding for the Project as identified in the Project Budget.
18. The representations and warranties of the Borrower set forth in the CWIFP Master Agreement and in each other CWIFP 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 were true and correct as of such earlier date).⁴

³ Identify the date and amounts of any costs included as part of the requisition prior to the applicable CWIFP Credit Agreement Effective Date. If no prior incurred costs are included in the requisition, please state, "Not applicable."

⁴ As a general matter, the Borrower should contact the CWIFP Lender prior to submitting a Requisition if it is unable (or believes it may be unable) to make one or more of the of the certifications required by this form of Requisition. For this particular certification, Section 10(c)(iii)(B) anticipates that the Borrower may submit an updated **Schedule III (Borrower Disclosures)** to the extent necessary to make the representations and warranties in Section 11(f) (*Litigation*) and 11(j)(iii) (*Compliance with Laws*) true, correct and complete as of the date of the applicable Disbursement. Any such updated **Schedule III (Borrower Disclosures)** must be in form and substance acceptable to the CWIFP Lender. This will require, without limitation, that it be consistent with the Environmentally Acceptable determination. While the Borrower may submit any such update in connection with a Requisition, early submittal should be considered where appropriate to lessen the potential for delay in the approval of the Requisition.

19. The amount hereby being requested for Disbursement is with respect to Eligible Project Costs for which complete and accurate Eligible Project Costs Documentation is being maintained by the Borrower and is available at the request of the CWIFP Lender. The [following table below][attached excel sheet] sets out a summary of the Eligible Project Costs for which reimbursement or payment is being requested[, and the associated Eligible Project Costs Documentation is enclosed herewith].⁵

								CWIFP USE ONLY	
Vendor or Contractor Name ⁶	Invoice Number ⁷	Invoice Date	Payment Date	Invoice Amount	CWIFP Requested Amount ⁸	Activity Type ⁹	Description of Activity ¹⁰	Approved Amount	Notes

The undersigned acknowledges that if the Borrower 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 Borrower the penalties of 18 U.S.C. § 1001, to the extent the Government deems appropriate.

Date: _____

SANTA CLARA VALLEY WATER
DISTRICT,
by its authorized representative

By: _____
Name:
Title: _____

⁵ Include this bracketed clause and enclose the associated Eligible Project Costs Documentation only for the first Requisition and when requested to do so by the CWIFP Lender pursuant to paragraph (b) of **Part A of Schedule IV** (*Requisition Procedures*).

⁶ If seeking reimbursement for internal costs, enter "Internally financed activities."

⁷ Vendor's number indicated on the invoice sent to the Borrower.

⁸ If the amount requested for reimbursement by the CWIFP Lender is less than the total amount of the invoice, include an explanation for the difference.

⁹ 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) **CWIFP fees**, including for application and credit processing; or (f) **Other**, with an explanation in the "Description of Activity" column.

¹⁰ Provide a brief description of the activities included in the invoice for which CWIFP funds are being requested and any other notes that will aid in the review of the disbursement request.

ANNEX A TO EXHIBIT C

STATUS OF KEY SITE DISTURBANCE PERMITS

The Borrower shall complete the below table in connection with any requested disbursement. Please list each component or sub-project of the Project as set out in **Schedule II** (*CWIFP Master Program Projects and Budget*) and note the status of each of the listed actions, using the term COMPLETE or NOT COMPLETE.

If the action is not required, please note as such with N/A.

						CWIFP USE ONLY
Project Component	Endangered Species Act Consultation Complete?	National Historic Preservation Act Section 106 Consultation Complete?	Essential Fish Habitat Consultation Complete?	Clean Water Act Section 404/ Section 10 Rivers and Harbors Act of 1899 Authorization Received?	Section 408 (Section 14 Rivers and Harbors Act of 1899) Permission Received?	Eligible for Disbursement in respect to construction costs
<i>e.g. Sub-project #1</i>						
<i>e.g. Sub-project #2</i>						

EXHIBIT D

FORM OF PROJECT CLOSING CERTIFICATE

[____], 20[___]

Reference is made to that certain CWIFP Master Agreement, dated as of [____], 2025 (the “**CWIFP Master Agreement**”), by and between Santa Clara Valley Water District (the “**Borrower**”) and the United States Department of the Army, acting by and through the United States Army Corps of Engineers (the “**CWIFP Lender**”) and that certain CWIFP Credit Agreement (CWIFP ID – [___]), dated as of [___] (the “**CWIFP Credit Agreement**”), by and between the Borrower and the CWIFP Lender. Capitalized terms used in this certificate and not defined shall have the respective meanings ascribed to such terms in the CWIFP Credit Agreement or, if not defined therein, the CWIFP Master Agreement.

In connection with Section 10(b) (*Conditions Precedent to Effectiveness of Each CWIFP Credit Agreement*) of the CWIFP Master Agreement and Section [___] (____) of the CWIFP Credit Agreement, the undersigned, as the Borrower’s Authorized Representative, does hereby certify on behalf of the Borrower and not in his/her personal capacity, as of the date hereof:

- (a) pursuant to Section 10(b)(v) (*Conditions Precedent to Effectiveness of Each CWIFP Credit Agreement*) of the CWIFP Master Agreement, [the Borrower’s Authorized Representative previously designated and such person’s position and incumbency previously provided to the CWIFP Lender remain unchanged and in full force and effect] [attached hereto as Annex [___] is an incumbency certificate that lists all persons, together with their positions and specimen signatures, who are duly authorized by the Borrower to execute the CWIFP Loan Documents to which the Borrower is or will be a party, and who have been appointed as a Borrower’s Authorized Representative in accordance with Section 19 (*Borrower’s Authorized Representative*) of the CWIFP Master Agreement];
- (b) pursuant to Section 10(b)(iii) of the CWIFP Master Agreement, to the extent not previously delivered to the CWIFP Lender, attached hereto as Annex [___] is a copy of the CWIFP Resolution, together with any amendments, supplements, waivers or modifications thereto (but excluding any document that solely provides for the issuance or incurrence of Existing Indebtedness unrelated to the Master Program) and each Related Document with respect to which all or a portion of the applicable proceeds are or will be applied to fund all or any portion of the applicable Total Project Costs, in each case that has been entered into on or prior to the CWIFP Credit Agreement Effective Date, and each such document is complete, fully executed, and in full force and effect and all conditions contained in the Related Documents that are necessary to the closing of the CWIFP transaction contemplated (if any) have been fulfilled;
- (c) as of the CWIFP Credit Agreement Effective Date, the total federal assistance provided to the Project, including the maximum principal amount of the CWIFP Loan (excluding any interest that is capitalized in accordance with the terms of the CWIFP Master

Agreement and the CWIFP Credit Agreement), does not exceed eighty percent (80%) of Total Project Costs for the Project;

- (d) [the Borrower has obtained the CWIFP CUSIP Number, as set forth on Part A of Schedule I (CWIFP Loan Specific Terms) of the CWIFP Credit Agreement and which confirmation is included in the closing transcript of the CWIFP Loan] [the Borrower (i) has maintained the CWIFP CUSIP Number and (ii) [confirms that the expiration date of the CWIFP CUSIP Number is no earlier than the Final Maturity Date] [has extended the expiration date of the CWIFP CUSIP Number to be no earlier than the Final Maturity Date]]];
- (e) the representations and warranties of the Borrower set forth in the CWIFP Credit Agreement and in each other CWIFP Loan Document to which the Borrower is a party are true and correct on and as of the CWIFP Credit Agreement Effective Date, except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct as of such earlier date;
- (f) no Borrower Material Adverse Effect, or any event or condition that could reasonably be expected to have a Borrower Material Adverse Effect, has occurred or arisen since the Effective Date; [and]
- (g) pursuant to Section 10(b)(vi) of the CWIFP Master Agreement, the rating evidenced by the rating letter delivered to the CWIFP Lender pursuant to such Section 10(b)(vi) has not been reduced, withdrawn or suspended as of the CWIFP Credit Agreement Effective Date[; and][.]
- (h) [*any other attachments and provision as may apply to the CWIFP Credit Agreement*].

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

SANTA CLARA VALLEY WATER DISTRICT,

By: _____
Name:
Title:

EXHIBIT E

FORM OF CERTIFICATE OF SUBSTANTIAL COMPLETION

[Letterhead of Borrower]

[Date]

VIA EMAIL OR APPLICATION PORTAL

United States Army Corps of Engineers
Corps Water Infrastructure Financing Program
Attn: CWIFP Director
Email: CWIFP.portfolio@usace.army.mil

Project: Dam Safety Program – Project [] (CWIFP ID – [])

Dear Director:

This certificate is provided pursuant to Part D of Schedule V (*Reporting Requirements*) of that certain CWIFP Master Agreement (the “**CWIFP Master Agreement**”), dated as of *[date]*, by and between SANTA CLARA VALLEY WATER DISTRICT (the “**Borrower**”) and the UNITED STATES DEPARTMENT OF THE ARMY, acting by and through the UNITED STATES ARMY CORPS OF ENGINEERS (the “**CWIFP Lender**”).

Unless otherwise defined herein, all capitalized terms in this certificate have the meanings assigned to those terms in that certain CWIFP Credit Agreement (CWIFP ID – []), dated as of [] (the “**CWIFP Credit Agreement**”), by and between the Borrower and the CWIFP Lender or, if not defined therein, the CWIFP Master Agreement.

I, the undersigned, in my capacity as the Borrower’s Authorized Representative and not in my individual capacity, do hereby certify to the CWIFP Lender that:

- (a) on *[insert date when Substantial Completion requirements were satisfied]*, the Project satisfied each of the requirements for Substantial Completion set forth in the [Construction Contracts for the Project and as otherwise set forth in the]¹¹ CWIFP Credit Agreement;
- (b) [Substantial Completion has been declared under each of the Construction Contracts for the Project and copies of the notices of Substantial Completion under such agreements are attached to this certification;]¹²
- (c) Substantial Completion for the Project has been achieved and the Substantial Completion Date of the Project is []; and
- (d) the total federal assistance provided to the Project, including the maximum principal amount of the CWIFP Loan (excluding any interest that is capitalized in accordance with the terms hereof), does not exceed eighty percent (80%) of Total Project Costs.

¹¹ Include bracketed language for Projects involving Construction Contracts.

¹² Include bracketed language for Projects involving Construction Contracts.

SANTA CLARA VALLEY WATER DISTRICT,
by its authorized representative

By: _____
Name:
Title:

EXHIBIT F-1

FORM OF OPINION OF BORROWER'S GENERAL COUNSEL

[•], [20[•]]

United States Army Corps of Engineers
Corps Water Infrastructure Financing Program
Attn: CWIFP Director

Re: SCVWD Master Program for Dam Safety Program – CWIFP Master Agreement and CWIFP Credit Agreement Project [•]1 (CWIFP ID – [•])

Ladies and Gentlemen:

I have acted as legal counsel to the Santa Clara Valley Water District (the “**Borrower**”) in connection with the execution and delivery by the Borrower of (a) the CWIFP Master Agreement, dated as of [•], [20[•]] (the “**CWIFP Master Agreement**”), by and between the Borrower and the United States Department of the Army, acting by and through the United States Army Corps of Engineers (the “**CWIFP Lender**”), (b) the CWIFP Credit Agreement (CWIFP ID – [•]), dated as of [•], [20[•]] (the “**CWIFP Credit Agreement**”), by and between the Borrower and the CWIFP Lender, (c) the CWIFP Bond, dated as of [•], [20[•]] (the “**CWIFP Bond**” and, collectively with the CWIFP Master Agreement and the CWIFP Credit Agreement, the “**CWIFP Borrower Documents**”), delivered to the CWIFP Lender by the Borrower, (d) Resolution No. [•]-[•] of the Board of Directors of the Borrower, adopted on [•], [20[•]] (the “**CWIFP Resolution**”) and (e) Resolution No. 16-10 of the Board of Directors of the Borrower, adopted on February 23, 2016, as amended by Resolution No. 16-82 of the Board of Directors of the Borrower, adopted on December 13, 2016 (the “**Parity Master Resolution**” and, collectively with the CWIFP Resolution, the “**Borrower Resolutions**”). In arriving at the opinions expressed below, I have examined and am familiar with the following documents: (i) documents relating to the existence, organization and operation of the Borrower provided to me by the Borrower, (ii) the Closing Certificate, dated the date hereof and executed by the Borrower's Authorized Officer or other duly authorized officer, (iii) the CWIFP Borrower Documents, (iv) the Borrower Resolutions, (v) all necessary documentation of the Borrower relating to the adoption of the Borrower Resolutions and the authorization, execution and delivery of the CWIFP Borrower Documents, (vi) certain consents to the adoption of the Borrower Resolutions and execution and delivery of the CWIFP Borrower Documents, and (vii) other documents as I have deemed necessary to render the opinions set forth herein. All capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the CWIFP Credit Agreement or, if not defined therein, the CWIFP Master Agreement.

In rendering the opinions herein I have relied only on my examination of the foregoing documents and I have made no independent verification of the factual matters set forth in such documents or the representations and certifications relied upon by the undersigned. In addition, I have relied on discussions with the Authorized Officer and other officers of the Borrower and information made available in the ordinary course of business in my role as legal counsel to the

Borrower. In rendering the opinions expressed below, I have assumed, but not independently verified, that the signatures on all documents which I have examined are genuine

Based upon the foregoing and such other matters of law as I have deemed necessary for purposes of rendering this opinion, and subject to the qualifications set forth below, I am of the opinion that:

1. The Borrower is a special district duly organized and validly existing under the Constitution and the laws of the State of California.

2. The Borrower has all requisite power and authority to conduct its business and to adopt, execute and deliver, and to perform its obligations under, the Borrower Resolutions and the CWIFP Borrower Documents.

3. The adoption of the Borrower Resolutions and the execution and delivery by the Borrower of, and the performance of its obligations under, the CWIFP Borrower Documents and the Borrower Resolutions have been duly authorized by all necessary organizational or regulatory action.

4. The Borrower has duly adopted the Borrower Resolutions and has executed and delivered each CWIFP Borrower Document, and each such Borrower Resolution and CWIFP Borrower Document constitutes the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its respective terms.

5. 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 the Borrower for the adoption of the Borrower Resolutions and the execution and delivery by the Borrower of, and the performance of the Borrower under, the CWIFP Borrower Documents and the Borrower Resolutions other than authorizations, consents, approvals, registrations, declarations and filings that have already been timely obtained or made by the Borrower.

6. The adoption of the Borrower Resolutions and the execution and delivery by the Borrower of, and compliance by the Borrower with the provisions of, the CWIFP Borrower Documents and the Borrower Resolutions do not (i) violate the law of the United States of America or of the State, (ii) violate any ordinance, regulation or other legislative action of the Borrower or (iii) conflict with or constitute a breach of or default under any material agreement or other instrument known to me to which the Borrower is a party, or to the best of my knowledge, after reasonable review, any court order, consent decree, statute, rule, regulation or any other law to which the Borrower is subject.

7. Except as set forth in Schedule III (*Borrower Disclosures*) to the CWIFP Master Agreement, [as such Schedule III is updated in the CWIFP Credit Agreement,] to my knowledge after due inquiry, including a litigation search as of [●], [20[●]], there are no actions, suits, proceedings or investigations against the Borrower by or before any court, arbitrator or any other Governmental Authority in connection with the Borrower Resolutions, the CWIFP Borrower Documents or the Water Utility System that are pending and which are material.

8. The Borrower is not entitled to claim governmental immunity under the California Government Claims Act or any other law of the State, or under any ordinance, regulation or other legislative action of the Borrower in any breach of contract action under the Borrower Resolutions or the CWIFP Borrower Documents.

I am licensed to practice law only in the State of California. Accordingly, the foregoing opinions apply only with respect to the laws of the State of California and the United States and I express no opinion with respect to the laws of any other jurisdiction.

By delivering this letter, I am not expressing any opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the Borrower Resolutions and the CWIFP Borrower Documents. The opinions expressed herein are based upon my analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. I call attention to the fact that the rights and obligations under the Borrower Resolutions and the CWIFP Borrower Documents are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of California.

The opinions expressed herein are solely for your benefit in connection with the above-referenced matter and may not be relied on in any manner or for any purpose by any other person or entity, nor may copies be delivered or furnished to any other party nor may all or portions of this opinion be quoted, circulated, or referred to in any other document without my prior written consent, except (a) to the extent disclosure of this opinion is required pursuant to applicable law, (b) to your accountants, attorneys and other professional advisors, and (c) that this opinion may be included in applicable closing transcript. No attorney-client relationship has existed or exists between me and you in connection with the Borrower Resolutions, the CWIFP Borrower Documents or by virtue of this letter. I note you were represented by separate counsel retained by you in connection with the transaction described herein.

Respectfully,

EXHIBIT F-2

FORM OF OPINION OF BORROWER'S BOND COUNSEL

[•], [20[•]]

United States Army Corps of Engineers
Corps Water Infrastructure Financing Program
Attn: CWIFP Director

*Re: SCVWD Master Program for Dam Safety Program – CWIFP Master
Agreement and CWIFP Credit Agreement Project [•]1 (CWIFP ID – [•])*

Ladies and Gentlemen:

We have acted as Special Counsel to Santa Clara Valley Water District (the “**Borrower**”) in connection with the execution and delivery, or adoption, by the Borrower of (a) that certain CWIFP Master Agreement, dated as of [•], [20[•]] (the “**CWIFP Master Agreement**”), by and between the Borrower and the United States Department of the Army, acting by and through the United States Army Corps of Engineers (the “**CWIFP Lender**”), (b) that certain CWIFP Credit Agreement (CWIFP ID – [•]), dated as of [•], [20[•]] (the “**CWIFP Credit Agreement**”), by and between the Borrower and the CWIFP Lender, (c) that certain CWIFP Bond, dated as of [•], [20[•]] (the “**CWIFP Bond**” and, collectively with the CWIFP Master Agreement and the CWIFP Credit Agreement, the “**CWIFP Borrower Documents**”), delivered to the CWIFP Lender by the Borrower and (d) Resolution No. [•]-[•] of the Board of Directors of the Borrower, adopted on [•], [20[•]] (the “**CWIFP Resolution**”), relating to the Master Program. All capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the CWIFP Credit Agreement or, if not defined therein, the CWIFP Master Agreement.

Based upon the foregoing and our review of such other information, documents and matters of law as we considered necessary and in reliance on the foregoing, as appropriate, we are of the opinion that:

1. The Borrower has all requisite power and authority under the laws of the State to adopt the CWIFP Resolution and to execute and deliver the CWIFP Borrower Documents and to issue the CWIFP Bond. Each CWIFP Borrower Document and the CWIFP Resolution has been duly authorized, executed and delivered by the Borrower, and each CWIFP Borrower Document and the CWIFP Resolution is in full force and effect and constitutes a legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its respective terms and conditions.

2. The CWIFP Loan (as evidenced by the CWIFP Bond): (a) is secured by the Liens on the Pledged Collateral, (b) constitutes a Parity Obligation under the CWIFP Master Agreement and a revenue bond of the Borrower secured by the Water Utility System Revenues in accordance with Section 2.1 (*Establishment of Water Utility System Revenue Fund*) of the Master Resolution and payable from Water Utility System Revenues in accordance with Section 2.2(h) (*Allocation of Water Utility System Revenues*) of the Master Resolution, (c) is enforceable under the laws of the

State without any further action by the Borrower or any other Person, (d) does not rank subordinate in right of payment or in right of security to any Lien on the Pledged Collateral other than, during any period when a Bankruptcy Related Event has not occurred, the Liens on the Pledged Collateral for the benefit of the Senior Obligations and with respect to Maintenance and Operation Costs, and (e) is *pari passu* in right of payment and right of security with all other Parity Obligations; provided that upon a Bankruptcy Related Event, the CWIFP Loan (as evidenced by the CWIFP Bond) shall constitute a Senior Obligation under the CWIFP Master Agreement and a “Bond” under the Master Resolution and shall not be subordinate in right of payment or in right of security to any Lien on the Pledged Collateral, automatically and without the need for any notice to or from any Person, physical delivery, recordation, filing or further act.

3. The CWIFP Master Agreement creates a valid and binding pledge of and lien on the Pledged Collateral to secure the payment of the principal of, interest on, and other amounts payable in respect of, the CWIFP Loan in accordance with the CWIFP Master Agreement and the CWIFP Credit Agreement, irrespective of whether any party has notice of the pledge and without the need for any physical delivery, recordation, filing or further act.

4. All actions by the Borrower that are required for the application of the Pledged Collateral as required under the CWIFP Master Agreement and the CWIFP Credit Agreement have been duly and lawfully authorized.

5. The Borrower has complied with the requirements of State law to lawfully pledge the Pledged Collateral and to authorize the use of the Water Utility System Revenues as required by the terms of the CWIFP Master Agreement and the CWIFP Credit Agreement.

6. The Borrower is not an investment company required to register under the Investment Company Act of 1940, as amended.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. Such conclusions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform you or any other person, whether any such actions are taken or omitted after the date hereof or whether such events do occur or any other matters come to our attention after the date hereof. We have assumed, but not independently verified, that the signatures on all documents, letters, opinions and certificates which we have examined are genuine, that all documents submitted to us are authentic and were duly and properly executed by the parties thereto. As to any facts relevant to the opinions stated herein that we did not independently establish or verify, we have relied upon, without independent verification, the accuracy of the factual matters represented, warranted or certified in such documents.

This opinion is limited to matters governed by the laws of the State and the United States of America, and we assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction. We call attention to the fact that the rights and obligations under the CWIFP Master Agreement, the CWIFP Credit Agreement, the other CWIFP Borrower Documents and the CWIFP Resolution are subject to bankruptcy, insolvency, reorganization, moratorium, arrangement, fraudulent conveyance or transfer and other similar laws affecting creditors’ rights,

to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State.

By delivering this letter, we are not expressing any opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the CWIFP Borrower Documents, nor are we expressing any opinion with respect to the state or quality of title to or interest in any assets, other than the Pledged Collateral and the CWIFP Borrower Documents, described in or as subject to the lien of the CWIFP Borrower Documents, or the accuracy or sufficiency of the description of such assets, other than the Pledged Collateral and the CWIFP Borrower Documents, or the remedies available to enforce liens on any such assets, other than the Pledged Collateral under the CWIFP Borrower Documents. Our services as Special Counsel to the Borrower did not involve the rendering of financial or other non-legal advice to you, the Borrower, or any other party to the transaction.

This letter is furnished by us to you solely for your benefit and we are not assuming any professional responsibility to any other person whomsoever. This letter is not to be used, circulated, quoted or otherwise referred to for any other purpose, except (a) to the extent disclosure of this opinion is required pursuant to applicable law, (b) to your accountants, attorneys and other professional advisors, and (c) that this opinion may be included in applicable closing transcript. We note that you were represented by counsel on this transaction. No attorney-client relationship has existed or exists between our firm and you in connection with the CWIFP Borrower Documents or the CWIFP Resolution or by virtue of this letter.

Respectfully submitted,

EXHIBIT G
FORM OF CWIFP LOAN REQUEST

[Letterhead of Borrower]

[Date]¹³

VIA EMAIL OR APPLICATION PORTAL

United States Army Corps of Engineers
Corps Water Infrastructure Financing Program
Attn: CWIFP Director
Email: CWIFP.portfolio@usace.army.mil

Project: Dam Safety Program – Project [] (CWIFP ID – [])

Dear Director:

This loan request is provided pursuant to Section 3(c) (*CWIFP Loans Under the Master Program*) of that certain CWIFP Master Agreement, dated as of [], 2025 (the “**CWIFP Master Agreement**”), by and between SANTA CLARA VALLEY WATER DISTRICT (the “**Borrower**”) and the UNITED STATES DEPARTMENT OF THE ARMY, acting by and through the UNITED STATES ARMY CORPS OF ENGINEERS (the “**CWIFP Lender**”). Unless otherwise defined herein, all capitalized terms in this loan request have the meanings assigned to those terms in the CWIFP Master Agreement.

I, the undersigned, in my capacity as the Borrower’s Authorized Representative and not in my individual capacity, do hereby request that the CWIFP Lender, in accordance with, and subject to the terms and conditions of, the CWIFP Master Agreement, enter into a CWIFP Credit Agreement and related CWIFP Loan Documents with respect to the Dam Safety Program – Project [] (the “**Project**”).

(a) The Project consists of [*describe the Project*].

(b) [*Such additional information relating to the Project as may be requested by the CWIFP Lender.*]

SANTA CLARA VALLEY WATER DISTRICT,
by its authorized representative

By: _____

Name:

Title:

¹³ To be dated no later than 180 days prior to the end of the Master Availability Period.

EXHIBIT H

FORM OF CWIFP CREDIT AGREEMENT

CWIFP CUSIP Number: []

UNITED STATES DEPARTMENT OF THE ARMY

CWIFP CREDIT AGREEMENT

For Up to [*Maximum Principal Amount*]

With

SANTA CLARA VALLEY WATER DISTRICT

For the

**DAM SAFETY PROGRAM – PROJECT []
(CWIFP ID – [])**

Dated as of [], 20[]

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Schedules

SCHEDULE I – CWIFP Loan Specific Terms

SCHEDULE II – Project Details

SCHEDULE III – CWIFP Loan Amortization Schedule

SCHEDULE IV – Borrower Disclosures

CWIFP CREDIT AGREEMENT

THIS CWIFP CREDIT AGREEMENT (this “**Agreement**”), dated as of the CWIFP Credit Agreement Effective Date, is by and between the Borrower (as defined herein) and the **UNITED STATES DEPARTMENT OF THE ARMY**, acting by and through the United States Army Corps of Engineers (the “**CWIFP Lender**”).

RECITALS:

WHEREAS, the Congress of the United States of America enacted the Water Infrastructure Finance and Innovation Act, § 5021 *et seq.* of Public Law 113-121 (as amended, and as may be further amended from time to time, the “**Act**”), which is codified as 33 U.S.C. §§ 3901-3915;

WHEREAS, the credit assistance program provided by the CWIFP Lender pursuant to the Act is known as the Corps Water Infrastructure Financing Program (“**CWIFP**”);

WHEREAS, the Act authorizes the CWIFP 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 Borrower and the CWIFP Lender entered into that certain CWIFP Master Agreement, dated as of [____], 2025 (the “**CWIFP Master Agreement**”), pursuant to which the parties thereto have set forth certain common terms and conditions applicable to each CWIFP Loan and Project under the Master Program, as such terms are defined in the CWIFP Master Agreement;

WHEREAS, as contemplated by the CWIFP Master Agreement, the Borrower has [submitted a CWIFP Loan Request, dated [____], 20[____] (the “**CWIFP Loan Request**”) to the CWIFP Lender pursuant to the CWIFP Master Agreement and thereby]¹ requested that the CWIFP Lender make the CWIFP Loan (as defined herein) to the Borrower 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 for the Project (as defined herein);

WHEREAS, as of the date hereof, the Secretary has approved CWIFP financial assistance for the Project to be provided in the form of the CWIFP Loan, subject to the terms and conditions contained herein and in the CWIFP Master Agreement;

WHEREAS, as of the date hereof, the Project has been determined by the Secretary to be Technically Sound, Economically Justified and Environmentally Acceptable, as such terms are defined in the CWIFP Master Agreement and as required by the Act;

WHEREAS, based on the Application[, the CWIFP Loan Request]² and the representations, warranties and covenants set forth herein and in the CWIFP Master Agreement, the CWIFP Lender proposes to make funding available to the Borrower for a portion of the costs

¹ **Note to Draft:** remove this portion of the whereas clause for the first loan under the CWIFP Master Agreement.

² **Note to Draft:** remove this portion of the whereas clause for the first loan under the CWIFP Master Agreement.

of the Project through the purchase of the CWIFP Bond (as defined herein), upon the terms and conditions set forth herein and in the CWIFP Master Agreement; and

WHEREAS, the Borrower agrees to repay any amount due pursuant to this Agreement and the CWIFP Bond in accordance with the terms and provisions hereof and of the CWIFP Master Agreement and the CWIFP Bond.

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, it is hereby mutually agreed by and between the Borrower and the CWIFP Lender as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1. Definitions. Capitalized terms used in this Agreement (including in the recitals hereto) and not otherwise defined herein shall have the meanings assigned to such term in the CWIFP Master Agreement. Any term used in this Agreement (including in the recitals hereto) 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. In addition, as used in this Agreement (including in the recitals hereto), the following terms have the following meanings:

“**Act**” has the meaning provided in the recitals hereto.

“**Agreement**” has the meaning provided in the preamble hereto.

“**Borrower**” has the meaning ascribed to such term in **Part A of Schedule I** (*CWIFP Loan Specific Terms*).

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

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

[“**Construction Schedule**” means (a) the initial schedule or schedules on which the construction timetables for the Project are set forth, attached hereto as **Part B of Schedule II** (*Project Details*), and (b) any updates thereto included in the Construction Monitoring Report most

recently submitted to the CWIFP Lender in accordance with **Part C of Schedule V** (*Reporting Requirements*) to the CWIFP Master Agreement.]³

“**CWIFP**” has the meaning provided in the recitals hereto.

“**CWIFP Bond**” means the bond issued and delivered by the Borrower to the CWIFP Lender, on or prior to the CWIFP Credit Agreement Effective Date, in substantially the form of Exhibit A (*Form of CWIFP Bond*) to the CWIFP Master Agreement and evidencing the Borrower’s obligation to repay the CWIFP Loan.

“**CWIFP Credit Agreement Effective Date**” means the date of this Agreement, as specified in **Part A of Schedule I** (*CWIFP Loan Specific Terms*).

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

“**CWIFP Interest Rate**” has the meaning ascribed to such term in **Part C of Schedule I** (*CWIFP Loan Specific Terms*).

“**CWIFP Lender**” has the meaning provided in the preamble hereto.

“**CWIFP Loan**” means the secured loan made by the CWIFP Lender to the Borrower on the terms and conditions set forth herein, in the CWIFP Master Agreement and in the CWIFP Bond, pursuant to the Act, in a principal amount not to exceed the Maximum Principal Amount, to be used in respect of Eligible Project Costs with respect to the Project.

“**CWIFP Loan Amortization Schedule**” means the loan amortization schedule reflected in **Schedule III** (*CWIFP Loan Amortization Schedule*), as amended from time to time in accordance with Section 7(c) (*Adjustments to CWIFP Loan Amortization Schedule*) of the CWIFP Master Agreement.

[“**CWIFP Loan Request**” has the meaning provided in the recitals hereto.]⁴

“**CWIFP Master Agreement**” has the meaning provided in the recitals hereto.

“**Debt Service Payment Commencement Date**” means the earlier to occur of (a) the first Payment Date immediately following the later of (i) the first Disbursement or (ii) if there is a Capitalized Interest Period, the final Capitalized Interest Date, in each case as set forth in the CWIFP Loan Amortization Schedule; or (b) the Payment Date falling closest to, but not later than, the fifth (5th) anniversary of the earlier of (i) the Projected Substantial Completion Date, as established hereunder as of the CWIFP Credit Agreement Effective Date or (ii) the Substantial Completion Date.

³ Include for all Projects other than a Planning and Design Project.

⁴ **Note to Draft:** remove this term for the first loan under the CWIFP Master Agreement.

[**“Existing Construction Contract”** means each Construction Contract of the Borrower existing as of the CWIFP Credit Agreement Effective Date, as set forth in **Part C of Schedule II (Project Details)**.]⁵

“Final Maturity Date” has the meaning ascribed to such term in **Part C of Schedule I (CWIFP Loan Specific Terms)**.

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

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

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

[**“Planning and Design Schedule”** means (a) the initial schedule or schedules on which the planning and design timetables for the Project are set forth, attached hereto as **Part B of Schedule II (Project Details)**, and (b) any updates thereto included in the Planning and Design Monitoring Report most recently submitted to the CWIFP Lender in accordance with **Part C of Schedule V (Reporting Requirements)** to the CWIFP Master Agreement.]⁶

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

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

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

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

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

“Servicing Fee” has the meaning ascribed to such term in **Part E of Schedule I (CWIFP Loan Specific Terms)**.

⁵ Include for all Projects other than a Planning and Design Project.

⁶ Include only for a Planning and Design Project.

Section 2. Interpretation.

(a) Except as otherwise expressly provided herein, all applicable terms and provisions of the CWIFP Master Agreement, including the rules of interpretation set forth in Section 2 (*Interpretation*) of the CWIFP Master Agreement, shall apply herein, *mutatis mutandis*, as if set out in this Agreement in full (and as if each reference therein to “this Agreement” were a reference to this Agreement, and each reference to any “CWIFP Loan” or any “CWIFP Bond” were a reference, respectively, to the CWIFP Loan or the CWIFP Bond as such terms are defined in this Agreement).

(b) This Agreement is one of the CWIFP Credit Agreements referenced in the CWIFP Master Agreement.

ARTICLE II

THE CWIFP LOAN

Section 3. CWIFP Loan Amount. CWIFP Loan proceeds shall be disbursed in accordance with and subject to the conditions set forth in Section 10(c) (*Conditions Precedent to Disbursements*) of the CWIFP Master Agreement. The total amount of Disbursements for the CWIFP Loan shall not, in the aggregate, exceed the Maximum Principal Amount.

Section 4. Term. The term of the CWIFP Loan shall extend from the CWIFP Credit Agreement Effective Date to the Final Maturity Date or to such earlier date as all amounts due or to become due to the CWIFP Lender hereunder have been irrevocably paid in full in immediately available funds.

Section 5. Interest Rate. The Borrower shall pay interest on the CWIFP Loan Balance at the CWIFP Interest Rate; provided that, interest will accrue and be computed on the CWIFP Loan Balance from time to time pursuant to, and otherwise and in accordance with, Section 5 (*Interest Rate*) of the CWIFP Master Agreement.

Section 6. Security. As evidence of the Borrower’s obligation to repay the CWIFP Loan, the Borrower shall issue and deliver to the CWIFP Lender, as the registered owner, on or prior to the CWIFP Credit Agreement Effective Date, the CWIFP Bond. As security for the CWIFP Bond, the Borrower has, pursuant to the CWIFP Master Agreement, irrevocably pledged, assigned and granted to the CWIFP Lender for its benefit, Liens on the Pledged Collateral to the extent and in the manner and priority set forth in the CWIFP Loan Documents. The Borrower hereby affirms such pledge, assignment and grant, with respect to the CWIFP Bond, and the provisions of Section 6 (*Security and Priority; Flow of Funds*) of the CWIFP Master Agreement are incorporated by reference herein, *mutatis mutandis*, as if fully set forth herein.

Section 7. Repayments. Payments of CWIFP Debt Service shall be made by the Borrower on each Payment Date occurring on or after the Debt Service Payment Commencement Date in accordance with Section 7(a) (*Payment of CWIFP Debt Service*) of the CWIFP Master Agreement and in accordance with the CWIFP Loan Amortization Schedule attached to this Agreement as **Schedule III** (*CWIFP Loan Amortization Schedule*). For purposes of any

adjustment to the CWIFP Loan Amortization Schedule pursuant to Section 7(c)(ii) (*Adjustments to CWIFP Loan Amortization Schedule*) of the CWIFP Master Agreement, the weighted average life of the CWIFP Loan shall not exceed [_____] ([____]) years measured as of the initial Disbursement date of the CWIFP Loan.

Section 8. Prepayment. The Borrower shall prepay the CWIFP Loan in accordance with and subject to the terms and conditions set forth in Section 8(a) (*Mandatory Prepayments*) of the CWIFP Master Agreement. The Borrower may prepay the CWIFP Loan in accordance with Section 8(b) (*Optional Prepayments*) of the CWIFP Master Agreement.

Section 9. Fees and Expenses. The Borrower shall pay to the CWIFP Lender the Servicing Fee and all other fees and expenses with respect to the CWIFP Loan, pursuant to and in accordance with Section 9 (*Fees and Expenses*) of the CWIFP Master Agreement.

ARTICLE III

CONDITIONS PRECEDENT

Section 10. Conditions Precedent.

(a) Conditions Precedent to Effectiveness of this Agreement. The effectiveness of this Agreement is subject to the satisfaction, or the CWIFP Lender's written waiver, as determined by the CWIFP Lender in its sole discretion, of each of the conditions precedent to the effectiveness of this Agreement set forth in Section 10(b) (*Conditions Precedent to Effectiveness of Each CWIFP Credit Agreement*) of the CWIFP Master Agreement (each of which is incorporated by reference herein, *mutatis mutandis*, as if set out in this Agreement in full and as if each reference therein to any "Project," any "CWIFP Loan," any "CWIFP Bond" or any "CWIFP Credit Agreement" were a reference, respectively, to the Project, the CWIFP Loan, the CWIFP Bond or this Agreement (as such terms are defined in this Agreement)).

(b) Conditions Precedent to Disbursements. Notwithstanding anything in this Agreement to the contrary, the CWIFP Lender shall have no obligation to make any Disbursement of the CWIFP Loan to the Borrower (including the initial Disbursement hereunder) until each of the conditions precedent with respect to the CWIFP Loan set forth in Section 10(c) (*Conditions Precedent to Disbursements*) of the CWIFP Master Agreement (each of which is incorporated by reference herein, *mutatis mutandis*, as if set out in this Agreement in full and as if each reference therein to any "CWIFP Loan" or any "CWIFP Credit Agreement" were a reference, respectively, to the CWIFP Loan or this Agreement (as such terms are defined in this Agreement)) has been satisfied or waived in writing by the CWIFP Lender in its sole discretion.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 11. Representations and Warranties of the Borrower. The representations and warranties set out in Section 11 (*Representations and Warranties of the Borrower*) of the CWIFP Master Agreement shall be made on the CWIFP Credit Agreement Effective Date and as of each

date on which any Disbursement of the CWIFP Loan is requested or made, except as otherwise expressly provided in Section 11 (*Representations and Warranties of the Borrower*) of the CWIFP Master Agreement. Each such representation and warranty is incorporated by reference herein, *mutatis mutandis*, for the benefit of the CWIFP Lender as if set out in this Agreement in full (and as if each reference therein to (a) any “Project” or the “Master Program,” (b) any “CWIFP Loan” or (c) any “CWIFP Bond” were a reference, respectively, to (i) the Project, (ii) the CWIFP Loan or (iii) the CWIFP Bond (as such terms are defined in this Agreement)). The Borrower acknowledges that it makes such representations and warranties with the intention of inducing the CWIFP Lender to enter into this Agreement and the other CWIFP Loan Documents and to advance the CWIFP Loan to the Borrower, and that the CWIFP Lender has entered into this Agreement and the other CWIFP Loan Documents on the basis of, and in full reliance on, each such representation and warranty.

Section 12. Representations and Warranties of the CWIFP Lender. The representations and warranties set out in Section 12 (*Representations and Warranties of the CWIFP Lender*) of the CWIFP Master Agreement shall be made on the CWIFP Credit Agreement Effective Date, *mutatis mutandis*, for the benefit of the Borrower as if set out in this Agreement in full (and as if each reference therein to any “CWIFP Loan” were a reference to the CWIFP Loan (as such term is defined in this Agreement)).

ARTICLE V

COVENANTS

Section 13. Covenants. The Borrower covenants and agrees, until, subject to such longer periods as are provided for under Section 13(n) (*Access; Records*) of the CWIFP Master Agreement with respect to the Borrower’s obligations thereunder, the date the CWIFP Bond and all of the obligations of the Borrower under this Agreement and each other CWIFP Loan Document with respect to the CWIFP Loan or the Project (other than contingent indemnity obligations) have been irrevocably paid in full in immediately available funds and the CWIFP Lender no longer has any commitment to make Disbursements under this Agreement to the Borrower, unless the CWIFP Lender waives compliance in writing, to comply with each of the covenants set forth in the CWIFP Master Agreement, including Section 13 (*Affirmative Covenants*) and Section 14 (*Negative Covenants*) of the CWIFP Master Agreement, which covenants are incorporated by reference herein, *mutatis mutandis*, as if fully set forth herein (and as if each reference therein to “this Agreement” were a reference to this Agreement and as if each reference therein to (a) any “Project” or the “Master Program,” (b) any “CWIFP Loan” or (c) any “CWIFP Bond” were a reference, respectively, to (i) the Project, (ii) the CWIFP Loan or (iii) the CWIFP Bond (as such terms are defined in this Agreement)).

Section 14. [Reserved].

ARTICLE VI

EVENTS OF DEFAULT AND REMEDIES

Section 15. Events of Default and Remedies.

(a) Each Event of Default set out in Section 15 (*Events of Default and Remedies*) of the CWIFP Master Agreement shall constitute an Event of Default under this Agreement.

(b) Upon the occurrence and during the continuation of any Event of Default hereunder, the CWIFP Lender shall have each of the rights and remedies to which it is entitled as provided in and with the same effect as described in Section 15 (*Events of Default and Remedies*) of the CWIFP Master Agreement.

ARTICLE VII

MISCELLANEOUS

Section 16. 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 17. Effectiveness. This Agreement shall be effective on the CWIFP Credit Agreement Effective Date.

Section 18. Release of Lien. Upon the irrevocable payment in full in immediately available funds by the Borrower of the CWIFP Loan Balance, together with all accrued interest, fees and expenses and all other amounts with respect thereto, the CWIFP Lender shall surrender the CWIFP Bond to the Borrower in accordance with Section 8(c) (*General Prepayment Instructions*) of the CWIFP Master Agreement; provided, that the indemnification requirements of Section 30 (*Indemnification*) of the CWIFP Master Agreement, as incorporated herein, the reporting and record keeping requirements of Section 13(n) (*Access; Records*) of the CWIFP Master Agreement, as incorporated herein, and the payment requirements of Section 9 (*Fees and Expenses*) shall survive the termination of this Agreement as provided in such sections.

Section 19. Miscellaneous. Article VII (*Miscellaneous*) of the CWIFP Master Agreement (other than Sections 23 (*Governing Law*), 32 (*Effectiveness*) and 34 (*Survival*) of the CWIFP Master Agreement) shall be incorporated in this Agreement, *mutatis mutandis*, as if set out in this Agreement in full (and as if each reference therein to “this Agreement” were a reference to this Agreement and as if each reference therein to (a) any “Project” or the “Master Program,” (b) any “CWIFP Loan” or (c) any “CWIFP Bond” were a reference, respectively, to (i) the Project, (ii) the CWIFP Loan or (iii) the CWIFP Bond (as such terms are defined in this Agreement)).

[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.

SANTA CLARA VALLEY WATER DISTRICT,
by its authorized representative

By: _____
Name:
Title:

*[Signature Page to Dam Safety Program – Project [_____] /
(Santa Clara Valley Water District) – CWIFP Credit Agreement]*

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**UNITED STATES DEPARTMENT OF
THE ARMY**, acting by and through the
United States Army Corps of Engineers

By: _____
Name:
Title:

[Signature Page to Dam Safety Program – Project [_____]]
(Santa Clara Valley Water District) – CWIFP Credit Agreement]

SCHEDULE I

CWIFP LOAN SPECIFIC TERMS

No.	Item	CWIFP Loan Specific Term
<i>PART A. Key Borrower Metrics</i>		
1.	Borrower	Santa Clara Valley Water District, a special district created by the State Legislature duly organized and existing under the laws of the State.
2.	CWIFP Credit Agreement Effective Date	[], 20[].
3.	CWIFP CUSIP Number	[], as the CUSIP number with respect to the CWIFP Loan for purposes of monitoring through EMMA.
<i>PART B. Key Project Metrics</i>		
4.	Project ¹	The Project is the [<i>project name</i>], located at the Project Location, [and consists of [<i>brief project description</i>]].
5.	Project Location	[<i>City or county</i>], [<i>State</i>].
6.	Projected Substantial Completion Date	[<i>MM/DD/YYYY</i>], as such date may be adjusted in accordance with Part C of Schedule V (Reporting Requirements) to the CWIFP Master Agreement.
7.	[Reserved]	
<i>PART C. Key Loan Metrics</i>		
8.	Maximum Principal Amount	Principal amount up to \$[] (excluding interest that is capitalized in accordance with this Agreement).
9.	CWIFP Interest Rate	[]% per annum.
10.	Default Rate	Interest rate equal to the sum of (a) the CWIFP Interest Rate plus (b) 200 basis points.
11.	Interest Payment Date	Each June 1 and December 1, commencing on the Debt Service Payment Commencement Date.

¹ For Planning and Design Projects, state that the Project is a Planning and Design Project in the description.

No.	Item	CWIFP Loan Specific Term
12.	Capitalized Interest Period	[Not Applicable] [The period from (and including) the first Disbursement to (but excluding) the date that is six (6) months prior to the first Payment Date reflected in the CWIFP Loan Amortization Schedule, subject to earlier termination as set forth in Section 7(a)(iii) (<i>Payment of CWIFP Debt Service</i>) of the CWIFP Master Agreement].
13.	Capitalized Interest Date	[Not Applicable] [Each June 1 and December 1 occurring on or after the date of the first Disbursement and through (and including) the day immediately following the end of the Capitalized Interest Period, subject to Section 7(a)(iii) (<i>Payment of CWIFP Debt Service</i>) in the event of an earlier termination of the Capitalized Interest Period.]
14.	Interest Only Period	[Not Applicable] [The period commencing from (and including) the Debt Service Payment Commencement Date and ending on (but excluding) the first Principal Payment Date (or on such earlier date as all amounts due or to become due to the CWIFP Lender hereunder have been irrevocably paid in full in cash)].
15.	Principal Payment Date	Each [<i>month and day</i>] [and [<i>month and day</i>]], beginning on [<i>date</i>].
16.	Final Maturity Date	The earliest of (a) [<i>fixed date</i>], which is the Payment Date immediately preceding the date that is thirty-five (35) years following the Projected Substantial Completion Date established hereunder as of the CWIFP Credit Agreement Effective Date; (b) the date on which the maturity of the CWIFP Loan and corresponding CWIFP Bond have been accelerated or subject to mandatory redemption or prepayment (as the case may be) prior to maturity thereof; or (c) the Payment Date immediately preceding the date that is thirty-five (35) years following the Substantial Completion Date.
17.	CWIFP Debt Service Account	The Borrower shall establish a subaccount of the CWIFP Debt Service Account for the CWIFP Loan as of the CWIFP Credit Agreement Effective Date and shall maintain such subaccount as part of the CWIFP Debt Service Account and for the benefit of the CWIFP Lender in accordance with the CWIFP Master Agreement.

No.	Item	CWIFP Loan Specific Term
18.	Project Acquisition Fund	The Borrower shall establish a Project Acquisition Fund for the CWIFP Loan as of the CWIFP Credit Agreement Effective Date and shall maintain such Project Acquisition Fund in accordance with the CWIFP Master Agreement.
19.	[Reserved]	
<i>PART D. [RESERVED]</i>		
<i>PART E. Fees</i>		
20.	Servicing Fee	An annual servicing fee equal to \$[_____].

SCHEDULE II
PROJECT DETAILS

PART A. Project Budget.

SOURCES OF FUNDS	AMOUNT (\$ USD)	PERCENTAGE (%)
[]		
Total Sources of Funds		
USES OF FUNDS	AMOUNT (\$ USD)	PERCENTAGE (%)
[]		
[Planning and Design] ⁸		
[Construction] ⁹		
Contingency		
Total Uses of Funds		
Total Eligible Project Costs		
Total Project Costs		

PART B.¹⁰ [Planning and Design Schedule].

Projected Substantial Completion Date: []

PROJECT ELEMENT	PLANNING START	PLANNING END	DESIGN START	DESIGN END	OUTSTANDING ENVIRONMENTAL CROSS-CUTTERS

PART B. [Construction Schedule].

Projected Substantial Completion Date: []

⁸ Include for all Planning and Design Projects.

⁹ Include for all Projects other than a Planning and Design Project.

¹⁰ Depending on whether Project is a Planning and Design Project or a construction project, insert the appropriate Part B.

PROJECT ELEMENT	DESIGN COMPLETION	CONSTRUCTION START	CONSTRUCTION END	OUTSTANDING ENVIRONMENTAL CROSS-CUTTERS

PART C. Existing Construction Contracts.¹¹

Contract Name	Effective Date	Amount	Parties	Description

PART D. Project Description.¹²

The Project is the *[Insert Project title]*, located in the Project Location. The Project will *[insert description]*.

The Project consists of approximately [] [sub-projects][components], set out in the following table:

[Sub-Project][Project Component]	Name / Description
[1.]	[]
[2.]	[]
[3.]	[]

¹¹ If Project is a Planning and Design Project, remove table and insert [Reserved].

¹² This Part D can be deleted if the Project description in Part B of Schedule I is sufficient.

SCHEDULE III
CWIFP LOAN AMORTIZATION SCHEDULE

SCHEDULE IV
BORROWER DISCLOSURES¹³

PART A. Existing Indebtedness.

1. Existing Senior Obligations

1.	[Series [] senior revenue bonds, issued pursuant to the [], dated [], maturing on []] [Loan agreement, dated [], between the Borrower and [SRF], maturing on []]	
2.		
3.		
4.		
5.		

2. Existing Parity Obligations

1.	[Series [] parity revenue bonds], issued pursuant to the [], dated [], maturing on []] [Loan agreement, dated [], between the Borrower and [SRF], maturing on []]	
2.		
3.		
4.		
5.		

¹³ **Note to Borrower:** Borrower to complete.

PART B. Litigation Disclosure.

[]¹⁴

No.	Parties	Date Initiated	Description / Status	Venue

PART C. Environmental Matters Disclosures.

[]¹⁵

¹⁴ Include “None” if no litigation disclosures are necessary.

¹⁵ Include “None” if no environmental matters disclosures are necessary. This disclosure is not intended for environmental cross-cutters that remain outstanding as of the Credit Agreement Effective Date, as these will be set forth in the column indicated in Part B of Schedule II. Rather, similar to the litigation disclosure above, what is intended to be set forth here are any disclosures necessary for the Borrower to make the representation in Section 11(j)(iii) (*Compliance with Laws*) of the CWIFP Master Agreement. Any such disclosures must be acceptable to the CWIFP Lender and consistent with the Environmentally Acceptable determination. Parts B and C of this Schedule may be updated in connection with (or prior to) the submittal of a Requisition, as indicated in the relevant footnote to Exhibit C (*Form of Requisition*) to the CWIFP Master Agreement. The Borrower is separately required to report on the status of environmental cross-cutters in accordance with Exhibit C (*Form of Requisition*) to the CWIFP Master Agreement.

EXHIBIT I
FORM OF CWIFP TERM SHEET

UNITED STATES DEPARTMENT OF THE ARMY

[Date]

Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118
Attention: Treasury, Debt and Grants Officer

RE: CWIFP Term Sheet for the Santa Clara Valley Water District Dam Safety Program –
Project [] (CWIFP ID - [])

Ladies and Gentlemen:

This CWIFP Term Sheet (this “**Term Sheet**”) is made and entered into by and between the United States Department of the Army, acting by and through the United States Army Corps of Engineers (the “**CWIFP Lender**”), and the Borrower (as defined below), after receipt of the application from the Borrower for credit assistance through the Corps Water Infrastructure Financing Program (“**CWIFP**”) on March 28, 2025 (the “**Application**”), to set forth the key business terms and conditions of the CWIFP credit agreement expected to be entered into on or after the date hereof (the “**CWIFP Credit Agreement**”).

The issuance and execution of this Term Sheet does not constitute a commitment by the CWIFP Lender to enter into a credit agreement. The agreement of the CWIFP Lender to provide financing for the above-referenced project (as further described below, the “**Project**”) in the form of a secured loan (the “**CWIFP Loan**”), pursuant to the Water Infrastructure Finance and Innovation Act, § 5021 *et seq.* of Public Law 113-121 (as amended, and as may be further amended from time to time, the “**Act**”), codified as 33 U.S.C. §§ 3901-3915, is subject in all respects to (i) the terms and conditions contained in that certain CWIFP Master Agreement, dated as of [], 2025, by and between the CWIFP Lender and the Borrower (the “**CWIFP Master Agreement**”) and (ii) the execution and delivery of the CWIFP Credit Agreement on the terms and conditions acceptable to the CWIFP Lender contained therein. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the CWIFP Credit Agreement or, if not defined therein, the CWIFP Master Agreement.

By executing this Term Sheet, the Borrower confirms its agreement to reimburse the CWIFP Lender for any and all fees and expenses that the CWIFP Lender incurs for legal counsel, financial advice and other consultants in connection with the evaluation of the Project and the

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negotiation and preparation of the CWIFP Credit Agreement and related documents, whether or not such agreement is ultimately executed.

This Term Sheet 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 of California, if and to the extent such federal laws are not applicable. This Term Sheet, and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by the 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 but one and the same instrument. Electronic delivery of an executed counterpart of a signature page shall be effective as delivery of an original executed counterpart.

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INDICATIVE TERMS OF THE CWIFP LOAN

CWIFP LENDER	United States Department of the Army, an agency of the United States of America, acting by and through the United States Army Corps of Engineers (the “ CWIFP Lender ”).
BORROWER	Santa Clara Valley Water District, a special district created by the State Legislature duly organized and existing under the laws of the State of California (the “ Borrower ”).
PROJECT	The “ Project ” means [____], as further described in Schedule I (<i>CWIFP Loan Specific Terms</i>) to the CWIFP Credit Agreement.
CWIFP LOAN AMOUNT	A maximum principal amount (sum of disbursements and excluding capitalized interest) not to exceed \$[_____].
INTEREST RATE	<p>The CWIFP Loan shall bear interest at a fixed rate, calculated by adding one basis point (0.01%) to the rate of securities of a similar maturity (based on the weighted-average life of the CWIFP Loan) as published, on the CWIFP Credit Agreement Effective Date, in the United States Treasury Bureau of the Fiscal Service’s daily rate table for State and Local Government Series (SLGS) investments.</p> <p>The CWIFP Loan shall also bear default interest at a rate of 200 basis points above the otherwise applicable interest rate, at such times and upon such terms as provided in the CWIFP Credit Agreement.</p>
PAYMENT DATES	<p>Principal of and interest on the CWIFP Loan shall be repaid in accordance with the terms set forth in the CWIFP Credit Agreement and the CWIFP Master Agreement.</p> <p>The Principal Payment Dates shall be each June 1, beginning on June 1, 20[____].</p> <p>The Interest Payment Dates shall be each June 1 and December 1, commencing on the Debt Service Payment Commencement Date.</p> <p>The Debt Service Payment Commencement Date shall in no event be later than the fifth (5th) anniversary of the earlier of (i) the Projected Substantial Completion Date, as established as of the CWIFP Credit Agreement Effective Date, or (ii) the Substantial Completion Date.</p>

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FINAL MATURITY DATE	The earliest of (a) [<i>fixed date</i>], which is the Payment Date immediately preceding the date that is thirty-five (35) years following the Projected Substantial Completion Date as established as of the CWIFP Credit Agreement Effective Date; (b) the date on which the maturity of the CWIFP Loan and corresponding CWIFP Bond have been accelerated or subject to mandatory redemption or prepayment (as the case may be) prior to maturity thereof; or (c) the Payment Date immediately preceding the date that is thirty-five (35) years following the Substantial Completion Date.
DEDICATED SOURCE OF REPAYMENT	The dedicated source of repayment for the CWIFP Loan shall be the Water Utility System Revenues.
SECURITY AND LIEN PRIORITY	The CWIFP Loan shall (i) be secured by the Liens on the Pledged Collateral, (ii) not be subordinate in right of payment or in right of security to any Lien on the Pledged Collateral other than, during any period when a Bankruptcy Related Event has not occurred, the Liens on the Pledged Collateral for the benefit of the Senior Obligations and with respect to Maintenance and Operation Costs, and (iii) (A) during any period when a Bankruptcy Related Event has not occurred, be <i>pari passu</i> in right of payment and right of security only to the Lien on the Pledged Collateral for the benefit of the Parity Obligations and (B) during any period when a Bankruptcy Related Event has occurred, be <i>pari passu</i> in right of payment and right of security only to the Lien on the Pledged Collateral for the benefit of the Senior Obligations, in each case without the need for any notice to or from any Person, physical delivery, recordation, filing or further act.
SPRINGING LIEN	Upon the occurrence of a Bankruptcy Related Event, the CWIFP Loan shall be secured by a valid and binding pledge of and Lien on the Pledged Collateral on a parity with the Senior Obligations, automatically and without the need for any notice to or from any Person, physical delivery, recordation, filing or further act.
RATE COVENANT	(a) To the fullest extent permitted by law, the Borrower shall fix and prescribe rates, fees and charges for Water Service at the commencement of each Borrower Fiscal Year, which, together with other Current Water Utility System Revenues or

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	<p>Net Water Utility System Revenues, as the case may be, are reasonably expected to be at least sufficient to yield during each Borrower Fiscal Year (i) Current Water Utility System Revenues in an amount sufficient to meet the Maintenance and Operation Costs, the Debt Service for the then current Borrower Fiscal Year and the interest and principal payable for the then current Borrower Fiscal Year in respect of any obligations that are secured by a Lien on the Pledged Collateral or payable from the Pledged Collateral, in each case on a basis subordinate to the Parity Obligations, (ii) Net Water Utility System Revenues equal to one hundred twenty-five percent (125%) of the Senior Debt Service for such Borrower Fiscal Year and (iii) Net Water Utility System Revenues for such Borrower Fiscal Year equal to one hundred ten percent (110%) of the Debt Service for such Borrower Fiscal Year. For purposes of clause (iii) above, Net Water Utility System Revenues may be increased by Budgeted Transfers (measured as of the last day of the immediately preceding Borrower Fiscal Year) in an amount no greater than ten percent (10%) of Debt Service referred to in clause (iii) above. The Borrower may make adjustments from time to time in such rates, fees and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates, fees and charges then in effect unless the Current Water Utility System Revenues or Net Water Utility System Revenues, as the case may be, from such reduced rates, fees and reasonably expected to be sufficient to meet the requirements of this clause (a).</p> <p>(b) For avoidance of doubt, so long as the Borrower has complied with its obligations set forth in clause (a) above, the failure of Current Water Utility System Revenues to meet the threshold set forth in clause (a)(i) above or the failure of Net Water Utility System Revenues to meet the thresholds set forth in clause (a)(ii) or clause (a)(iii) above at the end of a Borrower Fiscal Year shall not constitute a Default or an Event of Default so long as the Borrower has complied with clause (a) above at the commencement of the succeeding Borrower Fiscal Year.</p> <p>(c) The Borrower shall charge and collect or cause to be collected the rates, fees and charges applicable to the Water Service and will not permit any part of the Water Utility</p>
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	System or any facility thereof to be used or taken advantage of free of charge by any corporation, firm or person, or by any public agency (including the Federal Government, the State and any city, county, district, political subdivision, public corporation or agency of any thereof) if such use would prevent the Borrower from complying with the requirements of clause (a) above.
ADDITIONAL OBLIGATIONS TEST	<p>(a) The Borrower may incur Senior Obligations in accordance with Section 3.1 (<i>Additional Bonds and Contracts</i>) of the Master Resolution.</p> <p>(b) The Borrower may incur Additional Parity Obligations in accordance with the terms hereof; <u>provided</u> that:</p> <p>(i) the Net Water Utility System Revenues for the most recent audited Borrower Fiscal Year preceding the date of adoption by the Board of Directors of the resolution authorizing the incurrence of such Additional Parity Obligations (or if no such resolution exists, the date of incurrence of such Additional Parity Obligations), adjusted to reflect any change in rates and charges for the Water Service approved and in effect as of the date of calculation, remaining after payment of amounts under Sections 2.2(d) (<i>Allocation of Water Utility System Revenues</i>) and 2.2(e) (<i>Allocation of Water Utility System Revenues</i>) of the Master Resolution due and payable in such Borrower Fiscal Year as evidenced by a calculation prepared by the Borrower, shall be equal to at least one hundred ten percent (110%) of the sum of (1) the Parity Debt Service for such Borrower Fiscal Year, (2) the Parity Debt Service which would have been payable on any Parity Obligations incurred since the end of such Borrower Fiscal Year assuming such Parity Obligations had been incurred at the beginning of such Borrower Fiscal Year and (3) the Parity Debt Service which would have been payable had such Additional Parity Obligations been incurred at the beginning of such Borrower Fiscal Year; and</p> <p>(ii) the estimated Net Water Utility System Revenues for the then current Borrower Fiscal Year and for each Borrower Fiscal Year thereafter to and including the first complete Borrower Fiscal Year after the latest Date of Operation of any uncompleted Parity Project, as evidenced by a certificate of an Authorized Officer of the Borrower on file with the</p>

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	<p>Borrower, including (after giving effect to the completion of all such uncompleted Parity Projects) an allowance for estimated Net Water Utility System Revenues for each such Borrower Fiscal Year arising from any increase in the income, rents, fees, rates and charges estimated to be fixed, prescribed or received for the Water Service and which are economically feasible and reasonably considered necessary based on projected operations for such period, as evidenced by a certificate of an Authorized Officer on file with the Borrower, shall be equal to at least one hundred ten percent (110%) of the estimated Debt Service for each of such Borrower Fiscal Years, after giving effect to the incurrence of all Obligations estimated to be required to be incurred to pay the costs of completing all uncompleted Parity Projects within such Borrower Fiscal Years, assuming that all such Obligations have maturities, interest rates and proportionate principal repayment provisions similar to the Obligation last incurred or then being incurred for the purpose of acquiring and constructing any of such uncompleted Parity Projects. For the purposes of this clause (B), Net Water Utility System Revenues may be increased by Budgeted Transfers (measured as of the last day of the immediately preceding Borrower Fiscal Year) in an amount no greater than ten percent (10%) of the estimated Debt Service referred to in the preceding sentence.</p> <p>(c) Notwithstanding clauses (a) and (b) above, Obligations may be incurred to refund outstanding Obligations if the Average Annual Debt Service on Obligations after the refunding is not greater than the Average Annual Debt Service on Obligations outstanding prior to the refunding.</p>
RESTRICTED PAYMENTS AND TRANSFERS	<p>The Borrower shall not permit Water Utility System Revenues or any funds in any other fund or account held by or on behalf of the Borrower with respect to the Water Utility System, to be paid or transferred or otherwise applied for purposes that would violate the terms of the Master Resolution.</p>
CWIFP LOAN DOCUMENTATION	<p>The CWIFP Loan shall be subject to the preparation, execution and delivery of the CWIFP Credit Agreement, the CWIFP Bond and any other loan documentation required by the CWIFP Lender in connection therewith, in each case</p>

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	acceptable to the CWIFP Lender and the Borrower, which will contain certain conditions precedent, representations and warranties, affirmative and negative covenants, events of default, and other provisions as agreed between the CWIFP Lender and the Borrower, in each case in accordance with the terms of the CWIFP Master Agreement.
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[Signature pages follow]

THIS DRAFT DOCUMENT IS NOT A CONTRACT OR AN OFFER TO ENTER INTO A CONTRACT. IT HAS NOT BEEN APPROVED BY THE UNITED STATES DEPARTMENT OF THE ARMY, ACTING BY AND THROUGH THE UNITED STATES ARMY CORPS OF ENGINEERS (THE "CWIFP LENDER") AND DOES NOT INDICATE A COMMITMENT BY THE CWIFP LENDER TO PARTICIPATE IN ANY TRANSACTION OR TO BE BOUND IN ACCORDANCE WITH ANY TERM OR CONDITION SET FORTH HEREIN. ONLY A DOCUMENT AS EXECUTED BY THE PARTIES WILL CONTAIN THE TERMS THAT BIND THEM.

If the foregoing terms are acceptable, please countersign this letter in the space indicated below.

Sincerely,

**UNITED STATES DEPARTMENT OF THE
ARMY**, acting by and through the United States
Army Corps of Engineers

By: _____
Name: _____
Title: _____

*[Signature page to Dam Safety Program – Project [____]]
(Santa Clara Valley Water District) – CWIFP Term Sheet]*

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ACKNOWLEDGED AND AGREED:

SANTA CLARA VALLEY WATER DISTRICT,
by its authorized representative

By: _____
Name:
Title:

*[Signature page to Dam Safety Program – Project [____]]
(Santa Clara Valley Water District) – CWIFP Term Sheet]*

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