

RESOLUTION NO. 31333

A RESOLUTION SUPPLEMENTING AND AMENDING RESOLUTION NO. 31332 TO AUTHORIZE THE EXECUTION, TERMS, AND DELIVERY OF A LOAN AGREEMENT BY AND BETWEEN THE CITY OF CHATTANOOGA, TENNESSEE, AND THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, ACTING BY AND THROUGH THE ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY, PURSUANT TO WHICH A LOAN WILL BE PROVIDED IN A PRINCIPAL AMOUNT NOT TO EXCEED ONE HUNDRED EIGHTY-SIX MILLION EIGHTY THOUSAND DOLLARS (\$186,080,000.00), PROVIDING FOR THE FINANCING OF CERTAIN SEWER SYSTEM PROJECTS OWNED BY OR LEASED TO AND OPERATED BY THE CITY OF CHATTANOOGA, TENNESSEE, AND TO AUTHORIZE THE EXECUTION, TERMS, ISSUANCE, SALE, AND PAYMENT OF ONE OR MORE SEWER REVENUE BONDS IN CONNECTION WITH AND AS EVIDENCE OF SAID LOAN AGREEMENT.

WHEREAS, pursuant to the Act and the Charter (as such terms are hereafter defined), the City of Chattanooga, Tennessee (the “City”) owns or leases and operates a sewer system (as more particularly described in the hereinafter defined Sewer Bond Resolution, the “System”);

WHEREAS, the City is authorized under the Act and the Charter to issue its sewer revenue bonds for the purposes of funding capital improvements to the System; and

WHEREAS, the City Council of the City (the “City Council”), on the date hereof, adopted Resolution No. 31332 (the “Sewer Bond Resolution”), authorizing the issuance from time to time of sewer revenue bonds upon the adoption by the City Council of a supplemental resolution, providing for the terms of such sewer revenue bonds; and

WHEREAS, the City has determined it is necessary to finance certain capital improvements to the System and advisable to finance such improvements by entering into a loan agreement (the “WIFIA Loan Agreement”) with the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency, 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, pursuant to which the WIFIA Lender (as hereinafter defined) will make a loan to the City in a principal amount not to exceed \$186,080,000 (the “WIFIA Loan”) to finance such improvements, and by issuing the Series 2022 Bond (as hereinafter defined) in connection with and as evidence of the WIFIA Loan; and

WHEREAS, prior to the date hereof, the City has requested and received consent of the Tennessee Local Development Authority to incur the WIFIA Loan (as evidenced by the Series 2022 Bond) on parity with the Outstanding State Revolving Fund Loans, which comprise all Outstanding Junior Bonds as of the date hereof; and

WHEREAS, the City Council hereby finds that it is in the best interest of the citizens of the City to adopt this First Supplemental Resolution (as hereinafter defined) to the Sewer Bond Resolution for the purpose of (i) entering into the WIFIA Loan Agreement with the WIFIA Lender, providing for the WIFIA Loan in a principal amount not to exceed \$186,080,000, to provide funds to finance a portion of the costs of the Project (as hereinafter defined), including related eligible costs such as legal, fiscal, architectural, administrative and engineering costs incident thereto and related costs of issuance, and (ii) issuing the Series 2022 Bond, in connection with and as evidence of the WIFIA Loan, on parity with the Outstanding Junior Bonds; and

WHEREAS, as required by Tennessee Code Annotated Sections 9-21-301 et seq., the City Council, on the date hereof, adopted Resolution No. 31332 (the “Initial Resolution”), preliminarily authorizing the issuance of up to \$186,080,000 of sewer revenue bonds evidencing the WIFIA Loan.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, AS FOLLOWS:

ARTICLE I.
AUTHORITY; FINDINGS; DEFINITIONS

Section 1.1. Resolution Supplemental to the Sewer Bond Resolution. This First Supplemental Resolution is a Supplemental Resolution, as defined in the Sewer Bond Resolution, providing for the issuance of a series of Bonds thereunder.

Section 1.2. Findings. The City Council hereby finds that financing a portion of the costs of the Project pursuant to the WIFIA Loan, as evidenced by the Series 2022 Bond, is advisable because of the advantageous interest rate or rates available to the City from the WIFIA Lender. The City Council also hereby finds that the financing contemplated by the WIFIA Loan Agreement and Series 2022 Bond is permitted by and in accordance with the Debt Management Policy.

Section 1.3. Definition of Terms. Capitalized terms not otherwise defined herein shall have the meaning ascribed in the Sewer Bond Resolution. The following words and terms as used herein, whether or not capitalized, shall have the following meanings, unless the context or use indicates another or different meaning or intent, and such definitions shall be equally applicable to both the singular and plural forms of any of the words and terms herein defined:

Act means Tennessee Code Annotated Sections 7-34-101 et seq. and 9-21-101 et seq., as amended.

Charter means the Charter of the City, as amended.

Debt Management Policy means the debt management policy of the City adopted by the City Council on the date hereof, as may be hereafter amended.

First Supplemental Resolution means this Supplemental Resolution, which is the first resolution supplemental to the Sewer Bond Resolution.

Initial Resolution has the meaning ascribed in the preamble.

Paving Agent means the City Finance Officer of the City or such other officer of the City as may be designated by the Mayor.

Project has the meaning ascribed in the WIFIA Loan Agreement.

Series 2022 Bond means the Initial WIFIA Bond authorized by this First Supplemental Resolution, as evidence of the WIFIA Loan.

Sewer Bond Resolution has the meaning ascribed in the preamble.

WIFIA Lender means the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency, including any successors and assigns, as lender under the WIFIA Loan Agreement and purchaser of the Series 2022 Bond.

WIFIA Loan has the meaning ascribed in the preamble.

WIFIA Loan Agreement has the meaning ascribed in the preamble and is set forth in substantial form in Exhibit B attached hereto, with such modifications thereto as may be approved by the Mayor (whose signature thereon shall constitute conclusive evidence of such approval).

WIFIA Term Sheet means the term sheet by and between the City and the WIFIA Lender providing for the terms of the WIFIA Loan and is set forth in substantial form in Exhibit A attached hereto, with such modifications thereto as may be approved by the Mayor (whose signature thereon shall constitute conclusive evidence of such approval).

ARTICLE II.
AUTHORITY AND PLEDGE OF TRUST ESTATE

Section 2.1. **Authority.** For the purposes of financing a portion of the costs of the Project, the City shall execute, issue and deliver the WIFIA Loan Agreement and, as evidence of the WIFIA Loan made by the WIFIA Lender thereunder, the Series 2022 Bond to the WIFIA Lender, in an aggregate principal amount not to exceed \$186,080,000, all pursuant to, and in accordance with, the provisions of the Act, the Charter, the Initial Resolution, the Sewer Bond Resolution and other applicable provisions of law.

Section 2.2. **Pledge of Trust Estate.** The Series 2022 Bond shall be payable from and secured by the Trust Estate, as set forth in the Sewer Bond Resolution, on a parity and equality of lien with the Outstanding Junior Bonds.

ARTICLE III.
FORM AND TERMS OF WIFIA LOAN AGREEMENT AND SERIES 2022 BOND

Section 3.1. **Authorized Loan and Bonds.** The principal amount borrowed by the City pursuant to the WIFIA Loan shall not exceed \$186,080,000. Accordingly, the aggregate principal amount of the Series 2022 Bond that may be issued under this First Supplemental Resolution shall not exceed \$186,080,000. The Series 2022 Bond shall be a Junior Bond structured as a Drawdown Bond, and disbursements of proceeds of the Series 2022 Bond shall be made upon draws of such proceeds by the City, as needed, pursuant to the terms of the WIFIA Loan Agreement.

Section 3.2. **Form of Bonds.** The Series 2022 Bond shall be in the form set forth in the WIFIA Loan Agreement and with such appropriate variations, omissions, and insertions as are permitted or required by this First Supplemental Resolution, the blanks therein to be appropriately completed when the Series 2022 Bond is prepared, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto or as otherwise desired by the City.

Section 3.3. **Terms of the Bond.** The Series 2022 Bond shall be designated "Sewer Revenue Bond, Series 2022 (WIFIA ID – N21106TN)" or such other name or designation determined by the Mayor as may identify such Series 2022 Bond. The Series 2022 Bond shall bear interest, from the date specified therein, at a fixed rate calculated in the manner described in the WIFIA Term Sheet and subject to the Default Rate (as defined in the WIFIA Loan Agreement) in accordance with the WIFIA Loan Agreement, but in no event exceeding the maximum rate permitted under applicable law, such interest being payable semi-annually pursuant to the schedule provided in the WIFIA Loan Agreement. The Series 2022 Bond shall mature, subject to prepayment and redemption, in the manner, on the dates and in

such amounts as shall be provided in the WIFIA Loan Agreement. The terms of the WIFIA Loan are set forth in the WIFIA Loan Agreement.

Section 3.4. Remedies upon Default. Pursuant to Section 801 of the Sewer Bond Resolution, the remedies of the WIFIA Lender upon an Event of Default (as defined in the WIFIA Loan Agreement) shall be as specified in the WIFIA Loan Agreement, including, without limitation, the right to declare principal of the Series 2022 Bond then Outstanding, and the interest accrued thereon, to be due and payable immediately in accordance with the WIFIA Loan Agreement.

ARTICLE IV.
PAYING AGENT AND BOND REGISTRAR

The City hereby authorizes and directs the Paying Agent to serve in the capacity as paying agent and as Bond Registrar for the Series 2022 Bond and to maintain registration records with respect to the Series 2022 Bond, to authenticate and deliver the Series 2022 Bond at original issuance, upon transfer, or as otherwise directed by the City, to effect transfers, if any, of the Series 2022 Bond, to give all notices of redemption or prepayment as required, to make all payments of principal and interest with respect to the Series 2022 Bond, to cancel and destroy the Series 2022 Bond if and to the extent paid at maturity or upon earlier redemption or prepayment or submitted for exchange or transfer, to furnish the City at least annually a certificate of cancellation and destruction, if and to the extent applicable, and to furnish the City at least annually an audit confirmation of payments made and Outstanding with respect to the Series 2022 Bond, all in accordance with the terms of the WIFIA Loan Agreement.

ARTICLE V.
EXECUTION OF LOAN, SALE OF BOND AND APPLICATION OF PROCEEDS

Section 5.1. Execution of WIFIA Term Sheet and WIFIA Loan Agreement and Sale of the Series 2022 Bond.

(a) The Mayor is hereby authorized to execute and Clerk to attest the WIFIA Term Sheet and the WIFIA Loan Agreement with the WIFIA Lender. The Series 2022 Bond shall be sold by the Mayor to the WIFIA Lender, and issued to the WIFIA Lender upon execution of the WIFIA Loan Agreement, as evidence of the WIFIA Loan. The execution of the WIFIA Term Sheet and WIFIA Loan Agreement and sale and issuance of the Series 2022 Bond to the WIFIA Lender shall be binding on the City, and no further action of the City Council with respect thereto shall be required.

(b) The Mayor and the City Finance Officer are authorized to borrow equal to or less than the maximum principal amount permitted to be borrowed under the WIFIA Loan pursuant to Section 3.1 hereof. The Mayor and City Finance Officer, or either of them, are further authorized to make such modifications or adjustments to the Series 2022 Bond, as necessary, to correspond with the terms of the WIFIA Term Sheet and the WIFIA Loan Agreement, in accordance with the provisions herein.

(c) The Mayor is authorized to cause the Series 2022 Bond to be authenticated and delivered by the Paying Agent to the WIFIA Lender, and the Clerk is authorized to attest the execution of documents by the Mayor in connection therewith. The Mayor, the City Finance Officer, the Clerk, the City Attorney, or any other officer or employee of the City designated by the foregoing, are authorized to execute, publish, and deliver all certificates and documents, as shall be required by the WIFIA Lender or as such officers otherwise shall deem necessary or advisable in connection with the execution, sale and delivery of the WIFIA Loan Agreement and Series 2022 Bond.

Section 5.2. Disposition of Bond Proceeds. Proceeds of the Series 2022 Bond, as received, shall be deposited to a Project Account which is hereby established within the Construction Fund and which is designated as the "Series 2022 Project Account". Amounts on deposit in the Series 2022 Project Account shall be expended on costs of the Project in accordance with the terms of the WIFIA Loan Agreement and as permitted by the Sewer Bond Resolution.

ARTICLE VI.
MISCELLANEOUS

Section 6.1. Miscellaneous Acts. The appropriate officers of the City are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, deliver, and, if applicable file or record, or cause to be filed or recorded, in any appropriate public offices, all such documents, notices, instruments, and certifications, in addition to those acts, things, documents, instruments, and certifications hereinbefore authorized and approved, as may, in their discretion, be necessary or desirable to implement or comply with the intent of this First Supplemental Resolution, or any of the documents herein authorized and approved, or for the authorization, execution, issuance, and delivery by the City of the WIFIA Loan Agreement and Series 2022 Bond.

Section 6.2. No Recourse Under Resolution, WIFIA Loan Agreement or Series 2022 Bond. All stipulations, promises, agreements, and obligations of the City contained in the Initial Resolution, the Sewer Bond Resolution or this First Supplemental Resolution shall be deemed to be the stipulations, promises, agreements, and obligations of the City and not of any officer, director, or employee of the City in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Series 2022 Bond or the WIFIA Loan for any claim based thereon or on the Initial Resolution, the Sewer Bond Resolution or this First Supplemental Resolution against any officer, director, or employee of the City or against any official or individual executing the Series 2022 Bond or the WIFIA Loan Agreement.

Section 6.3. Partial Invalidity. If any one or more of the provisions of this First Supplemental Resolution, or of any exhibit or attachment hereto, shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, or of any exhibit or attachment hereto, but this First Supplemental Resolution, and the exhibits and attachments hereto, shall be construed the same as if such invalid, illegal, or unenforceable provision had never been contained herein, or therein, as the case may be.

Section 6.4. Conflicting Resolutions Repealed. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

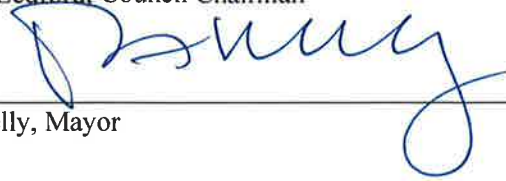
Section 6.5. Effective Date. This First Supplemental Resolution shall take effect from and after its adoption, the welfare of the City requiring it.

[signature page follows]

Duly passed and approved this October 18, 2022:



Darrin Ledford, Council Chairman



Tim Kelly, Mayor

WITNESS:



Nicole Gwyn, Clerk



EXHIBIT A

WIFIA TERM SHEET

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

[Date]

City of Chattanooga
101 East 11th Street
Chattanooga, Tennessee 37402

RE: WIFIA Term Sheet for the City of Chattanooga Wastewater Compliance and Sustainability Project (WIFIA ID - N21106TN)

Ladies and Gentlemen:

This WIFIA Term Sheet (this “**Term Sheet**”) constitutes (a) the approval of the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (hereinafter, the “**USEPA**”), of the application for credit assistance of the Borrower (as defined below) received April 7, 2022 (the “**Application**”) and (b) the agreement of USEPA to provide financing for the above-referenced project (as further described below, the “**Project**”) in the form of a secured loan (the “**WIFIA Loan**”), pursuant to the Water Infrastructure Finance and Innovation Act (“**WIFIA**”), § 5021 *et seq.* of Public Law 113-121 (as amended, and as may be further amended from time to time, the “**Act**”), codified as 33 U.S.C. §§ 3901-3915, subject in all respects to (i) the terms and conditions contained herein and (ii) the execution and delivery of the WIFIA loan agreement to be entered into on or after the date hereof (the “**WIFIA Loan Agreement**”) on the terms and conditions acceptable to the USEPA contained therein. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the WIFIA Loan Agreement.

By executing this Term Sheet, the Borrower confirms its agreement to reimburse USEPA for any and all fees and expenses that USEPA incurs for legal counsel, financial advice, and other consultants in connection with the evaluation of the Project and the negotiation and preparation of the WIFIA Loan 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 Tennessee, 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 WIFIA LOAN

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| WIFIA LENDER | United States Environmental Protection Agency, an agency of the United States of America, acting by and through the Administrator of the Environmental Protection Agency (the “ WIFIA Lender ”). |
| BORROWER | City of Chattanooga, a municipal corporation located in Hamilton County, Tennessee and organized and existing under the laws of the State of Tennessee (the “ Borrower ”). |
| PROJECT | The project is the Borrower’s Wastewater Compliance and Sustainability Project, located in Hamilton County, Tennessee, and consists of the following components: (a) E2I2 Environmental and Economic Infrastructure Improvements, (b) Moccasin Bend Wastewater Treatment Plant Solids Process Optimization and Thermal Hydrolysis Process, (c) Moccasin Bend Wastewater Treatment Plant Wet Weather Treatment Upgrades, and (d) Moccasin Bend Wastewater Treatment Plant Oxygen Plant Improvements (collectively, the “ Project ”), as described in further detail in the WIFIA Loan Agreement. |
| WIFIA LOAN AMOUNT | A maximum principal amount (sum of disbursements and excluding any capitalized interest) not to exceed \$186,080,000; <u>provided</u> that (a) the maximum principal amount of the WIFIA Loan, together with the amount of any other credit assistance provided under the Act, shall not exceed forty-nine percent (49%) of reasonably anticipated Eligible Project Costs, and (b) the total federal assistance for the Project, including but not limited to the maximum principal amount of the WIFIA Loan and all federal grants, shall not exceed eighty percent (80%) of Total Project Costs. |
| INTEREST RATE | <p>The WIFIA 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 WIFIA Loan) as published, on the execution date of the WIFIA Loan Agreement, in the United States Treasury Bureau of Public Debt’s daily rate table for State and Local Government Series (SLGS) securities.</p> <p>The WIFIA Loan shall also bear default interest at a rate of 500 basis points above the otherwise applicable interest rate,</p> |

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| | at such times and upon such terms as provided in the WIFIA Loan Agreement. |
| PAYMENT DATES | Principal and interest on the WIFIA Loan shall be repaid in accordance with the terms set forth in the WIFIA Loan Agreement. The debt service payment commencement date of the WIFIA Loan shall in no event be later than five (5) years after the Substantial Completion Date of the Project. |
| FINAL MATURITY DATE | The earliest of (a) September 1, 2061; (b) the date on which the maturity of the WIFIA Loan has been accelerated or subject to mandatory redemption or prepayment (as the case may be) (if applicable); and (c) the Principal Payment Date immediately preceding the date that is thirty-five (35) years following the Substantial Completion Date, which is projected to be December 31, 2026. |
| DEDICATED SOURCE OF REPAYMENT | The dedicated source of repayment for the WIFIA Loan shall be the Revenues of the System. |
| SECURITY AND LIEN PRIORITY | As evidence of the Borrower's obligation to repay the WIFIA Loan, the Borrower shall issue and deliver to the WIFIA Lender, as the registered owner, on or prior to the Effective Date, the WIFIA Bond. The WIFIA Bond shall be a Junior Bond entitled to all of the benefits of a Junior Bond under the Master Resolution Documents. The WIFIA Loan (and corresponding WIFIA Bond) shall be secured by the Borrower's pledge of the Trust Estate in accordance with the Master Resolution, equally and on parity with all other Junior Bonds. The Borrower's pledge of the Trust Estate is subject to the prior pledge of the Trust Estate in favor of any Additional Senior Bonds and subject to the provisions of the Master Resolution requiring or permitting the application thereof for the purposes and on the terms and conditions set forth in the Master Resolution. The Trust Estate is defined in Section 101 of the Master Resolution as the Revenues and amounts on deposit in all Funds and Accounts established by the Master Resolution (other than the Bond Reserve Accounts and the Tax Credit Payment Accounts within the Debt Service Fund). |

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| <p>RATE COVENANT</p> | <p>The Borrower shall comply with all requirements and conditions specified in Section 710 of the Master Resolution, which as of the Effective Date is summarized below and is set forth in full in the WIFIA Loan Agreement.</p> <p>Section 710 of the Master Resolution requires (as of the Effective Date and without limiting anything under the Master Resolution or the WIFIA Loan Agreement) that the Borrower shall at all times fix, establish, maintain, charge and collect rates, fees and charges for the use or the sale of the output, capacity or service of the System which shall be sufficient to produce Net Revenues in each Borrower Fiscal Year at least equal to the greatest of:</p> <ul style="list-style-type: none"> (a) 120% of the Debt Service Requirement (as defined in the Master Resolution) on the Outstanding Senior Bonds in such Borrower Fiscal Year; (b) 110% of the combined Debt Service Requirement on the Outstanding Senior Bonds and Outstanding Junior Bonds in such Borrower Fiscal Year; and (c) 100% of the sum of: <ul style="list-style-type: none"> (i) the Debt Service Requirement (as defined in the Master Resolution) on the Outstanding Bonds and Subordinated Indebtedness in such Borrower Fiscal Year; (ii) the amounts required to be paid during such Borrower Fiscal Year into the Bond Reserve Accounts (as defined in the Master Resolution) pursuant to the Master Resolution; and (iii) the amount of all other charges and liens whatsoever payable out of Revenues during such Borrower Fiscal Year, including payments in lieu of taxes and any payments required during such Borrower Fiscal Year under Contracts (as defined in the Master Resolution) to the extent not otherwise provided for in this clause (c). |
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ADDITIONAL
INDEBTEDNESS

The Borrower may not create, incur or suffer to exist (a) any Obligations (i) the payments with respect to which are senior or prior in right of payment by the Borrower of the WIFIA Loan, other than Additional Senior Bonds or (ii) secured by a Lien on the Pledged Collateral that is senior to the Lien on the Pledged Collateral in favor of the WIFIA Lender, other than Additional Senior Bonds or (iii) all or a portion of the proceeds of which are or will be applied at any time to fund all or any portion of Total Project Costs, that are secured by a Lien on any assets or property of the Borrower other than the Pledged Collateral or (b) any Senior Project Obligations.

The Borrower shall not incur any indebtedness of any kind payable from, secured or supported by the Pledged Collateral, including Permitted Debt, without the prior written consent of the WIFIA Lender, while an Event of Default relating to a Payment Default or a Bankruptcy Related Event with respect to the Borrower has occurred and is continuing.

The Borrower shall not issue or incur any Additional Senior Bonds or Additional Junior Bonds except in accordance with the Master Resolution, including all requirements and conditions set forth in the Additional Bonds Test. The Additional Bonds Test consists of the requirements and conditions set forth in Sections 202 and 204 of the Master Resolution, which Sections, as of the Effective Date, are summarized below and set forth in full in the WIFIA Loan Agreement.

The Additional Bonds Test requires (as of the Effective Date and without limiting anything under the Master Resolution or the WIFIA Loan Agreement) that the Borrower certify:

- (a) the amounts of Net Revenues for any twelve (12) consecutive month period within the twenty-four (24) consecutive months immediately preceding the date of issuance of the Additional Senior Bonds or Additional Junior Bonds, as applicable, with respect to which such certificate is being given;
- (b) if Additional Senior Bonds are to be issued, that the Net Revenues for such 12-month period were at least equal to 120% of the maximum Debt Service Requirement (as defined in the Master Resolution) on

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| | <p>the Senior Bonds in any future Borrower Fiscal Year (calculated with respect to all Senior Bonds then Outstanding and the Additional Senior Bonds with respect to which such certificate is given) and also stating that if such Additional Senior Bonds were issued as Additional Junior Bonds, then the following clause (c) would also be met;</p> <p>(c) if Additional Junior Bonds are to be issued, that the Net Revenues for such 12-month period were at least equal to 110% of the maximum Debt Service Requirement (as defined in the Master Resolution) on the Bonds in any future Borrower Fiscal Year (calculated with respect to all Bonds then Outstanding and the Additional Junior Bonds with respect to which such certificate is given); and</p> <p>(d) solely with respect to Refunding Bonds (as defined in the Master Resolution) and in lieu of the foregoing requirements, that the Debt Service Requirement (as defined in the Master Resolution) with respect to such Refunding Bonds does not exceed in each Borrower Fiscal Year the Debt Service Requirement with respect to the Bonds being refunded.</p> <p>The Borrower shall not issue or incur any Additional Subordinated Indebtedness except for Additional Subordinated Indebtedness which (a) is secured by a pledge of Revenues which is fully subordinated in all respects to the pledge of the Pledged Collateral in favor of the Bonds, (b) has a right of payment and is payable in the Flow of Funds on a basis subordinate to the priority of payment of the Bonds, and (c) except to the extent agreed to by the WIFIA Lender in writing and in its discretion in connection with the establishment by the Borrower of a commercial credit program that otherwise qualifies as Additional Subordinated Indebtedness, does not have a right to accelerate without the consent of the WIFIA Lender.</p> |
| <p>RESTRICTED PAYMENTS AND TRANSFERS</p> | <p>The Borrower shall not permit Revenues or other assets of the System, or any funds in any accounts held under the Master Resolution or in any other fund or account held by or on behalf of the Borrower with Revenues on deposit therein, to be paid or transferred or otherwise applied for purposes</p> |

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| | <p>other than ownership, operation or maintenance of the System; <u>provided, however</u>, that so long as no Payment Default or failure of compliance with the Rate Covenant has occurred and is continuing, the Borrower may use Revenues or other assets of the System, or any funds in any accounts held under the Master Resolution or in any other fund or account held by or on behalf of the Borrower with Revenues on deposit therein for the purpose of making payments in lieu of taxes pursuant to Tennessee Code Annotated Section 7-34-115.</p> |
| <p>WIFIA LOAN DOCUMENTATION</p> | <p>The WIFIA Loan shall be subject to the preparation, execution and delivery of the WIFIA Loan Agreement, the WIFIA Bond and any other loan documentation required by the WIFIA Lender in connection therewith, in each case acceptable to the WIFIA 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 WIFIA Lender and the Borrower.</p> |

[Signature pages follow]

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

Sincerely,

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

By: _____

Name: Michael S. Regan

Title: Administrator

*[Signature page to the City of Chattanooga Wastewater Compliance and Sustainability Project –
WIFIA Term Sheet]*

THIS DRAFT DOCUMENT IS NOT A CONTRACT OR AN OFFER TO ENTER INTO A CONTRACT. IT HAS NOT BEEN APPROVED BY THE ENVIRONMENTAL PROTECTION AGENCY ("USEPA") AND DOES NOT INDICATE A COMMITMENT BY USEPA 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.

3699899.7 046005 CTR

ACKNOWLEDGED AND AGREED:

CITY OF CHATTANOOGA
by its authorized representative

By: _____
Name: Tim Kelly
Title: Mayor

APPROVED AS TO FORM:

By: _____
Name:
Title: City Attorney

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3699899.7 046005 CTR

*[Signature page to the City of Chattanooga Wastewater Compliance and Sustainability Project –
WFLA Term Sheet]*

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3699899.7 046005 CTR

EXHIBIT B

WIFIA LOAN AGREEMENT

33878584.3



EPA/Hawkins Draft: 10/3/2022

WIFIA CUSIP Number: []

**UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY**

WIFIA LOAN AGREEMENT

For Up to \$186,080,000

With

CITY OF CHATTANOOGA

For the

**CITY OF CHATTANOOGA WASTEWATER COMPLIANCE
AND SUSTAINABILITY PROJECT
(WIFIA ID – N21106TN)**

Dated as of November [], 2022

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EXHIBIT B – Form of Closing Certificate
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EXHIBIT D – Form of Requisition
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EXHIBIT H-1 – Opinions Required from General Counsel
EXHIBIT H-2 – Opinions Required from Bond Counsel

WIFIA LOAN AGREEMENT

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

RECITALS:

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

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

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

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

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

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

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

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

ARTICLE I

DEFINITIONS AND INTERPRETATION

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

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

“**Additional Bonds Test**” has the meaning ascribed to such term in **Part D of Schedule I** (*WIFIA Loan Specific Terms*).

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

“**Additional Obligations**” means Additional Senior Bonds, Additional Junior Bonds and Additional Subordinated Indebtedness.

“**Additional Junior Bonds**” means any Junior Bonds permitted under Section 15(a) (*Indebtedness*) and under the Master Resolution, which Junior Bonds are issued or incurred after the Effective Date.

“**Additional Senior Bonds**” means any Senior Bonds permitted under Section 15(a) (*Indebtedness*) and under the Master Resolution, which Senior Bonds are issued or incurred after the Effective Date.

“**Additional Subordinated Indebtedness**” means any Subordinated Indebtedness permitted under Section 15(a) (*Indebtedness*) and under the Master Resolution, which Subordinated Indebtedness is issued or incurred after the Effective Date.

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

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

“**Application**” means the Borrower’s application for WIFIA financial assistance received by the WIFIA Lender on the Application Receipt Date.

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

“**Bankruptcy Related Event**” means, with respect to any Person, (a) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of such Person or any of its debts, or of a substantial part of the assets thereof, under any Insolvency Laws, or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for such Person or for a

substantial part of the assets thereof and, in any case referred to in the foregoing subclauses (i) and (ii), such proceeding or petition shall continue undismitted for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered; (b) such Person shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official therefor or for a substantial part of the assets thereof, (ii) generally not be paying its debts as they become due unless such debts are the subject of a bona fide dispute, or become unable to pay its debts generally as they become due, (iii) solely with respect to the Borrower, fail to make a payment of WIFIA Debt Service in accordance with the provisions of Section 8 (*Repayments*) and such failure is not cured within thirty (30) days following notification by the WIFIA Lender of failure to make such payment, (iv) make a general assignment for the benefit of creditors, (v) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (a) of this definition, (vi) commence a voluntary proceeding under any Insolvency Law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief, in each case under any Insolvency Law, (vii) file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing subclauses (i) through (v), inclusive, of this clause (b), or (viii) take any action for the purpose of effecting any of the foregoing, including seeking approval or legislative enactment by any Governmental Authority to authorize commencement of a voluntary proceeding under any Insolvency Law; (c) (i) any Person shall commence a process pursuant to which all or a substantial part of the Pledged Collateral may be sold or otherwise disposed of in a public or private sale or disposition pursuant to a foreclosure of the Liens thereon securing the Obligations, or (ii) any Person shall commence a process pursuant to which all or a substantial part of the Pledged Collateral may be sold or otherwise disposed of pursuant to a sale or disposition of such Pledged Collateral in lieu of foreclosure; or (d) any receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official shall transfer, pursuant to directions issued by the holders of the Obligations, funds on deposit in any of the System Accounts upon the occurrence and during the continuation of an Event of Default under this Agreement or an event of default under the Master Resolution Documents for application to the prepayment or repayment of any principal amount of the Obligations other than in accordance with the provisions of the Master Resolution.

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

“**Bond**” means, collectively, any Senior Bond and Junior Bond.

“**Borrower**” has the meaning ascribed to such term in **Part A of Schedule I** (*Loan Specific 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 WIFIA Lender in accordance with **Part E of Schedule V** (*Reporting Requirements*).

“Borrower’s Authorized Representative” means any Person who shall be designated as such pursuant to Section 21 (*Borrower’s Authorized Representative*).

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

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

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

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

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

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

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

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

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

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

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

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

“**Development Default Date**” has the meaning ascribed to such term in **Part B of Schedule I** (*WIFIA Loan Specific Terms*).

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

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

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

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

- (a) development-phase activities, including planning, feasibility analysis (including any related analysis necessary to carry out an eligible project), revenue forecasting, environmental review, permitting, preliminary engineering and design work and other preconstruction activities;
- (b) construction, reconstruction, rehabilitation, and replacement activities;
- (c) the acquisition of real property or an interest in real property (including water rights, land relating to the Project and improvements to land), environmental mitigation (including acquisitions pursuant to 33 U.S.C. §3905(8)), construction contingencies, and acquisition of equipment; or

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

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

“Eligible Project Costs Documentation” means all supporting documentation with respect to the Eligible Project Costs, including copies of invoices and records evidencing incurred or previously paid Eligible Project Costs, which documentation should contain sufficient detail satisfactory to the WIFIA Lender (e.g. if the Borrower intends to utilize WIFIA Loan proceeds to make construction progress payments for Eligible Project Costs, the documentation should demonstrate that such progress payments are commensurate with the cost of the work that has been completed).

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

“EPA” has the meaning provided in the preamble hereto.

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

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

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

“Existing Indebtedness” means indebtedness of the Borrower that has been issued or incurred prior to the Effective Date, as listed and described in **Part A of Schedule III** (*Borrower Disclosures*).

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

“Federal Government” means the U.S. and its departments and agencies.

“FEIN” means a Federal Employer Identification Number.

“Final Disbursement Date” means the earliest of (a) the date on which the WIFIA Loan has been disbursed in full; (b) the last anticipated date of disbursement set forth in the then-current WIFIA Loan Disbursement Schedule; (c) the date as of which the Borrower has certified to the WIFIA Lender that it will not request any further disbursements under the WIFIA Loan; (d) the

date on which the WIFIA Lender terminates its obligations relating to disbursements of any undisbursed amounts of the WIFIA Loan in accordance with Section 17 (*Events of Default and Remedies*); and (e) the date that is one (1) year after the Substantial Completion Date.

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

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

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

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

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

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

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

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

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

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

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

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

“**Investment Grade Rating**” means a rating of ‘BBB-’, ‘Baa3’, ‘bbb-’, or ‘BBB (low)’, or higher, from a Nationally Recognized Rating Agency.

“**Junior Bond**” has the meaning ascribed to such term in **Part D of Schedule I** (*WIFIA Loan Specific Terms*).

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

“**Lien**” means any mortgage, pledge, hypothecation, assignment, mandatory deposit arrangement, encumbrance, attachment, lien (statutory or other), charge or other security interest, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever, including any sale-leaseback arrangement, any conditional sale or other title retention agreement, any financing lease having substantially the same effect as any of the foregoing, and the filing of any financing statement or similar instrument under the UCC or any other applicable law.

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

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

“**Master Resolution Documents**” means the Master Resolution, each Supplemental Resolution, and each other agreement, instrument and document executed and delivered pursuant to or in connection with any of the foregoing.

“**Material Adverse Effect**” means a material adverse effect on (a) the System, the Project or the Revenues, (b) the business, operations, properties, condition (financial or otherwise) or prospects of the Borrower, (c) the legality, validity or enforceability of any material provision of any Master Resolution Document or WIFIA Loan Document, (d) the ability of the Borrower to

enter into, perform or comply with any of its material obligations under any Master Resolution Document or WIFIA Loan Document, (e) the validity, enforceability or priority of the Liens provided under the Master Resolution Documents on the Pledged Collateral or (f) the WIFIA Lender's rights or remedies available under any WIFIA Loan Document.

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

"Nationally Recognized Rating Agency" means any nationally recognized statistical rating organization registered with, and identified as such by, the Securities and Exchange Commission.

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

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

"Net Revenues" means, for any period, the Revenues during such period, minus the Operation and Maintenance Expenses during such period.

"Obligations" means debt of the Borrower that is secured by a pledge and lien on all or a portion of the Revenues, including the Junior Bonds, any Senior Bonds and any Subordinated Indebtedness.

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

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

"Organizational Documents" means: (a) the constitutional and statutory provisions that are the basis for the existence and authority of the Borrower, including any enabling statutes, ordinances or public charters and any other organic 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.

"Other Financing Documents" means any agreement, instrument, or document (excluding the Master Resolution Documents and the WIFIA Loan Documents) entered into between the Borrower and a holder of Obligations providing for the issuance of Obligations or otherwise governing any terms or conditions relating to Obligations.

"Outstanding" means (a) with respect to Obligations other than the WIFIA Loan, Obligations that have not been cancelled or legally defeased or discharged within the meaning of the Master Resolution, and (b) with respect to the WIFIA Loan, the (i) entire amount available to

be drawn under this Agreement (including amounts drawn and amounts that remain available to be drawn), less (ii) any amount that has been irrevocably determined will not be drawn under this Agreement, less (iii) the aggregate principal amount of the WIFIA Loan Balance that has been repaid or prepaid.

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

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

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

“**Permitted Debt**” means:

- (a) Existing Indebtedness;
- (b) the WIFIA Loan;
- (c) Additional Senior Bonds that satisfy the requirements of Section 15(a) (*Indebtedness*) and the Master Resolution;
- (d) Additional Junior Bonds that satisfy the requirements of Section 15(a) (*Indebtedness*) and the Master Resolution;
- (e) Additional Subordinated Indebtedness that satisfy the requirements of Section 15(a) (*Indebtedness*) and the Master Resolution; and
- (f) indebtedness incurred in respect of credit facility agreements or hedging transactions permitted under the Master Resolution and the WIFIA Loan Documents.

“**Permitted Investments**” has the meaning set forth for the term “Investment Securities” in the Master Resolution.

“**Permitted Liens**” means:

- (a) Liens imposed pursuant to the WIFIA Loan Documents;
- (b) Liens imposed in respect of Permitted Debt;
- (c) Liens imposed by law, including Liens for taxes that are not yet due or are being contested in compliance with Section 14(j) (*Material Obligations*);
- (d) carriers’, warehousemen’s, mechanics’, materialmen’s, repairmen’s and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than thirty (30) days or are being contested in compliance with Section 14(j) (*Material Obligations*);

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

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

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

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

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

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

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

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

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

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

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

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

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

“**Related Documents**” means the WIFIA Loan Documents, the Master Resolution Documents and the Other Financing Documents.

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

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

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

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

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

“**Senior Bond**” has the meaning ascribed to such term in **Part D of Schedule I** (*WIFIA Loan Specific Terms*).

“**Senior Project Obligations**” means any Senior Bond of which all or a portion of the proceeds are applied at any time to fund all or any portion of Total Project Costs.

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

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

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

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

“**Subordinated Indebtedness**” has the meaning ascribed to such term in **Part D of Schedule I** (*WIFIA Loan Specific Terms*).

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

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

“**Supplemental Resolution**” means any resolution supplemental to or amendatory of the Master Resolution adopted by the Borrower in accordance with the Master Resolution, authorizing the issuance of Additional Obligations or amending the terms of the Master Resolution.

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

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

“**Total Project Costs**” means (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 the Project, including legal, administrative, engineering, planning, design, insurance and financing (including costs of issuance); (b) amounts, if any, required by the Master Resolution Documents or the WIFIA Loan Documents to be paid into any fund or account upon the incurrence of the WIFIA Loan or any other Obligations, in each case in respect of the Project; (c) payments when due (whether at the maturity of principal, the due date of interest, or upon optional or mandatory prepayment) in respect of any indebtedness of the Borrower (other than the WIFIA Loan), in each case in connection with the acquisition, design, construction and equipping of the Project; and (d) costs of equipment and supplies and initial working capital and reserves required by the Borrower for the commencement of operation of the 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** (*WIFIA Loan Specific Terms*), or if designated as “Not Applicable” in **Schedule I**, means a trustee shall not be applicable with respect to the WIFIA Loan hereunder.

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

“**UEI**” means, with respect to any Person, a Unique Entity ID issued by the Federal Government through SAM.gov as the unique entity identifier for such Person.

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

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

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

“**WIFIA Bond**” has, if applicable, the meaning ascribed to such term in **Part D of Schedule I** (*WIFIA Loan Specific Terms*), or if designated as “Not Applicable” in **Schedule I**, means a bond as evidence of the Borrower’s Obligation shall not be applicable with respect to the WIFIA Loan hereunder.

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

“**WIFIA Debt Service**” means with respect to any Payment Date occurring on or after the Debt Service Payment Commencement Date, the principal portion of the WIFIA Loan Balance and any interest payable thereon (including interest accruing after the date of any filing by 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 WIFIA Loan Amortization Schedule and (b) due and payable on such Payment Date in accordance with the provisions of Section 8(a) (*Payment of WIFIA Debt Service*).

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

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

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

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

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

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

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

“WIFIA Loan Amortization Schedule” means the loan amortization schedule reflected in **Schedule VI** (*WIFIA Loan Amortization Schedule*), as amended from time to time in accordance with Section 8(c) (*Adjustments to WIFIA Loan Amortization Schedule*).

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

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

“WIFIA Loan Documents” means this Agreement, the WIFIA Bond, the WIFIA Supplemental Resolution, and the Master Resolution.

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

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

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

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

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

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

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

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

ARTICLE II

THE WIFIA LOAN

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

Section 4. Disbursement Conditions.

(a) WIFIA Loan proceeds shall be disbursed solely in respect of Eligible Project Costs paid or incurred and approved for payment by or on behalf of the Borrower in connection with the Project, including, for the avoidance of doubt, Eligible Project Costs that were initially funded with Interim Financing proceeds. Each Disbursement of the WIFIA Loan shall be made pursuant to the procedures of **Schedule IV** (*Requisition Procedures*) and subject to the requirements of this Section 4 and the conditions set forth in Section 11(b) (*Conditions Precedent to Disbursements*); provided, that no Disbursements shall be made after the Final Disbursement Date.

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

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

Section 6. Interest Rate. The Borrower shall pay interest on the WIFIA Loan Balance at the WIFIA Interest Rate; provided, that, upon written notice from the WIFIA Lender pursuant to Section 17(c) (*Events of Default and Remedies*) to apply the Default Rate under this Section 6, the Borrower shall pay interest on the WIFIA Loan Balance at the Default Rate, (a) in the case of any Payment Default, from (and including) its due date to (but excluding) the date of actual payment of the overdue amount of principal of the WIFIA Loan and accrued interest thereon and (b) in the case of any other Event of Default, from (and including) the date of the occurrence of such Event of Default to (but excluding) the earlier of the date on which (i) such Event of Default has been cured (if applicable) in accordance with the terms of this Agreement or waived by the WIFIA Lender and (ii) the WIFIA Loan Balance has been irrevocably paid in full in immediately available funds. Interest shall (x) accrue on the WIFIA Loan commencing on the date of the first disbursement of the WIFIA Loan, (y) be payable commencing on the Debt Service Payment Commencement Date and (z) be computed on the WIFIA Loan Balance on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months.

Section 7. Security and Priority; Flow of Funds.

(a) As security for the WIFIA Loan, and concurrently with the issuance and delivery of this Agreement, the Borrower has pledged, assigned and granted to the WIFIA Lender for its benefit, Liens on the Pledged Collateral to the extent and in the manner and priority set forth in the WIFIA Loan Documents. The Lien on the Pledged Collateral to secure the WIFIA Loan (and corresponding WIFIA Bond) for the benefit of the WIFIA Lender is and shall be (i) on a parity in right of payment and right of security to the Lien on the Pledged Collateral in favor of all other Junior Bonds, (ii) senior in right of payment and right of security to the Lien on the Pledged Collateral in favor of any Subordinated Indebtedness and (iii) subordinate only (except as otherwise required by law) to the Lien on the Pledged Collateral in favor of any Additional Senior Bonds. As evidence of the Borrower's obligation to repay the WIFIA Loan, the Borrower shall issue and deliver to the WIFIA Lender, as the registered owner, on or prior to the Effective Date, the WIFIA Bond. The WIFIA Bond shall be a Junior Bond entitled to all of the benefits of a Junior Bond under the Master Resolution Documents.

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

Section 8. Repayments.

(a) Payment of WIFIA Debt Service.

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

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

(iii) If a Capitalized Interest Period is applicable as set forth in **Part C of Schedule I** (*WIFIA Loan Specific Terms*), during the Capitalized Interest Period, no payment of principal or interest on the WIFIA Loan will be required to be made. On each Interest Payment Date occurring during the Capitalized Interest Period (including the day immediately following the end of the Capitalized Interest Period), interest accrued and not paid on the WIFIA Loan during each such six (6) month period shall be capitalized and added to the WIFIA Loan Balance, as set forth in the WIFIA Loan Amortization Schedule. Within thirty (30) days after the end of the Capitalized Interest Period, the WIFIA Lender shall give written notice to the Borrower stating the WIFIA Loan Balance as of the close of business on the last day of the Capitalized Interest Period, which statement thereof shall be deemed conclusive absent manifest error; provided, however, that no failure to give or delay in giving such notice shall affect any of the obligations of the Borrower hereunder or

under any of the other WIFIA Loan Documents. Notwithstanding the foregoing, the Capitalized Interest Period shall end immediately upon written notification to the Borrower by the WIFIA Lender that an Event of Default has occurred and that the WIFIA Lender is ending the Capitalized Interest Period, in which case interest shall no longer be capitalized, payments of interest shall be due and payable beginning on the next Interest Payment Date and payments of principal shall be due and payable beginning on the next Principal Payment Date, in each case in accordance with the terms hereof.

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

(v) Any defeasance of the WIFIA Loan in accordance with Section 1201 (*Defeasance*) of the Master Resolution and applicable law shall not be deemed a repayment or prepayment of the WIFIA Loan in full, and the Borrower shall comply with all of its obligations hereunder and under the other WIFIA Loan Documents (other than with respect to payments of WIFIA Debt Service, which payments shall continue to be made in accordance with the WIFIA Loan Amortization Schedule by the succeeding entity assuming the Borrower's payment obligations), unless otherwise agreed by the WIFIA Lender, until the irrevocable payment in full in immediately available funds of the WIFIA Loan Balance, together with all accrued interest, fees and expenses with respect thereto.

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

(c) Adjustments to WIFIA Loan Amortization Schedule.

(i) The WIFIA Lender may, from time to time, modify the WIFIA Loan Amortization Schedule included in **Schedule VI** (*WIFIA Loan Amortization Schedule*) to reflect (A) any change to the WIFIA Loan Balance, (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 in accordance with this Agreement, (C) any mathematical corrections as the WIFIA Lender may determine are necessary, and (D) with the consent of the Borrower (not to be unreasonably withheld), such other information as the WIFIA Lender may determine is necessary for administering the WIFIA Loan and this Agreement. Any calculations described above shall be rounded up to the nearest whole cent. Any adjustments or revisions to the WIFIA Loan Amortization Schedule as a result of a decrease in the WIFIA Loan Balance shall be applied to reduce future payments due on the WIFIA Loan in inverse order of maturity, other than prepayments which shall be applied in accordance with Section 9(b) (*General Prepayment Instructions*). If the WIFIA Loan

Amortization Schedule is modified pursuant to this Section 8(c), the WIFIA Lender shall provide the Borrower with a copy of such revised WIFIA 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 WIFIA Loan Documents. The WIFIA 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 WIFIA Loan Balance as of the date of such notice. Absent manifest error, the WIFIA Lender's determination of the WIFIA Loan Balance and all matters as set forth on the WIFIA Loan Amortization Schedule shall be deemed conclusive evidence thereof; provided, that neither the failure to make any such determination, 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 WIFIA Loan Document.

(ii) The Borrower shall have the right to propose modifications to the WIFIA Loan Amortization Schedule with respect to the WIFIA Loan exercisable once on or prior to the date that is forty-five (45) days preceding the Debt Service Payment Commencement Date, such modifications to be submitted by the Borrower to the WIFIA Lender in an updated **Schedule VI** (*WIFIA Loan Amortization Schedule*) with adjustments to the column titled "Principal Payment as a % of Aggregate Amount of All Disbursements"; provided, that (x) the form of and any modification to the WIFIA Loan Amortization Schedule shall be subject to approval by the WIFIA Lender in its sole discretion, (y) the weighted average life of the WIFIA Loan shall not exceed thirty (30) years measured as of the initial disbursement date of the WIFIA Loan and (z) the WIFIA Loan Amortization Schedule shall comply with all applicable requirements under this Agreement and law and be approved by bond counsel to the Borrower.

Section 9. Prepayment.

(a) Optional Prepayments. The Borrower may prepay the WIFIA Loan, without penalty or premium, (i) in full on any date on or after the Final Disbursement Date or (ii) in part on any Payment Date on or after the Final Disbursement Date (and, if in part, the amounts thereof to be prepaid shall be determined by the Borrower; provided, that such prepayment shall be in principal amounts of \$500,000 or any integral multiple of \$1.00 in excess thereof), in each case from time to time but not more than once annually in accordance with 33 U.S.C. § 3908(c)(4)(A). The Borrower may make such prepayment by paying to the WIFIA Lender such principal amount of the WIFIA Loan to be prepaid, together with the unpaid interest accrued on the amount of principal so prepaid to the date of such prepayment and all fees and expenses then due and payable to the WIFIA Lender. Each prepayment of the WIFIA Loan pursuant to this Section 9(a) 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 WIFIA Lender not less than thirty (30) days prior to the requested date of prepayment, unless otherwise agreed by the WIFIA Lender. At any time between delivery of such written notice and the applicable optional prepayment, the Borrower may, without penalty or premium, rescind its announced optional prepayment by further written notice to the WIFIA Lender. Anything in this Section 9(a) to the contrary notwithstanding, the failure by the Borrower to make any optional prepayment shall not constitute a breach or default under this Agreement.

(b) General Prepayment Instructions. Upon the WIFIA Lender's receipt of confirmation that payment in full in immediately available funds of the entire WIFIA Loan Balance and any unpaid interest, fees and expenses with respect thereto has occurred as a result of a prepayment, the WIFIA Lender shall surrender the WIFIA Bond to the Borrower or its authorized representative, by mail in accordance with Section 31 (*Notices*) or as otherwise agreed between the parties hereto. If the Borrower prepays only part of the unpaid balance of principal of the WIFIA Loan, the WIFIA Lender may make a notation on the WIFIA Loan Amortization Schedule indicating the amount of principal of and interest on the WIFIA Loan then being prepaid. Absent manifest error, the WIFIA Lender's determination of such matters as set forth on an updated WIFIA Loan Amortization Schedule shall be conclusive evidence thereof; provided, that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner the Borrower's obligations hereunder or under any other WIFIA Loan Document. All partial prepayments of principal shall be applied to reduce the WIFIA Loan Balance such that the remaining scheduled principal payments for the WIFIA Loan set out in the WIFIA Loan Amortization Schedule are reduced substantially *pro rata*. If such funds have not been so paid on the prepayment date, such principal amount of the WIFIA Loan shall continue to bear interest until payment thereof at the rate provided for in Section 6 (*Interest Rate*).

(c) Mandatory Prepayment Upon or Prior to Issuance or Existence of Senior Project Obligations. The Borrower shall prepay one hundred percent (100%) of the WIFIA Loan Balance in full in immediately available funds upon the incurrence or existence of any Senior Project Obligations. Such prepayment shall be made prior to or concurrently with the incurrence, application or existence of such Senior Project Obligations and shall include all accrued and unpaid interest on the amount to be prepaid to the date of prepayment, without prepayment premium, and shall further include payment of all other Obligations in respect of the WIFIA Loan, including fees and expenses, then due and payable. The Borrower shall provide written notice to the WIFIA Lender not less than thirty (30) days prior to the date on which the Borrower expects to issue Senior Project Obligations, and the anticipated date of the proposed mandatory prepayment; provided, that the Borrower's failure to deliver such notice shall not diminish, impair or otherwise affect the Borrower's obligation to make such mandatory prepayment as and when the circumstances requiring such mandatory prepayment have occurred.

Section 10. Fees and Expenses.

(a) Fees. The Borrower shall pay to the WIFIA Lender:

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

(ii) the Construction Period Servicing Fee, which shall accrue on the first Business Day of the then-current Federal Fiscal Year and shall be due and payable on or prior to each November 15 during the period beginning from the Effective Date through (and including) the end of the Federal Fiscal Year during which the Substantial Completion Date occurs; provided, that the Initial Construction Period Servicing Fee shall be due and payable within thirty (30) days after receipt by the Borrower of an invoice from the WIFIA

Lender with respect thereto (or, if earlier, the date of the first Disbursement of the WIFIA Loan); and

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

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

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

(d) The obligations of the Borrower under this Section 10 shall survive the payment or prepayment in full or transfer of the WIFIA Bond, the enforcement of any provision of this Agreement or the other WIFIA Loan Documents, any such amendments, waivers or consents, any Event of Default, and any such workout, restructuring, or similar arrangement.

ARTICLE III

CONDITIONS PRECEDENT

Section 11. Conditions Precedent.

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

(i) The Borrower shall have duly executed and delivered to the WIFIA Lender this Agreement, the WIFIA Bond, and the WIFIA Supplemental Resolution, each in form and substance satisfactory to the WIFIA Lender.

(ii) The Borrower shall have delivered to the WIFIA Lender complete and fully executed copies of (A) the Master Resolution, together with any amendments, supplements, waivers or modifications thereto (but excluding any document that solely provides for the issuance or incurrence of Obligations) and (B) any Related Document with respect to which all or a portion of the proceeds are or will be applied to fund all or any portion of Total Project Costs, in each case that has been entered into on or prior to the Effective Date, along with a certification in the Closing Certificate that each such document is complete, fully executed and in full force and effect, and that all conditions contained in the Related Documents that are necessary to the closing of the WIFIA transaction contemplated hereby (if any) have been fulfilled.

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

(iv) Counsel to the Borrower shall have rendered to the WIFIA Lender legal opinions satisfactory to the WIFIA Lender in its sole discretion (including those opinions set forth on **Exhibit H-1** (*Opinions Required from General Counsel to Borrower*)) and bond counsel to the Borrower shall have rendered to the WIFIA Lender legal opinions satisfactory to the WIFIA Lender in its sole discretion (including those opinions set forth on **Exhibit H-2** (*Opinions Required from Bond Counsel to Borrower*)).

(v) The Borrower shall have delivered to the WIFIA 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 certain conditions precedent (and, if requested by the WIFIA Lender, has provided evidence satisfactory to the WIFIA Lender of such satisfaction), including the following:

(A) as of the Effective Date, (1) the Maximum Principal Amount, together with the amount of any other credit assistance provided under the Act to the Borrower, does not exceed forty-nine percent (49%) of

reasonably anticipated Eligible Project Costs; (2) the aggregate amount of Eligible Project Costs previously incurred prior to the Effective Date does not exceed fifty-one percent (51%) of Eligible Project Costs; and (3) the total federal assistance provided to the Project, including the Maximum Principal Amount, does not exceed eighty percent (80%) of Total Project Costs;

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

(C) the Borrower has (1) obtained a FEIN (as evidenced by the delivery of a copy of the Borrower's W-9), (2) obtained a UEI, and (3) registered with, and obtained confirmation of active SAM registration status;

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

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

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

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

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

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

(ix) The Borrower shall have delivered to the WIFIA Lender duly executed copies of all consents that are required from the Tennessee Local Development Authority under the State Revolving Fund Loans (as defined in the Master Resolution) in effect as of the Effective Date for the incurrence of the WIFIA Loan and the issuance of the WIFIA Bond pursuant to the WIFIA Loan Documents, which consents shall be in form

and substance satisfactory to the WIFIA Lender, along with a certification in the Closing Certificate that all such consents shall have been delivered to the WIFIA Lender.

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

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

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

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

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

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

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

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

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

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

(ii) If applicable, to the extent necessary to make the representations and warranties in Section 12(f) (*Litigation*) and 12(j)(iii) (*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*).

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

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 12. Representations and Warranties of Borrower. The Borrower hereby represents and warrants that, as of the Effective Date and, as to each of the representations and warranties below other than those contained in Section 12(b) (*Officers' Authorization*) and the first sentence of Section 12(m) (*Construction Contracts*), as of each date on which any Disbursement of the WIFIA Loan is requested or made:

(a) Organization; Power and Authority. The Borrower is a Legal Entity duly organized and validly existing under its Organizational Documents and the laws of the State, has full legal right, power and authority to do business in the State and to enter into the WIFIA Loan Documents then in existence, to execute and deliver this Agreement and the WIFIA Bond, and to

carry out and consummate all transactions contemplated hereby and thereby and has duly authorized the execution, delivery and performance of this Agreement, the WIFIA Bond, and the other WIFIA Loan Documents. Other than such Organizational Documents and the Master Resolution Documents, there are no additional instruments or documents necessary for the Borrower to execute and deliver, or to perform its obligations under, the WIFIA Loan Documents to which it is a party and to consummate and implement the transactions contemplated by the WIFIA Loan Documents.

(b) Officers' Authorization. As of the Effective Date, the officers of the Borrower executing (or that previously executed) the WIFIA 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 WIFIA 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 and delivered 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, moratorium or similar laws affecting the rights of creditors generally and (ii) is subject to general principles of equity (regardless of whether enforceability is considered in equity or at law).

(d) Non-Contravention. The execution and delivery of the WIFIA Loan Documents to which the Borrower is a party, the consummation of the transactions contemplated by the WIFIA Loan Documents, and the fulfillment of or compliance with the terms and conditions of all of the WIFIA Loan Documents, do not and will not (i) conflict with 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 and required as of any subsequent date on which this representation is made (or deemed made) for the undertaking, construction and completion by the Borrower of the Project and the operation and maintenance of the System, and to execute and deliver and perform its obligations under the WIFIA Loan Documents and the Construction Contracts, have been obtained or effected and are in full force and effect. 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 WIFIA Loan Documents and the consummation of any transaction contemplated thereunder, except as have been obtained or made and as are in full force and effect.

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

(g) Security Interests. (i) The Master Resolution Documents 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 WIFIA 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 the Master Resolution Documents, irrespective of whether any Person has notice of the pledge and without the need for any physical delivery, recordation, filing, or further act, and if applicable, the security interests created in the Pledged Collateral have been duly perfected under applicable State law. Such Liens are in full force and effect and are not subordinate or junior to any other Liens in respect of the Pledged Collateral, subject to the Liens on the Pledged Collateral in favor of any Additional Senior Bonds, and not *pari passu* with any Liens other than the Liens on the Pledged Collateral in favor of the Junior Bonds. The Borrower is not in breach of any covenant set forth in Section 14(b) (*Securing Liens*) or in the Master Resolution Documents with respect to the matters described in Section 14(b) (*Securing Liens*). As of the Effective Date and as of each other date this representation and warranty is made, (A) all documents and instruments have been recorded or filed for record in such manner and in such places as are required and all other action as is necessary or desirable has been taken to establish a legal, valid, binding, and enforceable and, if applicable, perfected, Lien on the Pledged Collateral in favor of the WIFIA Lender to the extent contemplated by the Master Resolution Documents, and (B) all taxes and filing fees that are due and payable in connection with the execution, delivery or recordation of any Master Resolution Documents or any instruments, certificates or financing statements in connection with the foregoing, have been paid. Neither the attachment, validity, enforceability, priority or, if applicable, perfection, of the security interest in the Pledged Collateral granted pursuant to the Master Resolution 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 and supplemented by 2 C.F.R. § 1532.995) (i) is debarred, suspended or voluntarily excluded from participation in Government contracts, procurement or non-procurement matters, (ii) is presently indicted for or otherwise criminally or civilly charged by a Governmental Authority with commission of any of the offenses listed in 2 C.F.R. § 180 or 2 C.F.R. § 1532; and (iii) have, within the three (3) year period preceding the Effective Date, (x) been convicted for or had a civil judgment rendered against the Borrower for any of the offenses within such period or (y) had any public transactions (federal, state or local) terminated for cause or default.

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

(j) Compliance with Laws.

(i) The Borrower and, to the best of the Borrower's knowledge, the IDB and each of the contractors and subcontractors at all tiers with respect to the Project, have complied with all applicable laws, rules, regulations and requirements, including 40 U.S.C. §§3141-3144, 3146, and 3147 (relating to Davis-Bacon Act requirements) (and regulations relating thereto), 33 U.S.C. §3914 (relating to American iron and steel products), 20 C.F.R. §180.320 and 20 C.F.R. §1532 (relating to non-debarment), 31 U.S.C. §1352 and 49 C.F.R. §20.100 (relating to non-lobbying), and any applicable Sanctions Laws.

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

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

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

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

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

(n) Information. The information furnished by, or on behalf of, the Borrower to the WIFIA Lender, when taken as a whole, is true and correct in all material respects (other than for projections and other forward-looking statements contained in the Base Case Financial Model

and any Updated Financial Model/Plan which have been made in good faith and based on reasonable assumptions) and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading as of the date made or furnished.

(o) Insurance. The Borrower is in compliance with all insurance obligations required under each Construction Contract and the WIFIA Loan Documents (including Section 14(f) (*Insurance*) hereof) as of the date on which this representation and warranty is made. To the extent the 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 System, the Project, the Revenues, or the Borrower's respective rights in any of the foregoing.

(q) Financial Statements. Each income statement, balance sheet and statement of operations and cash flows (collectively, "**Financial Statements**") delivered to the WIFIA Lender pursuant to **Part 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, the WIFIA Bond may be issued and sold without registration under the Securities Act of 1933, as amended, and any State blue sky laws, and the Master Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(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 the WIFIA Loan, when combined with all other funds committed for the development and construction of the Project as set forth under the various sources of funds in the Project Budget, will be sufficient to carry out the Project, pay all Total Project Costs anticipated for the development and construction of the Project and achieve Substantial Completion by the Projected Substantial Completion Date. The total federal assistance provided to the Project, including the Maximum Principal Amount, does not exceed eighty percent (80%) of Total Project Costs. The Updated Financial Model/Plan most recently delivered to the WIFIA Lender pursuant to **Part A of Schedule V** (*Reporting Requirements*) demonstrates that the projected Revenues are sufficient to meet the WIFIA Loan Amortization Schedule. The Borrower

has developed, and identified adequate revenues to implement, a plan for operating, maintaining, and repairing the Project over the useful life of the Project.

(u) Sovereign Immunity. The 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 WIFIA Loan Documents to which it 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 14(m) (*Immunity*).

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

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

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

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

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

ARTICLE V

COVENANTS

Section 14. Affirmative Covenants. The Borrower covenants and agrees as follows until the date the WIFIA Bond and all of the obligations of the Borrower under this Agreement (other than contingent indemnity obligations) are irrevocably paid in full in immediately available funds and the WIFIA Lender no longer has any commitment to make Disbursements to the Borrower, unless the WIFIA 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 WIFIA Lender for its benefit pursuant to the WIFIA Loan Documents, or intended so to be granted pursuant to the WIFIA Loan Documents, or which 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 the Master Resolution Documents, other than Permitted Liens, 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 WIFIA Loan Documents and for the benefit of the WIFIA Lender under the WIFIA Loan Documents against all claims and demands of all Persons whomsoever, subject to Permitted Liens.

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

(d) Prosecution of Work; Verification Requirements.

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

(ii) 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 1532 (relating to debarment), including the verification requirements set forth in 2 C.F.R. §§ 180.300 and 180.320, and shall include and cause the IDB to include in all contracts with respect to the Project similar terms or requirements for compliance.

(e) Operations and Maintenance. The Borrower shall operate and maintain the System (including the Project) substantially in accordance with the Updated Financial Model/Plan most recently delivered by the Borrower to the WIFIA Lender pursuant to **Part A of Schedule V** (*Reporting Requirements*) and its operations and maintenance plan (that incorporates the Project). The Borrower shall operate and maintain the System (including the Project) in accordance with Section 709 of the Master Resolution.

(f) Insurance.

(i) The Borrower shall at all times procure and maintain or cause to be maintained insurance on the System and the construction of the Project, with responsible insurers, or as part of a reasonable system of self-insurance that is actuarially sound and adequately funded, in such amounts and against such risks (including damage to or destruction of the System) as are customarily maintained with respect to works and properties of like character against accident to, loss of, or damage to such works or properties, including insurance against public liability, property damage, workers'

compensation, and builders' risk, casualty and liability, as appropriate, and otherwise in accordance with the Master Resolution Documents and Construction Contracts. The insurance policies shall be available at all reasonable times for inspection upon request by the WIFIA Lender, its agents and representatives.

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

(g) Maintain Legal Structure. The Borrower shall maintain its existence as a Legal Entity organized and existing under its Organizational Documents and the laws of the State.

(h) System Accounts; Permitted Investments.

(i) The Borrower shall maintain the Revenue Fund in accordance with the terms hereof and the Master Resolution Documents. All Revenues received shall be deposited into the Revenue Fund in accordance with Section 504 of the Master Resolution. The Borrower shall not apply any portion of the Revenues in contravention of this Agreement or the Master Resolution Documents. Any funds then on deposit in the WIFIA Debt Service Account (if applicable) shall only be used for payments of WIFIA Debt Service by the Borrower (or Trustee, if applicable, as directed by the Borrower) in accordance with the WIFIA Loan Documents.

(ii) If a WIFIA Debt Service Reserve Requirement is applicable as set forth in **Part D of Schedule I** (*WIFIA Loan Specific Terms*), the Borrower shall maintain the WIFIA Debt Service Reserve Account in an amount equal to the WIFIA Debt Service Reserve Requirement in accordance with the provisions of the applicable Master Resolution Documents.

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

(i) Compliance with Laws.

(i) The Borrower shall, and shall require the IDB and all contractors and subcontractors at all tiers with respect to the Project to, comply with all applicable laws, rules, regulations and requirements, including 40 U.S.C. §§3141-3144, 3146, and 3147 (relating to Davis-Bacon Act requirements) (and regulations relating thereto), 33 U.S.C. §3914 (relating to American iron and steel products), 20 C.F.R. § 180.320 and 20 C.F.R. §1532 (relating to non-debarment), 31 U.S.C. §1352 (relating to non-lobbying), and any applicable Sanctions Laws.

(ii) To ensure such compliance, the Borrower shall include and cause the IDB to include in all contracts with respect to the Project (A) the contract clauses

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

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

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

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

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

(n) Accounting and Audit Procedures.

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

(ii) 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 this Agreement and annually thereafter to the extent required by applicable law, except in all cases to the extent biennial audits are permitted for the 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 WIFIA Lender, or designees thereof, pursuant to 40 C.F.R. Part 35, 31 U.S.C. § 7503(b), or 31 U.S.C. § 6503(h) and shall provide full access to any books, documents, papers or other records that are pertinent to the Project or the WIFIA Loan, to the WIFIA Lender, or the designee thereof, for any such project or programmatic audit.

(o) Access: Records.

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

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

have been performed and (B) any litigation relating to the Project, the WIFIA Loan or this Agreement is finally resolved or, if the WIFIA Lender has reasonable cause to extend such date, a date to be mutually agreed upon by the WIFIA Lender and the Borrower. The Borrower shall provide to the WIFIA Lender in a timely manner all records and documentation relating to the Project that the WIFIA Lender may reasonably request from time to time.

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

(a) Indebtedness.

(i) Program Requirements. The Borrower may 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 the WIFIA Loan, other than Additional Senior Bonds or (2) secured by a Lien on the Pledged Collateral that is senior to the Lien on the Pledged Collateral in favor of the WIFIA Lender, other than Additional Senior Bonds or (3) all or a portion of the proceeds of which are or will be applied at any time to fund all or any portion of Total Project Costs, that are secured by a Lien on any assets or property of the Borrower other than the Pledged Collateral or (B) any Senior Project Obligations. The Borrower shall not incur any indebtedness of any kind payable from, secured or supported by the Pledged Collateral, including Permitted Debt, without the prior written consent of the WIFIA Lender, while an Event of Default relating to a Payment Default or a Bankruptcy Related Event with respect to the Borrower has occurred and is continuing.

(ii) Issuance of Additional Senior Bonds or Additional Junior Bonds. The Borrower shall not issue or incur any Additional Senior Bonds or Additional Junior Bonds except in accordance with the Master Resolution, including all requirements and conditions set forth in the Additional Bonds Test.

(iii) Issuance of Additional Subordinated Indebtedness. The Borrower shall not issue or incur any Additional Subordinated Indebtedness except for Additional Subordinated Indebtedness which (A) is secured by a pledge of Revenues which is fully subordinated in all respects to the pledge of the Pledged Collateral in favor of the Bonds, (B) has a right of payment and is payable in the Flow of Funds on a basis subordinate to the priority of payment of the Bonds, and (C) except to the extent agreed to by the WIFIA Lender in writing and in its discretion in connection with the establishment by the Borrower of a commercial credit program that otherwise qualifies as Additional Subordinated Indebtedness, does not have a right to accelerate without the consent of the WIFIA Lender.

(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 WIFIA Lender, (i) extinguish the Rate Covenant; (ii) extinguish or impair the Liens on the Pledged Collateral or any dedicated source of repayment of the WIFIA Loan or any other Obligations (the proceeds of which

are applied to fund Total Project Costs), in each case granted pursuant to the Master Resolution, (iii) amend, modify, replace or supplement any Related Document or permit a waiver of any provision thereof in a manner that could adversely affect the WIFIA Lender or could reasonably be expected to result in a Material Adverse Effect, or (iv) terminate, assign or replace any Related Document in a manner that could adversely affect the WIFIA Lender or could reasonably be expected to have a Material Adverse Effect.

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

(d) Restricted Payments and Transfers. The Borrower shall not permit Revenues or other assets of the System, or any funds in any accounts held under the Master Resolution or in any other fund or account held by or on behalf of the Borrower with Revenues on deposit therein, to be paid or transferred or otherwise applied for purposes other than ownership, operation or maintenance of the System; provided, however, that so long as no Payment Default or failure of compliance with the Rate Covenant has occurred and is continuing, the Borrower may use Revenues or other assets of the System, or any funds in any accounts held under the Master Resolution or in any other fund or account held by or on behalf of the Borrower with Revenues on deposit therein for the purpose of making payments in lieu of taxes pursuant to Tennessee Code Annotated Section 7-34-115.

(e) No Prohibited Sale, Lease or Assignment. The Borrower shall not sell, lease or assign its rights in and to the System or a substantial portion of the assets included in the System, unless such sale, lease or assignment (i) could not reasonably be expected to have a Material Adverse Effect and (ii) is made by the Borrower in the ordinary course of business or is otherwise permitted in accordance with Section 707 of the Master Resolution.

(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 by State law, and in each case, does not adversely affect or impair to any extent or in any manner (A) the Revenues or other elements of the Pledged Collateral or (B) the availability of the Revenues for the payment and security of the obligations of the Borrower under this Agreement; and (ii) the Borrower provides to the WIFIA Lender notice of such reorganization, consolidation or merger in accordance with **Part E of Schedule V** (*Reporting Requirements*) and such other information concerning such reorganization, consolidation or merger as shall have been reasonably requested by the WIFIA Lender.

(g) Hedging. Other than interest rate hedging transactions permitted under the Master Resolution Documents, 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 WIFIA Lender.

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

ARTICLE VI

EVENTS OF DEFAULT AND REMEDIES

Section 17. Events of Default and Remedies.

(a) An “**Event of Default**” shall exist under this Agreement if any of the following occurs; provided, that the occurrence of an event set forth in sub-clauses (v) through (and including) (ix) below shall not constitute an Event of Default under this Agreement until the WIFIA Lender has provided a notice of such Event of Default to the Borrower; 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 17(a):

(i) Payment Default. The Borrower shall fail to pay when due any part of the principal amount of or interest on the WIFIA Loan (including WIFIA Debt Service required to have been paid pursuant to the provisions of Section 8 (*Repayment*)), and such failure continues for a period of five (5) days, when and as the payment thereof shall be required under this Agreement or the WIFIA Bond or on the Final Maturity Date (each such failure, a “**Payment Default**”).

(ii) Occurrence of a Bankruptcy Related Event. A Bankruptcy Related Event shall occur with respect to (A) the Borrower or (B) if prior to the Substantial Completion Date, any Project Funding Partner; provided, that no Event of Default shall be deemed to have occurred under this clause (B) if the Borrower furnishes evidence satisfactory to the WIFIA Lender that the Borrower has committed funds sufficient to pay all Total Project Costs and achieve Substantial Completion by the Development Default Date.

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

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

be created thereby; or (C) any event occurs that results in the impairment in the validity, enforceability, perfection or priority of the WIFIA Lender's security interest in the Pledged Collateral.

(v) Covenant Default. The Borrower shall fail to observe or perform any covenant, agreement or obligation of the Borrower under this Agreement, the WIFIA Bond or any other WIFIA Loan Document (other than in the case of any Payment Default or any Development Default), and such failure shall not be cured within thirty (30) days after the earlier to occur of (A) receipt by the Borrower from the WIFIA 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, however, that with respect to a failure to comply with the Rate Covenant, the cure period shall be the longer of (x) one hundred eighty (180) days as described above or (y) the relevant cure period provided in the Master Resolution (if applicable).

(vi) Misrepresentation Default. Any of the representations, warranties or certifications of the Borrower made in or delivered pursuant to the WIFIA Loan Documents (or in any certificates delivered by the Borrower in connection with the WIFIA Loan Documents) shall prove to have been false or misleading in any material respect when made or deemed made; provided, that no Event of Default shall be deemed to have occurred under this Section 17(a)(vi) if and so long as (A) such misrepresentation is not intentional, (B) such misrepresentation is not a misrepresentation in respect of Section 12(g) (*Security Interests*), Section 12(h) (*No Debarment*), Section 12(i) (*No Lobbying*), or Section 12(j) (*Compliance with Laws*), (C) in the reasonable determination of the WIFIA Lender, such misrepresentation has not had, and would not reasonably be expected to result in, a Material Adverse Effect, (D) in the reasonable determination of the WIFIA Lender, the underlying issue giving rise to the misrepresentation is capable of being cured and (E) the underlying issue giving rise to the misrepresentation is cured by the 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 Other Financing Documents. The holder(s) of Obligations under a Related Document exercises remedies permitted thereunder for an event of default that has occurred and is continuing (and has not been cured or waived by the expiration of any applicable grace period), in respect of the performance of any covenant, agreement or obligation of the Borrower under such Related Document.

(viii) Material Adverse Judgment. Any final, non-appealable judgment related to the Pledged Collateral that results in the impairment of (A) the Borrower's ability to comply with any of its payment obligations under the WIFIA Bond or this Agreement

or (B) the existence, priority or perfection (if applicable) of the WIFIA Lender's security interest in the Pledged Collateral.

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

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

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

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

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

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

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

(v) the WIFIA Lender shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of any sums due and unpaid hereunder or under the WIFIA Bond or the other WIFIA 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 WIFIA Lender shall have all of the rights and remedies of a creditor, including all rights and remedies of a secured creditor under the Uniform Commercial Code (if applicable), and may take such other actions at law or in equity as may appear necessary or desirable to collect all amounts payable by the Borrower under this Agreement, the WIFIA Bond or the other WIFIA Loan Documents then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Agreement, the WIFIA Bond or the other WIFIA Loan Documents.

(d) Pursuant to Section 801 of the Master Resolution and Section 3.4 of the WIFIA Supplemental Resolution, upon the occurrence and continuance of any Event of Default, so long as such Event of Default shall not have been cured, the WIFIA Lender may declare the unpaid principal amount of the WIFIA 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 under this Agreement, the WIFIA Bond or the other WIFIA Loan Documents, all without presentment, demand, notice, declaration, protest or other requirements of any kind, all of which are hereby expressly waived; provided, however, that, pursuant to Section 801 of the Master Resolution, in the event of acceleration, principal of Junior

Bonds then Outstanding, including the WIFIA Bond, together with interest accrued thereon, and any amounts payable in connection therewith, shall be due and payable only after payment of principal of Senior Bonds then Outstanding, together with interest accrued thereon, and any amounts payable in connection therewith.

(e) No action taken pursuant to this Section 17 shall (i) relieve the Borrower from its obligations pursuant to this Agreement, the WIFIA Bond or the other WIFIA Loan Documents, all of which shall survive any such action or (ii) limit the WIFIA Lender's rights under the Master Resolution Documents, including Article VIII (*Remedies of Holders of the Bonds*) of the Master Resolution and Section [_____] of the WIFIA Supplemental Resolution.

ARTICLE VII

MISCELLANEOUS

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

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

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

Section 21. 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 WIFIA Lender and the Servicer, if any, containing the specimen signature or signatures of such Person or Persons and signed by the Borrower.

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

Section 23. Servicer. The WIFIA Lender may from time to time designate another entity or entities to perform, or assist the WIFIA Lender in performing, the duties of the Servicer or specified duties of the WIFIA Lender under this Agreement and the WIFIA Bond. The WIFIA 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 to the WIFIA Lender shall be deemed to be a reference to the Servicer with respect to any duties which the WIFIA Lender shall have delegated to such Servicer. The WIFIA Lender may at any time assume the duties of any Servicer under this Agreement and the WIFIA Bond. 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.

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

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

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

Section 27. Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective permitted successors and assigns and shall inure to the benefit of the parties hereto and their permitted successors and assigns. Neither the Borrower's rights or obligations hereunder or under the WIFIA Bond nor any interest herein or therein may be assigned or delegated by the Borrower without the prior written consent of the WIFIA Lender.

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

Section 29. Delay or Omission Not Waiver. No delay or omission of the WIFIA Lender to exercise any right or remedy provided hereunder or under the WIFIA Bond 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 therein. Every right and remedy given by this Agreement or under the WIFIA Bond or by law to the WIFIA Lender may be exercised from time to time, and as often as may be deemed expedient by the WIFIA Lender.

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

Section 31. Notices.

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

(b) Notices to the WIFIA Lender should be made by (i) email to the email address noted below for the WIFIA Lender or (ii) submission through another electronic medium or transmission system as designated by and in a format acceptable to the WIFIA Lender, unless otherwise instructed by the WIFIA Lender:

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

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

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

(d) Each such notice, request or communication shall be effective (x) if delivered by hand or by nationally recognized courier service, when delivered at the address specified in this Section 31 (or in accordance with the latest unrevoked written direction from the receiving party), and (y) if given by email or other electronic method, when such email is delivered to the email address specified in this Section 31 or submitted to the electronic medium as directed by the receiving party, in each case with the sender's receipt of an acknowledgement from the intended recipient (such as by a "read receipt," return email, or other written acknowledgement) (or in accordance with the latest unrevoked written direction from the receiving party); provided, that notices received on a day that is not a Business Day or after 5:00 p.m. Eastern Time on a Business Day will be deemed to be effective on the next Business Day.

Section 32. Indemnification. The Borrower shall, to the extent permitted by law, indemnify the WIFIA Lender, the Servicer (if any), and any official, employee, agent, advisor or representative of the WIFIA Lender (each such Person being herein referred to as an “**Indemnitee**”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities, fines, penalties, costs and expenses (including the fees, charges and disbursements of any counsel for any Indemnitee and the costs of environmental remediation), whether known, unknown, contingent or otherwise, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (a) the execution, delivery and performance of this Agreement, any Construction Contract, or any Related Document, (b) the WIFIA Loan or the use of the proceeds thereof, or (c) the violation of any law, rule, regulation, order, decree, judgment or administrative decision relating to the environment, the preservation or reclamation of natural resources, the management, release or threatened release of any hazardous material or to health and safety matters; in each case arising out of or in direct relation to the Project; provided, that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities, fines, penalties, costs or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. In case any action or proceeding is brought against an Indemnitee by reason of any claim with respect to which such Indemnitee is entitled to indemnification hereunder, the 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 32 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 32. Nothing herein shall be construed as a waiver of any legal immunity that may be available to any Indemnitee. To the extent permitted by applicable law, neither the Borrower nor the WIFIA Lender shall assert, and each of the Borrower and the WIFIA 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 WIFIA 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 32 shall be payable promptly upon demand therefor. The obligations of the Borrower under this Section 32 shall survive the payment or prepayment in full or transfer of the WIFIA Loan, the enforcement of any provision of this Agreement or the other Related Documents, any amendments, waivers (other than amendments or waivers in writing with respect to this Section 32) or consents in respect hereof or thereof, any Event of Default, and any workout, restructuring or similar arrangement of the obligations of the Borrower hereunder or thereunder.

Section 33. Sale of WIFIA Loan. The WIFIA Lender shall not sell the WIFIA Loan at any time prior to the later of (a) the Substantial Completion Date and (b) other than with respect to a sale or transfer to another governmental entity within the Federal Government, the Final Disbursement Date. After such date, the WIFIA Lender may sell the WIFIA Loan to another entity

or reoffer the WIFIA Loan into the capital markets only in accordance with the provisions of this Section 33. Such sale or reoffering shall be on such terms as the WIFIA Lender shall deem advisable. However, in making such sale or reoffering the WIFIA Lender shall not change the terms and conditions of the WIFIA Loan without the prior written consent of the Borrower in accordance with Section 24 (*Amendments and Waivers*). Prior to any sale or reoffering of the WIFIA Loan, the WIFIA Lender shall provide reasonable written notice to the Borrower of the WIFIA Lender's intention to consummate such a sale or reoffering. The provision of any notice pursuant to this Section 33 shall neither (x) obligate the WIFIA Lender to sell nor (y) provide the Borrower with any rights or remedies in the event the WIFIA Lender, for any reason, does not sell the WIFIA Loan.

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

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

Section 36. Survival. The indemnification requirements of Section 32 (*Indemnification*), the reporting and record keeping requirements of Section 14(o) (*Access; Records*) and the payment requirements of Section 10 (*Fees and Expenses*) shall survive the termination of this Agreement as provided in such Sections.

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

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

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

CITY OF CHATTANOOGA,
by its authorized representative

By: _____
Name: Tim Kelly
Title: Mayor

APPROVED AS TO FORM:

By: _____
Name:
Title: City Attorney

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

By: _____
Name: Michael S. Regan
Title: Administrator

SCHEDULE I

WIFIA LOAN SPECIFIC TERMS

| No. | Item | WIFIA Loan Specific Term |
|--|------------------------------|--|
| <i>PART A. Key Borrower Metrics</i> | | |
| 1. | Effective Date | November [___], 2022. |
| 2. | Borrower | City of Chattanooga, Tennessee, a Legal Entity organized and existing under the State. |
| 3. | Legal Entity | A municipal corporation located in Hamilton County, Tennessee and organized and existing under the laws of the State of Tennessee. |
| 4. | State | State of Tennessee. |
| 5. | Borrower FEIN | 62-6000259 |
| 6. | Borrower UEI ¹ | [___]. |
| 7. | 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. |
| 8. | Application Receipt Date | April 7, 2022. |
| 9. | WIFIA CUSIP Number | [___] ² , as the CUSIP number for the WIFIA Loan for purposes of monitoring through EMMA. |
| 10. | System | The sewer system owned or leased and operated by the Borrower (of which the Project is a part) for sewage collection, storage, transmission, treatment and disposal or reuse, as further described in Section 101 of the Master Resolution. |
| 11. | Revenues | As defined in Section 101 of the Master Resolution: “(a) all revenues, income, rents, service fees and receipts properly allocable to the System resulting from ownership and operation of the System, excluding any customer deposits or other deposits subject to refund, unless such deposits have become property of the City, (b) the proceeds of any insurance covering business interruption loss relating to the System and (c) interest received or to be received on any moneys or securities held in any of the funds or accounts established by this |

¹ **Note to Borrower:** Please provide.

² **Note to Borrower:** Please provide.

| No. | Item | WIFIA Loan Specific Term |
|-----|------------------------------------|--|
| | | Resolution, with the exception of (i) moneys held in the Construction Fund or any account thereof and (ii) moneys held in the Bond Reserve Accounts during any period in which the investment earnings thereon are directed by Supplemental Resolution to the Construction Fund or an account thereof. 'Revenues' shall not include any Tax Credit Payments, grant proceeds or, except as set forth in (b) above, insurance proceeds. If so determined by the City Council, 'Revenues' shall not include any revenues, income, rents, service fees or receipts received by the City from the operation of an Acquired System, and any debt obligations issued in connection with such Acquired System shall not be payable from or secured by Revenues." |
| 12. | Trustee | Not Applicable. |
| 13. | Trustee Location | Not Applicable. |
| 14. | Operation and Maintenance Expenses | As defined in Section 101 of the Master Resolution: "the current expenses, paid or accrued, of operation, maintenance and repair of the System, including administration costs, as calculated in accordance with generally accepted accounting principles. Notwithstanding the foregoing, Operation and Maintenance Expenses shall not include payments in lieu of taxes or any reserve for renewals or replacements or any allowance for depreciation or amortization, and there shall be included in Operation and Maintenance Expenses only that portion of the total administrative, general and other expenses of the City which are properly allocable to the System." |

| No. | Item | WIFIA Loan Specific Term |
|---|---------------------------------------|--|
| <i>PART B. Key Project Metrics</i> | | |
| 15. | Project | The project is the Borrower’s Wastewater Compliance and Sustainability Project, located at the Project Location, and consists of the following components: (1) E2I2 Environmental and Economic Infrastructure Improvements, (2) Moccasin Bend Wastewater Treatment Plant Solids Process Optimization and Thermal Hydrolysis Process, (3) Moccasin Bend Wastewater Treatment Plant Wet Weather Treatment Upgrades, and (4) Moccasin Bend Wastewater Treatment Plant Oxygen Plant Improvements, as described in further detail in Part D of Schedule II (Project Details) . |
| 16. | Project Location | Hamilton County, Tennessee. |
| 17. | Projected Substantial Completion Date | December 31, 2026, as such date may be adjusted in accordance with Part C of Schedule V (Reporting Requirements) . |
| 18. | Development Default Date | December 31, 2028. |
| 19. | NEPA Determination | Categorical Exclusion for the Project issued by EPA on [___], 2022 in accordance with NEPA. |
| 20. | IDB | The Industrial Development Board for the City of Chattanooga, Tennessee, responsible for acting as the authority described in Tennessee Code Annotated § 12-10-124 and carrying out certain tasks for the Project, as described in that certain Memorandum of Understanding dated April 4, 2022 by and among the Borrower and the IDB. |
| 21. | Project Funding Partner | Individually and collectively, (1) the Hamilton County Water and Wastewater Treatment Authority, (2) any other signatory (other than the Borrower) to that certain Environmental and Economic Infrastructure Improvements Plan an Inter Local Agreement for Cost Sharing between the Borrower and the Hamilton County Water and Wastewater Treatment Authority Governing Sewer Flow and Sewer System Capital Improvements dated December 5, 2019, as amended (the “e2i2 Agreement”), and (3) any other Person with a commitment to provide funding for the Project under an agreement similar to the e2i2 Agreement. |

| No. | Item | WIFIA Loan Specific Term |
|--|-----------------------------|---|
| <i>PART C. Key Loan Metrics</i> | | |
| 22. | Maximum Principal Amount | Principal amount up to \$186,080,000 (excluding interest that is capitalized in accordance with this Agreement). |
| 23. | WIFIA Interest Rate | []% per annum. |
| 24. | Default Rate | Interest rate equal to the sum of (a) the WIFIA Interest Rate plus (b) 500 basis points. |
| 25. | Interest Payment Date | Each March 1 and September 1, beginning on the Debt Service Payment Commencement Date. |
| 26. | Capitalized Interest Period | Not Applicable. |
| 27. | Interest Only Period | The period commencing from (and including) the Debt Service Payment Commencement Date and ending on March 1, 2032 (or on such earlier date as all amounts due or to become due to the WIFIA Lender hereunder have been irrevocably paid in full in cash). |
| 28. | Principal Payment Date | Each September 1, beginning on September 1, 2032. |
| 29. | Final Maturity Date | The earliest of (a) September 1, 2061, (b) the date on which the maturity of the WIFIA Loan and corresponding WIFIA Bond have been accelerated or subject to mandatory redemption or prepayment (as the case may be) prior to maturity thereof; and (c) the Payment Date immediately preceding the date that is thirty-five (35) years following the Substantial Completion Date. |
| <i>PART D. Key Security Metrics</i> | | |
| 30. | Lien priority | Junior Bond lien subordinated to lien of Senior Bonds, if any. |
| 31. | Springing lien | Not Applicable. |
| 32. | Dedicated revenue source | The dedicated source of repayment for the WIFIA Loan shall be the Revenues of the System. |

| No. | Item | WIFIA Loan Specific Term |
|-----|--|--|
| 33. | Pledged Collateral | <p>The WIFIA Loan (and corresponding WIFIA Bond) shall be secured by the Borrower's pledge of the Trust Estate in accordance with the Master Resolution, equally and on parity with all other Junior Bonds. The Borrower's pledge of the Trust Estate is subject to the prior pledge of the Trust Estate in favor of any Additional Senior Bonds and subject to the provisions of the Master Resolution requiring or permitting the application thereof for the purposes and on the terms and conditions set forth in the Master Resolution.</p> <p>The Trust Estate is defined in Section 101 of the Master Resolution as the Revenues and amounts on deposit in all Funds and Accounts established by the Master Resolution (other than the Bond Reserve Accounts and the Tax Credit Payment Accounts within the Debt Service Fund).</p> |
| 34. | System Accounts | The Revenue Fund, the Debt Service Fund, the Senior Bond Account, the Junior Bond Account and all other Funds and Accounts (as each such term is defined in the Master Resolution) established by the Master Resolution. |
| 35. | Revenue Fund | The Revenue Fund established in Section 502(a) of the Master Resolution. |
| 36. | WIFIA Debt Service Account | Not Applicable. |
| 37. | WIFIA Debt Service Reserve Account | Not Applicable. |
| 38. | WIFIA Debt Service Reserve Requirement | Not Applicable. |
| 39. | Rate Covenant | The requirements and conditions set forth in Section 710 of the Master Resolution, a copy of which as of the Effective Date is attached hereto for reference as Annex A . |
| 40. | Additional Bonds Test | The requirements and conditions set forth in Sections 202 and 204 of the Master Resolution, a copy of which as of the Effective Date is attached hereto for reference as Annex B . |

| No. | Item | WIFIA Loan Specific Term |
|-----|---------------------------|---|
| 41. | Flow of Funds | The requirements and conditions set forth in Sections 505, 506, 507 and 803 of the Master Resolution. A copy of Sections 505, 506 and 507 as of the Effective Date is attached hereto for reference as Annex C . The Borrower shall comply with such provisions except as provided in Section 803 of the Master Resolution during the continuance of an Event of Default. During the continuance of an Event of Default, the Borrower shall apply all moneys, securities, funds and Revenues held or received by the Borrower under the Master Resolution in accordance with Section 803 of the Master Resolution. |
| 42. | Senior Bond | As defined in Section 101 of the Master Resolution: “any bonds, notes, loan agreements or other obligations or evidences of indebtedness, as the case may be, authenticated and delivered under and Outstanding pursuant to this Resolution, and that are payable from and secured a pledge of and lien on the Trust Estate on a basis (i) senior to the pledge of and lien on the Trust Estate in favor of Junior Bonds and (ii) senior to the pledge of and lien on Revenues (as part of the Trust Estate) in favor of the Subordinated Indebtedness.” |
| 43. | Junior Bond | As defined in Section 101 of the Master Resolution: “any bonds, notes, loan agreements or other obligations or evidences of indebtedness, as the case may be, authenticated and delivered under and Outstanding pursuant to this Resolution, and that are payable from and secured by a pledge of and lien on the Trust Estate on a basis (i) subordinate to the pledge of and lien on the Trust Estate in favor of Senior Bonds and (ii) senior to the pledge of and lien on Revenues (as part of the Trust Estate) in favor of Subordinated Indebtedness. Junior Bonds shall include, without limitation, the WIFIA Bond. Notwithstanding anything herein to the contrary, Junior Bonds shall also include State Revolving Fund Loans regardless of whether such State Revolving Fund Loans were issued pursuant to or prior to the adoption of this Resolution.” |
| 44. | Subordinated Indebtedness | As defined in Section 101 of the Master Resolution: “any bonds, notes, loan agreements or other evidences of indebtedness issued from time to time and payable from and, if applicable, secured by a pledge of and lien on Revenues on a basis subordinate to the pledge of and lien |

| No. | Item | WIFIA Loan Specific Term |
|---|---|--|
| | | on Revenues (as part of the Trust Estate) in favor of the Bonds.” |
| PART E. Other Key WIFIA Loan Documents | | |
| 45. | WIFIA Bond | The Junior Bond issued and delivered by the Borrower in substantially the form of Exhibit A (<i>Form of WIFIA Bond</i>). |
| 46. | Master Resolution | That certain Resolution No. [____], adopted on [____], 2022, as the same may be amended or supplemented or amended and restated from time to time. |
| 47. | WIFIA Supplemental Resolution | That certain Resolution No. [____], adopted by the Borrower on [____], 2022, authorizing the execution, delivery and performance by the Borrower of this Agreement, the WIFIA Bond, and certain related actions by the Borrower in connection with the issuance of the WIFIA Loan. |
| 48. | WIFIA Term Sheet | WIFIA term sheet, dated as of the Effective Date, between the Borrower and the WIFIA Lender. |
| PART F. Fees | | |
| 49. | Servicing Set-Up Fee | A servicing set-up fee equal to \$17,330. |
| 50. | Construction Period Servicing Fee | An annual construction period servicing fee equal to \$17,330. |
| 51. | Initial Construction Period Servicing Fee | The initial Construction Period Servicing Fee in a pro-rated amount equal to \$14,440. ³ |
| 52. | Operating Period Servicing Fee | An annual operating period servicing fee equal to \$8,670. |
| PART G. Borrower Related Notices | | |
| 53. | Borrower notice details | [Name] ⁴ [Address] Attention: [____] |

³ **Note to Borrower:** The pro-rated construction servicing fee amount assumes a closing in November 2022.

⁴ **Note to Borrower:** Borrower to provide.

| No. | Item | WIFIA Loan Specific Term |
|------------|------------------------|---------------------------------|
| | | Email: [] |
| 54. | Trustee notice details | Not Applicable. |

ANNEX A

RATE COVENANT

All terms used in this Annex A shall have the meaning assigned to such terms as provided in the Master Resolution. All section references used in this Annex A shall be references to the appropriate section in the Master Resolution. All references to "herein" or "hereof" in this Annex A shall be references to the Master Resolution. The following is intended to copy (without change) the provisions of Section 710 of the Master Resolution as of the Effective Date.

SECTION 710 **Rates, Fees and Charges**

(a) The City shall at all times fix, establish, maintain, charge and collect rates, fees and charges for the use or the sale of the output, capacity or service of the System which shall be sufficient to produce Net Revenues in each Fiscal Year at least equal to the greatest of:

(i) 120% of the Debt Service Requirement on the Outstanding Senior Bonds in such Fiscal Year;

(ii) 110% of the combined Debt Service Requirement on the Outstanding Senior Bonds and Outstanding Junior Bonds in such Fiscal Year; and

(iii) 100% of the sum of:

(A) the Debt Service Requirement on the Outstanding Bonds and Subordinated Indebtedness in such Fiscal Year,

(B) the amounts required to be paid during such Fiscal Year into the Bond Reserve Accounts pursuant to the Resolution, and

(C) the amount of all other charges and liens whatsoever payable out of Revenues during such Fiscal Year, including payments in lieu of taxes and any payments required during such Fiscal Year under Contracts to the extent not otherwise provided for in this subsection (iii).

(b) For purposes of this Section 710, the City may, when calculating the Debt Service Requirement on Subordinated Indebtedness, make the adjustments and assumptions set forth in subsection (b) of the definition of "Debt Service Requirement", as if such provisions were applicable to Subordinated Indebtedness; provided however, that there shall be disregarded any scheduled principal amount of Subordinated Indebtedness which are notes or other evidences of indebtedness issued in anticipation of the issuance of Bonds, the payment of which is to be paid from the proceeds of such Bonds.

(c) If the City fails to prescribe, fix, maintain, and collect rates, fees, and other charges, or to revise such rates, fees, and other charges, in accordance with the provisions of this section in any Fiscal Year, but the City in the next Fiscal Year has promptly taken all available measures to revise such rates, fees and other charges as advised by a Consultant retained by the City to review

the operations of the System, there shall be no Event of Default as described in Section 801 until the end of such next Fiscal Year and only then if Net Revenues are less than the amount required by this section. The City shall retain a Consultant to review the operations of the System in accordance with this subsection (c) promptly following the initial determination of the City's failure to prescribe, fix, maintain, and collect rates, fees, and other charges, or to revise such rates, fees, and other charges, in accordance with the provisions of this section.

ANNEX B

ADDITIONAL BONDS TEST

All terms used in this Annex B shall have the meaning assigned to such terms as provided in the Master Resolution. All section references used in this Annex B shall be references to the appropriate section in the Master Resolution. All references to "herein" or "hereof" in this Annex B shall be references to the Master Resolution. The following is intended to copy (without change) the provisions of Sections 202 and 204 of the Master Resolution as of the Effective Date.

SECTION 202 **General Provisions for Issuance of Bonds of Each Series.**

(a) When authorized pursuant to a Supplemental Resolution, the officers of the City specified in Section 303 may execute all (but not less than all) the Bonds of each Series for issuance under this Resolution and deliver such Bonds to the Bond Registrar therefor for completion, authentication and delivery. Such Bond Registrar shall authenticate and deliver such Bonds upon the order of the City, but only upon satisfaction by the City of the conditions specified in Article X of this Resolution and in the Supplemental Resolution authorizing the Series of which such Bonds are a part and upon satisfaction by the City of the following conditions:

(i) receipt of a Counsel's Opinion to the effect that (A) the City has the right and power under applicable Tennessee law to adopt this Resolution, and this Resolution has been duly and lawfully adopted by the City, is in full force and effect and is valid and binding upon the City in accordance with its terms, and no other authorization for this Resolution is required; (B) this Resolution creates the valid pledge which it purports to create of the Trust Estate and, if such Series of Bonds shall be an Additionally Secured Series, the separate subaccount in a Bond Reserve Account established for the benefit of such Bonds, subject to the provisions of this Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in this Resolution; and (C) the Bonds of such Series are valid and binding obligations of the City as provided in this Resolution and are entitled to the benefits of this Resolution and of applicable Tennessee law, and such Bonds have been duly and validly authorized and issued in accordance with applicable Tennessee law and in accordance with this Resolution. Such Opinion may take exception as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights and may state that no opinion is being rendered as to the availability of any particular remedy. No opinion need be expressed as to the priority of the pledge created by this Resolution over the rights of other persons in the Trust Estate and, if applicable, such separate subaccount in a Bond Reserve Account;

(ii) adoption of a Supplemental Resolution authorizing such Bonds, which shall specify such terms and conditions relative to the Bonds of such Series, and such other matters relative thereto, as the City may determine and as may be required herein;

(iii) if such Series shall be an Additionally Secured Series, evidence of the funding of the subaccount within the Bond Reserve Account designated therefor in the manner prescribed by the Supplemental Resolution;

(iv) execution by an Authorized Finance Officer of a certificate stating that, upon the issuance of such Series, the City will not be in default in the performance of any of the covenants, conditions, agreements or provisions contained in this Resolution;

(v) execution by an Authorized Finance Officer of a certificate (A) setting forth the amounts of Net Revenues for any twelve (12) consecutive month period within the twenty-four (24) consecutive months immediately preceding the date of issuance of the Bonds of the Series with respect to which such certificate is being given; and (B) if Senior Bonds are to be issued, stating that the Net Revenues for such 12-month period were at least equal to 120% of the maximum Debt Service Requirement on the Senior Bonds in any future Fiscal Year (calculated with respect to the Senior Bonds of all Series then Outstanding and the Series of Senior Bonds with respect to which such certificate is given) and also stating that if such Senior Bonds were issued as Junior Bonds, then the following clause (C) would also be met; and (C) if Junior Bonds are to be issued, stating that the Net Revenues for such 12-month period were at least equal to 110% of the maximum Debt Service Requirement on the Bonds in any future Fiscal Year (calculated with respect to Bonds of all Series then Outstanding and the Series of Junior Bonds with respect to which such certificate is given); provided, however, that the Net Revenues for such twelve (12) month period may be adjusted for the purposes of such certificate (1) to reflect for such period, revisions in the rates, fees, rentals and other charges of the City for the services of the System made after the commencement of such period and preceding the Date of Issuance of the Series of Bonds with respect to which such certificate is given; (2) to reflect an expected increase in Net Revenues due to an already authorized fee increase that will go into effect subsequent to the commencement of such period, as certified by a Consultant or an appropriate officer of the City; (3) to reflect any increase in Net Revenues due to any new facilities of the System having been placed into use and operation subsequent to the commencement of such period and prior to the Date of Issuance of such Bonds, as certified by a Consultant or an appropriate officer of the City; (4) to include an amount equal to the average annual contribution to Net Revenues for the first three (3) full Fiscal Years commencing after the date of acquisition of any Acquired System expected to be placed into use and operation as part of the System within two (2) years of the Date of Issuance of such Bonds, as certified by a Consultant or an appropriate officer of the City, or to include the anticipated Net Revenues from an Acquired System if the City has a contract to purchase or otherwise acquire an Acquired System that will become part of the System (and such Acquired System has not been excluded from the System and the Revenues as contemplated in the definition of "Revenues" and "System" in this Resolution); and (5) to include the anticipated Net Revenues from a contract to furnish services of the System if the City has entered into such a contract that is not fully reflected in the historical Net Revenues of the System;

(vi) in the case of a Series of Tax Credit Bonds, a Counsel's Opinion addressed to the City regarding the status of such Series of Bonds as Tax Credit Bonds; and

(vii) delivery of such further documents, moneys and securities as are required by the provisions of this Article II or Article X or any Supplemental Resolution adopted pursuant to Article X.

(b) All the Bonds of each Series of like maturity shall be identical in all respects, except as to interest rates, redemption provisions, denominations, numbers and letters. After the issuance of the Bonds of any Series, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of such Series pursuant to Article III or Section 405 or Section 1106.

(c) Notwithstanding anything herein to the contrary, (i) if requested by the WIFIA Lender in connection with a proposed issuance by the City of a WIFIA Bond or (ii) at any time that a WIFIA Bond is Outstanding, (x) the certificate required by Section 202(a)(v) above shall be executed by a Financial Advisor, Consultant or independent certified public accountant instead of an Authorized Finance Officer and (y) wherever such certificate may include adjustments to Net Revenues as certified by a Consultant or appropriate officer of the City, such adjustments shall be certified by a Consultant.

SECTION 204 **Refunding Bonds.**

(a) One or more Series of Refunding Bonds may be issued at any time to refund all or any Outstanding Bonds or Subordinated Indebtedness. Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make the deposits in the Funds and Accounts under this Resolution required by the provisions of the Supplemental Resolution authorizing such Bonds or to make any deposits or payments required by any resolution authorizing Subordinate Indebtedness.

(b) In addition to the conditions set forth in Section 202, the Bonds of each Series of Refunding Bonds issued pursuant to subsection (a) of this Section 204 may be authenticated and delivered only upon the filing with the records of the City of a certificate of an Authorized Finance Officer certifying that all conditions relating to the payment or prepayment of such Bonds or Subordinated Indebtedness as set forth in the documents relating thereto have been satisfied.

(c) The proceeds, including accrued interest, of the Refunding Bonds of each Series shall be applied simultaneously with the delivery of such Bonds for the purposes of making deposits in such Funds and Accounts under this Resolution as shall be provided by the Supplemental Resolution authorizing such Series of Refunding Bonds and shall be applied to the refunding purposes thereof or to the payment or prepayment purposes thereof in the manner provided in said Supplemental Resolution.

(d) In lieu of compliance with Section 202(a)(v), Refunding Bonds may be issued to refund Outstanding Bonds (i) if the refunding will constitute a refunding of all Outstanding Bonds, including the retirement of related Contracts, or (ii) upon the execution by an Authorized Finance Officer of a certificate stating that the Debt Service Requirement with respect to such Refunding Bonds does not exceed in each Fiscal Year the Debt Service Requirement with respect to the Bonds being refunded and the Refunding Bonds, including any related Contracts, shall not have a pledge of or lien on the Trust Estate senior to the pledge of and lien on the Trust Estate of the Bonds refunded thereby.

(e) In complying with Section 202(a)(v), there shall be deleted from the calculation of maximum Debt Service Requirement the Debt Service Requirement on any Bonds being refunded by the Bonds with respect to which the certificate described in Section 202(a)(v) is being given.

ANNEX C

FLOW OF FUNDS

All terms used in this Annex C shall have the meaning assigned to such terms as provided in the Master Resolution. All section references used in this Annex C shall be references to the appropriate section in the Master Resolution. All references to "herein" or "hereof" in this Annex C shall be references to the Master Resolution. The following is intended to copy (without change) the provisions of Sections 505, 506 and 507 of the Master Resolution as of the Effective Date.

SECTION 505 Payment of Operation and Maintenance Expenses.

Operation and Maintenance Expenses shall be paid from the Revenue Fund as they become due and payable.

SECTION 506 Payments into Certain Funds.

The City shall make monthly withdrawals from the Revenue Fund, to the extent of amounts available therein, in order to make the following deposits and payments, in the order and amounts set forth below:

(a) for deposit in the Debt Service Fund, an amount sufficient to (i) provide for the timely payments required by Section 507, in amounts calculated as prescribed by Section 507(b) and (ii) satisfy the requirements of Section 508, if any, for such month; then

(b) for payment of Subordinated Indebtedness, the funding of such debt service reserves as may be required therewith and the payment of all related financing costs thereof, including without limitation any liquidity and credit enhancement charges or fees; then

(c) for deposit in the Surplus Fund, the balance of any such remaining amounts in the Revenue Fund.

SECTION 507 Debt Service Fund.

(a) Sufficient moneys shall be deposited to the Debt Service Fund from the Revenue Fund for the purpose of paying the Bonds as they become due and payable and, if and to the extent directed by a Supplemental Resolution, for the purpose of making payments under Contracts and to make any required deposits to a Bond Reserve Account. Specifically, in amounts calculated as prescribed by Section 507(b):

(i) First, for deposit in the Senior Bond Account,

(1) Unless otherwise provided in a Supplemental Resolution related to Senior Bonds, on or before each interest payment date for a Series of Senior Bonds, there shall be deposited in the Senior Bond Account of the Debt Service Fund an amount which, together with available moneys already on deposit therein (including Capitalized Interest Account transfers and Hedge Receipts and Termination Payments attributable to such Series of Senior Bonds, which shall be deposited directly to the Senior Bond Account of the Debt Service Fund) and amounts scheduled to be deposited therein from a Senior Bond Tax Credit Payment Account, is not less than the interest coming due on such Senior Bonds on such interest payment date. Such amount shall be used solely to pay interest on the Senior Bonds when due or pay Reimbursement Obligations for Credit Facilities under which the Credit Issuer makes interest payments on the Senior Bonds.

(2) Unless otherwise provided in a Supplemental Resolution or a Hedge Agreement related to Senior Bonds, on or before each payment date for Hedge Payments under a Qualified Hedge Agreement related to Senior Bonds, the City shall deposit in the Senior Bond Account of the Debt Service Fund an amount which, together with any Hedge Receipts and other moneys already on deposit therein and available to make such payment, is not less than such Hedge Payments related to Senior Bonds coming due on such payment date. Such amount shall be used solely to pay Hedge Payments under Qualified Hedge Agreements related to Senior Bonds when due.

(3) Unless otherwise provided in a Supplemental Resolution or a Contract related to Senior Bonds, on or before each payment date for amounts due on Contracts related to Senior Bonds, other than for Reimbursement Obligations and Qualified Hedge Agreements related to Senior Bonds and other than for Termination Payments under a Contract related to any Senior Bonds, the City shall deposit in the Senior Bond Account of the Debt Service Fund an amount which, together with any other moneys already on deposit therein and available to make such payment, is not less than the amount coming due on such payment date. Such amount shall be used solely for such Contract payments related to Senior Bonds when due.

(4) Unless otherwise provided in a Supplemental Resolution related to Senior Bonds, on or before each Principal Installment date for a Series of Senior Bonds, the City shall deposit in the Senior Bond Account of the Debt Service Fund an amount which, together with any other moneys already on deposit therein and available to make such payment, is not less than the principal payable on such Senior Bonds on such Principal Installment date, other than principal to be paid from a source other than Revenues. Such amount shall be used solely for the payment of principal of the Senior Bonds as the same shall become due and payable or to pay Reimbursement Obligations for Credit Facilities under which the Credit Issuer makes principal payments on the Senior Bonds.

(ii) Then, there shall be deposited in the Senior Bond Reserve Account the amounts specified, if any, in Supplemental Resolutions with respect to one or more Additionally Secured Series of Senior Bonds and as set forth in Section 508.

(iii) Then, for deposit in the Junior Bond Account:

(1) Unless otherwise provided in a Supplemental Resolution related to Junior Bonds, on or before each interest payment date for a Series of Junior Bonds, there shall be deposited in the Junior Bond Account of the Debt Service Fund an amount which, together with available moneys already on deposit therein (including Capitalized Interest Account

transfers and Hedge Receipts and Termination Payments attributable to such Series of Junior Bonds, which shall be deposited directly to the Junior Bond Account of the Debt Service Fund) and amounts scheduled to be deposited therein from a Junior Bond Tax Credit Payment Account, is not less than the interest coming due on such Junior Bonds on such interest payment date. Such amount shall be used solely to pay interest on the Junior Bonds when due or pay Reimbursement Obligations for Credit Facilities under which the Credit Issuer makes interest payments on the Junior Bonds.

(2) Unless otherwise provided in a Supplemental Resolution or a Hedge Agreement related to Junior Bonds, on or before each payment date for Hedge Payments under a Qualified Hedge Agreement related to Junior Bonds, the City shall deposit in the Junior Bond Account of the Debt Service Fund an amount which, together with any Hedge Receipts and other moneys already on deposit therein and available to make such payment, is not less than such Hedge Payments related to Junior Bonds coming due on such payment date. Such amount shall be used solely to pay Hedge Payments under Qualified Hedge Agreements related to Junior Bonds when due.

(3) Unless otherwise provided in a Supplemental Resolution or a Contract related to Junior Bonds, on or before each payment date for amounts due on Contracts related to Junior Bonds, other than for Reimbursement Obligations and Qualified Hedge Agreements related to Junior Bonds and other than for Termination Payments under a Contract related to any Junior Bonds, the City shall deposit in the Junior Bond Account of the Debt Service Fund an amount which, together with any other moneys already on deposit therein and available to make such payment, is not less than the amount coming due on such payment date. Such amount shall be used solely for such Contract payments related to Junior Bonds when due.

(4) Unless otherwise provided in a Supplemental Resolution related to Junior Bonds, on or before each Principal Installment date for a Series of Junior Bonds, the City shall deposit in the Junior Bond Account of the Debt Service Fund an amount which, together with any other moneys already on deposit therein and available to make such payment, is not less than the principal payable on such Junior Bonds on such Principal Installment date, other than principal to be paid from a source other than Revenues. Such amount shall be used solely for the payment of principal of the Junior Bonds as the same shall become due and payable or to pay Reimbursement Obligations for Credit Facilities under which the Credit Issuer makes principal payments on the Junior Bonds.

(iv) Then, there shall be deposited in the Junior Bond Reserve Account the amounts specified, if any, in Supplemental Resolutions with respect to one or more Additionally Secured Series of Junior Bonds and as set forth in Section 508.

(b) Without limiting Section 507(a), and except as may otherwise be set forth in a Supplemental Resolution, the payment required to be made each month from the Revenue Fund to the Senior Bond Account and Junior Bond Account, as applicable, shall be calculated to provide for the deposit obligations described in Section 507(a) (excluding any obligations related to Bond Reserve Accounts) which will have accrued by the end of the month of such payment to the Senior Bond Account and Junior Bond Account, as applicable. For purposes of calculating the accrual of such deposit obligations, (i) Principal Installments of a Series will be deemed to accrue daily in equal amounts from the preceding Principal Installment date for such Series (but in no event shall any accrual be made for any Principal Installment more than one year prior to the due date of such Principal Installment or from the Date of Issuance of Bonds of such Series, whichever date is later); (ii) each fixed payment obligation (other than

Principal Installments) will be deemed to accrue daily in equal amounts from the preceding relevant payment obligation date (but in no event more than one year prior to such payment obligation date or the initial incurrence of the payment obligation, whichever is later); (iii) principal and interest portions of the Accreted Value of Capital Appreciation Bonds or the Appreciated Value of Deferred Income Bonds shall accrue in the manner provided in Section 207(a); and (iv) variable payment obligations, whether interest related to Bonds issued with Variable Rates or otherwise, shall accrue as estimated by the City. Any monthly deposit to the Senior Bond Account or the Junior Bond Account, as applicable, in excess of the amount required by this subsection (b) shall be credited against the next ensuing monthly payment or payments.

(c) There shall be established within the Senior Bond Account a Senior Bond Tax Credit Payment Account for each Series of Senior Bonds that are Tax Credit Bonds, as applicable. There shall be established within the Junior Bond Account a Junior Bond Tax Credit Payment Account for each Series of Junior Bonds that are Tax Credit Bonds, as applicable. Tax Credit Payments received by the City shall be deposited directly into the applicable Tax Credit Payment Account, and such amounts shall be applied solely to the payment of debt service on the applicable Series of Tax Credit Bonds, at the times and in the manner otherwise described in this Section 507.

(d) Nothing herein shall limit the right of the City to use amounts on deposit in the Senior Bond Account or Junior Bond Account, as applicable, together with such other amounts as may be determined by an Authorized Finance Officer, to defease all or a portion of Bonds attributable to such Bond Account deposits, purchase all or a portion of such Bonds in the open market, or redeem all or a portion of such Bonds at their Redemption Price; provided that the amount thereafter remaining in the applicable Bond Account shall not be less than the remaining requirement of such Account, as set forth in Section 506(a) and this Section 507. Any Bonds so purchased or redeemed by the City which are subject to mandatory redemption requirements may be applied as a credit against such mandatory redemption requirements as prescribed by the Supplemental Resolution authorizing such Bonds.

SCHEDULE II
PROJECT DETAILS

PART A. Project Budget.

| SOURCES OF FUNDS | AMOUNT (\$ USD) | PERCENTAGE (%) |
|-------------------------------------|------------------------|-----------------------|
| WIFIA | 186,080,000 | 48.2% |
| SRF | 115,051,000 | 29.8% |
| Borrower Cash | 85,252,000 | 22.1% |
| Total Sources of Funds | 386,383,000 | 100.0% |
| USES OF FUNDS | AMOUNT (\$ USD) | PERCENTAGE (%) |
| Construction | 231,830,000 | 60.0% |
| Design | 38,638,000 | 10.0% |
| Planning | 19,319,000 | 5.0% |
| Land Acquisition | 400,000 | 0.1% |
| Contingency | 95,796,000 | 24.8% |
| Financing Costs | 400,000 | 0.1% |
| Total Uses of Funds | 386,383,000 | 100.0% |
| Total Eligible Project Costs | 386,383,000 | 100.0% |
| Total Project Costs | 386,383,000 | 100.0% |

PART B. Construction Schedule.

Projected Substantial Completion Date: 12/31/2026

| PROJECT ELEMENT | DESIGN COMPLETION | CONSTRUCTION START | CONSTRUCTION END |
|--|--------------------------|---------------------------|-------------------------|
| 1. E2I2 Environmental and Economic Infrastructure Improvements | 2/28/2023 | 5/31/2023 | 5/31/2026 |
| 2. Moccasin Bend Wastewater Treatment Plant Solids Process Optimization and Thermal Hydrolysis Process | 2/28/2023 | 11/31/2023 | 8/31/2026 |
| 3. Moccasin Bend Wastewater Treatment Plant Wet Weather Treatment Upgrades | 11/30/2022 | 2/28/2023 | 12/31/2026 |
| 4. Moccasin Bend Wastewater Treatment | 8/31/2022 | 11/30/2023 | 8/31/2026 |

| | | | |
|------------------------------------|--|--|--|
| Plant Oxygen Plant Improvements | | | |
|------------------------------------|--|--|--|

PART C. Existing Construction Contracts.¹

| Contract Name | Effective Date | Amount | Parties | Description |
|----------------------|-----------------------|---------------|----------------|--------------------|
| | | | | |
| | | | | |
| | | | | |

PART D. Project Description.

The Project is the Borrower's Wastewater Compliance and Sustainability Project, located in Hamilton County, Tennessee. The Project consists of the following components: (a) Environmental and Economic Infrastructure Improvements (e2i2), (b) Moccasin Bend Wastewater Treatment Plant (MBWWTP) Solids Process Optimization and Thermal Hydrolysis Process, (c) MBWWTP Wet Weather Treatment Upgrades, and (d) MBWWTP Oxygen Plant Improvements. The e2i2 component includes the design and construction of three equalization stations. The MBWWTP components include process improvements to the wet weather storage capacity and treatment and an upgrade of the treatment technologies for the solids handling and biological treatment processes. The Project will address sewer overflows that are the subject of an existing consent decree with EPA, as well as replace aging plant infrastructure.

¹ **Note to Borrower:** Borrower to provide.

SCHEDULE III
BORROWER DISCLOSURES¹

PART A. Existing Indebtedness.

1. Senior Bonds
None.

2. Junior Bonds

| | Agreement/Series | Outstanding Principal as of Effective Date |
|------------|----------------------|--|
| 1. | 2003-168 SRF Loan | \$2,367,768 |
| 2. | 2007-204 SRF Loan | \$646,176 |
| 3. | 2011-289 SRF Loan | \$833,208 |
| 4. | 2012-307 SRF Loan | \$1,468,272 |
| 5. | 2013-318 SRF Loan | \$2,846,016 |
| 6. | 2016-357 SRF Loan | \$1,190,817 |
| 7. | 2018-405 SRF Loan | \$38,808 |
| 8. | 2018-406 SRF Loan | \$694,011 |
| 9. | 2018-406-01 SRF Loan | \$1,241,547 |
| 10. | 2019-428 SRF Loan | \$14,879 |
| 11. | 2019-429 SRF Loan | \$190,657 |
| 12. | 2020-440 SRF Loan | \$38,608 |
| 13. | 2020-440.01 SRF Loan | \$0 |

3. Subordinated Indebtedness
None.

¹ **Note to Borrower:** Borrower to complete.

PART B. Litigation Disclosure.

| No. | Parties | Date Initiated | Description / Status | Venue |
|-----|---------|----------------|----------------------|-------|
| | | | | |
| | | | | |

PART C. Environmental Matter Disclosure.

SCHEDULE IV

REQUISITION PROCEDURES

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

PART A. General Requirements.

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

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

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

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

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

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

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

provided, that, (x) if any such day is not a Business Day, the Disbursement request or payment (as the case may be) shall be made by the next succeeding Business Day; (y) the 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.

PART B. WIFIA Lender Review Process.

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

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

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

(d) A Requisition may be rejected in whole or in part by the WIFIA Lender if it is: (i) submitted without signature; (ii) submitted under signature of a Person other than a Borrower's Authorized Representative; (iii) submitted after prior Disbursement of all proceeds of the WIFIA Loan; or (iv) submitted without adequate Eligible Project Costs Documentation. The WIFIA Lender will notify the 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.

The Borrower shall provide to the WIFIA Lender, not later than one hundred eighty (180) days after the end of each Borrower Fiscal Year, an Updated Financial Model/Plan. The Updated Financial Model/Plan shall reflect the 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 a reasonable projection 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 WIFIA Lender, as soon as available, but no later than one hundred eighty (180) days after the end of each Borrower Fiscal Year, a copy of the audited income statement and balance sheet of 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); provided, that the failure of the Borrower to deliver to the WIFIA Lender the annual audited financial statements required under this paragraph within such 180-day period shall not constitute a Default or an Event of Default so long as the Borrower delivers such financial statements within ninety (90) days after the end of such period. Any declaration of a Default or Event of Default for a failure of the Borrower to deliver to the WIFIA Lender the annual audited financial statements required under this paragraph shall be subject to the proviso set forth in this paragraph and made in accordance with and subject to the provisions of Section 17 (*Event of Default and Remedies*), including the notice and cure periods set forth in Section 17(a)(v).

PART C. Construction Monitoring.

(a) The WIFIA Lender shall have the right in its sole discretion to monitor (or direct its agents to monitor) the development of the Project, including environmental compliance,

design, and construction of the Project. The Borrower shall be responsible for administering construction oversight of the Project in accordance with applicable federal, state and local governmental requirements. The Borrower agrees to cooperate in good faith with the WIFIA Lender in the conduct of such monitoring by promptly providing the WIFIA Lender with such reports, documentation or other information as shall be requested by the WIFIA Lender or its agents, including any independent engineer reports, documentation or information.

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

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

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

PART D. Public Benefits Report.

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

PART E. Notices.

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

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

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

(iv) Litigation: (1) the filing of any litigation, suit or action, or the commencement of any proceeding, against 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 the WIFIA Bond or this Agreement or (B) the existence, priority or perfection (if applicable) of the WIFIA Lender's security interest in the Pledged Collateral;

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

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

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

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

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

(xi) 2 C.F.R. § 180.350 Notices: any notification required pursuant to 2 C.F.R. § 180.350, whether attributable to a failure by 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: copies of any final issuing instrument (together with any continuing disclosure documents, ordinances, official statement, certifications or cash flow projections in connection therewith), prepared in connection with the incurrence of any Permitted Debt (including any Additional Obligations), together with a confirmation by the 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 WIFIA CUSIP Number with a reference to the relevant WIFIA provision of this Agreement;

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

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

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

(xvi) Fiscal Year: any change to or adoption of any fiscal year other than the Initial Borrower Fiscal Year; provided, that such notice may be accomplished through the posting of the relevant document on EMMA under the WIFIA CUSIP Number with a reference to the relevant WIFIA provision of this 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 the WIFIA Loan remains Outstanding, promptly deliver to the WIFIA Lender such additional information regarding the business, financial, legal or organizational affairs of the Borrower or regarding the System, the Project or the System Revenues as the WIFIA 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 EPA (other than the WIFIA Loan Documents) or the Federal Government.

SCHEDULE VI

WIFIA LOAN AMORTIZATION SCHEDULE¹

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

¹ The final schedule will be finalized on the day of closing to account for the final interest rate.

EXHIBIT A

FORM OF WIFIA BOND

CITY OF CHATTANOOGA

WASTEWATER COMPLIANCE AND SUSTAINABILITY PROJECT

(WIFIA ID – N21106TN)

WIFIA BOND

| Interest Rate | Final Maturity Date | Dated Date | WIFIA CUSIP |
|--|--|----------------------|----------------------|
| <input type="text"/> %, subject to the Default Rate (as defined and in accordance with the WIFIA Loan Agreement) | 9/1/2061, subject to adjustment as set forth in the WIFIA Loan Agreement | <input type="text"/> | <input type="text"/> |
| Registered Owner | UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, acting by and through the Administrator of the Environmental Protection Agency | | |
| Maximum Principal Amount | \$186,000,000 | | |

CITY OF CHATTANOOGA, a municipal corporation located in Hamilton County, Tennessee and organized and existing under the laws of the State of Tennessee (the “**Borrower**”), for value received, hereby promises to pay to the order of the **UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**, acting by and through the Administrator of the United States Environmental Protection Agency, or its assigns (the “**WIFIA Lender**”), the lesser of (x) the Maximum Principal Amount set forth above and (y) the aggregate unpaid principal amount of all Disbursements made by the WIFIA Lender (such lesser amount being hereinafter referred to as the “**Outstanding Principal Sum**”), together with accrued and unpaid interest (including, if applicable, interest at the Default Rate, as defined in the WIFIA Loan Agreement (as defined below)) on the Outstanding Principal Sum and all fees, costs and other amounts payable in connection therewith, all as more fully described in that certain WIFIA Loan Agreement, dated as of the date hereof, between the WIFIA Lender and the Borrower (the “**WIFIA Loan Agreement**”). All capitalized terms used in this WIFIA Bond and not defined herein shall have the meanings set forth in the WIFIA Loan Agreement.

The WIFIA Debt Service hereof shall be payable in the amounts, manner and on the Payment Dates as set forth in the WIFIA Loan Amortization Schedule in accordance with the WIFIA Loan Agreement (which WIFIA Loan Amortization Schedule may be revised from time to time in accordance with the WIFIA Loan Agreement), until paid in full (which Loan Amortization Schedule, as modified from time to time in accordance with the terms of the WIFIA Loan Agreement, is incorporated in and is a part of this WIFIA Bond). The WIFIA Lender is hereby authorized to modify the WIFIA Loan Amortization Schedule from time to time to reflect the amount of each Disbursement made thereunder and the date and amount of principal or interest paid by the Borrower thereunder and otherwise in accordance with the terms of the WIFIA Loan Agreement. Absent manifest error, the WIFIA Lender's determination of such matters as set forth on the WIFIA Loan Amortization Schedule to the WIFIA Loan Agreement shall be conclusive evidence thereof; provided, however, 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 WIFIA Loan Document.

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

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

Payment of the obligations of the Borrower under this WIFIA Bond is secured pursuant to the WIFIA Supplemental Resolution and the Master Resolution. This WIFIA Bond is a Junior Bond, entitled to all of the benefits of a Junior Bond under the Master Resolution. The Lien on the Pledged Collateral securing this WIFIA Bond for the benefit of the WIFIA Lender is (i) on a parity in right of payment and right of security to the Lien on the Pledged Collateral in favor of all other Junior Bonds, (ii) senior in right of payment and right of security to the Lien on the Pledged Collateral in favor of any Subordinated Indebtedness and (iii) subordinate only (except as otherwise required by law) to the Lien on the Pledged Collateral in favor of any Additional Senior Bonds.

This WIFIA Bond shall be subject to mandatory prepayment on the terms and conditions set forth in the WIFIA Loan Agreement.

This WIFIA Bond may be prepaid at the option of the Borrower, without penalty or premium, (i) in full on any date on or after the Final Disbursement Date or (ii) in part on any Payment Date on or after the Final Disbursement Date (and, if in part, the amounts thereof to be prepaid are to be determined by the Borrower; provided, such prepayments shall be in principal amounts of \$1,000,000 or any integral multiple of \$1.00 in excess thereof), in each case from time to time but not more than once annually in accordance with the WIFIA Loan Agreement.

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

All acts, conditions and things required by the Constitution and laws of the State to happen, exist, and be performed precedent to and in the issuance of this WIFIA Bond have happened, exist and have been performed as so required. This WIFIA 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, CITY OF CHATTANOOGA has caused this WIFIA 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.

CITY OF CHATTANOOGA,
by its authorized representative

(SEAL)

By: _____
Name: Tim Kelly
Title: Mayor

APPROVED AS TO FORM
AND LEGALITY:

By: _____
Name:
Title: City Attorney

ATTESTED:

By: _____
Name: Nicole Gwyn
Title: Clerk

CERTIFICATE OF AUTHENTICATION

This WIFIA Bond is the WIFIA Bond described in the within-mentioned Master Resolution.

[NAME OF BOND REGISTRAR]

By: _____
Authorized Signer

(FORM OF ASSIGNMENT)

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

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

the within WIFIA Bond and all rights thereunder.

Dated: _____

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

EXHIBIT B

FORM OF CLOSING CERTIFICATE

Reference is made to that certain WIFIA Loan Agreement, dated as of November [], 2022 (the “**WIFIA Loan Agreement**”), by and among the City of Chattanooga, a political subdivision of the State of Tennessee, (the “**Borrower**”) and the United States Environmental Protection Agency, acting by and through the Administrator (the “**WIFIA Lender**”). Capitalized terms used in this certificate and not defined shall have the respective meanings ascribed to such terms in the WIFIA Loan Agreement.

In connection with Section 11(a) (*Conditions Precedent to Effectiveness*) of the WIFIA Loan Agreement, the undersigned, as the 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 11(a)(v) of the WIFIA Loan Agreement, attached hereto as Annex A is an incumbency certificate that lists all persons, together with their positions and specimen signatures, who are duly authorized by the Borrower to execute the WIFIA 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 21 (*Borrower’s Authorized Representative*) of the WIFIA Loan Agreement;
- (b) pursuant to Section 11(a)(ii) of the WIFIA Loan Agreement, the Borrower has delivered to the WIFIA Lender copies of (i) the Master Resolution, together with any amendments, supplements, waivers or modifications thereto (but excluding any document that solely provides for the issuance or incurrence of Obligations) and (ii) any Related Document with respect to which all or a portion of the proceeds are or will be applied to fund all or any portion of Total Project Costs, in each case that has been entered into on or prior to the Effective Date, and each such document is complete, fully executed, and in full force and effect, and all conditions contained in the Related Documents that are necessary to the closing of the WIFIA transaction contemplated hereby (if any) have been fulfilled;
- (c) pursuant to Section 11(a)(v)(A) of the WIFIA Loan Agreement, (i) the Maximum Principal Amount, together with the amount of any other credit assistance provided under the Act to the Borrower, does not exceed forty-nine percent (49%) of reasonably anticipated Eligible Project Costs; (ii) the aggregate amount of Eligible Project Costs previously incurred prior to the Effective Date does not exceed fifty-one percent (51%) of Eligible Project Costs; and (iii) the total federal assistance provided to the Project, including the Maximum Principal Amount, does not exceed eighty percent (80%) of Total Project Costs;
- (d) pursuant to Section 11(a)(v)(B) of the WIFIA Loan Agreement, the Borrower is in compliance with NEPA and any applicable federal, state or local environmental review and approval requirements with respect to the Project;

- (e) pursuant to Section 11(a)(v)(C) of the WIFIA Loan Agreement, the Borrower has (i) obtained a FEIN, as evidenced by the Borrower's W-9 which is included in the closing transcripts for the WIFIA Loan, and a UEI, in each case as set forth on Part A of Schedule I (*WIFIA Loan Specific Terms*) to the WIFIA Loan Agreement, and (ii) registered with, and obtained confirmation of active SAM registration status, which confirmation is included in the closing transcripts for the WIFIA Loan;
- (f) pursuant to Section 11(a)(v)(D) of the WIFIA Loan Agreement, the Borrower has obtained the WIFIA CUSIP Number, as set forth on Part A of Schedule I (*WIFIA Loan Specific Terms*) to the WIFIA Loan Agreement, and which confirmation is included in the closing transcripts for the WIFIA Loan;
- (g) pursuant to Section 11(a)(v)(E) of the WIFIA Loan Agreement, the representations and warranties of the Borrower set forth in the WIFIA Loan Agreement and in each other WIFIA 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;
- (h) pursuant to Section 11(a)(v)(F) of the WIFIA Loan Agreement, no Material Adverse Effect, or any event or condition that could reasonably be expected to have a Material Adverse Effect, has occurred or arisen since the date of the Application;
- (i) pursuant to Section 11(a)(vi) of the WIFIA Loan Agreement, the rating letter delivered to the WIFIA Lender pursuant to such Section 11(a)(vi) has not been reduced, withdrawn or suspended as of the Effective Date; and
- (j) pursuant to Section 11(a)(ix) of the WIFIA Loan Agreement, the Borrower has delivered to the WIFIA Lender duly executed copies of all consents that are required from the Tennessee Local Development Authority under the State Revolving Fund Loans (as defined in the Master Resolution) in effect as of the Effective Date for the incurrence of the WIFIA Loan and the issuance of the WIFIA Bond pursuant to the WIFIA Loan Documents.

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

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

CITY OF CHATTANOOGA,
by its authorized representative

By: _____
Name:
Title:

*[Signature Page to the City of Chattanooga Wastewater Compliance and Sustainability Project –
Closing Certificate]*

ANNEX A TO EXHIBIT B

INCUMBENCY CERTIFICATE

The undersigned certifies that he/she is the [Secretary] of the City of Chattanooga, a municipal corporation located in Hamilton County, Tennessee and organized and existing under the laws of the State of Tennessee (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 WIFIA Loan Documents as the Borrower’s Authorized Representative (each as defined in that certain WIFIA Loan Agreement, dated as of the date hereof, between the Borrower and the United States Environmental Protection Agency, acting by and through the Administrator):

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

IN WITNESS WHEREOF, the undersigned has executed this certificate as of this _____ day of November, 2022.

CITY OF CHATTANOOGA,
by its authorized representative

By: _____
Name:
Title:

EXHIBIT C

FORM OF PUBLIC BENEFITS REPORT

Pursuant to Section 11(a)(vii) and Part D of Schedule V (*Reporting Requirements*) of the WIFIA Loan Agreement (as defined below), the City of Chattanooga (the “**Borrower**”) is providing this Public Benefits Report in connection with the Wastewater Compliance and Sustainability Project (WIFIA ID – N21106TN). Capitalized terms used in this certificate and not defined shall have the respective meanings ascribed to such terms in the WIFIA Loan Agreement dated as of November [], 2022 (the “**WIFIA Loan Agreement**”), between the Borrower and the United States Environmental Protection Agency, acting by and through the Administrator.

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

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

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

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

Yes

If yes, additional description: []

No

- (iii) **The Project will assist the Borrower with the following environmental measures:**

(a) Number of SSO events per year expected to be prevented by the Project (measured in number of SSO events per year at Substantial Completion): [];

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

(c) Amount by which the Project will provide higher level of treatment at wastewater treatment plants (measured in MGD capacity at Substantial Completion): []; and

(d) Amount by which the Project will increase Class A and Class B biosolids production (measured in Tons annually at Substantial Completion): [].

EXHIBIT D

FORM OF REQUISITION

VIA EMAIL

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

Re: The City of Chattanooga Wastewater Compliance and Sustainability Project (WIFIA ID – N21106TN)

Ladies and Gentlemen:

Pursuant to Section 4 (*Disbursement Conditions*) and Schedule IV (*Requisition Procedures*) of the WIFIA Loan Agreement, dated as of November [], 2022 (the “**WIFIA Loan Agreement**”), by and between the CITY OF CHATTANOOGA (the “**Borrower**”) and the UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, acting by and through the Administrator (the “**WIFIA 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 WIFIA Loan Agreement.

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

| | | |
|-----|--|--|
| 1. | Project name | City of Chattanooga Wastewater Compliance and Sustainability Project |
| 2. | Borrower name | City of Chattanooga |
| 3. | WIFIA Loan ID | N21106TN |
| 4. | Borrower UEI | []. |
| 5. | Borrower FEIN number | 62-6000259 |
| 6. | Requisition number | [] |
| 7. | Requested Disbursement amount | [\$ [] |
| 8. | Requested date of Disbursement (the “Disbursement Date”) | [] |
| 9. | Total amounts previously disbursed under the WIFIA Loan Agreement | [\$ [] |
| 10. | Wire or ACH transfer instructions (please specify method) | [] |

11. As of the date hereof, and immediately after giving effect to the Disbursement of WIFIA Loan proceeds requested under this Requisition, (a) no Default or Event of Default and no event of default under any other Related Document shall have occurred and be continuing and (b) no event that, with the giving of notice or the passage of time or both, would constitute an event of default under any other Related Document, shall have occurred and be continuing.
12. No Material Adverse Effect, or any event or condition that could reasonably be expected to have a Material Adverse Effect, has occurred since the Effective Date.
13. The aggregate amount of all Disbursements (including the requested Disbursement amount under this Requisition) does not exceed (a) the Maximum Principal Amount of the WIFIA Loan or (b) the amount of Eligible Project Costs paid or incurred by the Borrower.
14. The Eligible Project Costs for which reimbursement or payment is being requested has not been reimbursed or paid by any previous disbursement of (a) WIFIA Loan proceeds or (b) any other source of funding for the Project (other than any Interim Financing or cash of the Borrower) as identified in the Project Budget.
15. The Borrower, the IDB and each of the contractors and subcontractors at all tiers with respect to the Project, has complied with all applicable laws, rules, regulations and requirements, including 40 U.S.C. §§3141-3144, 3146, and 3147 (relating to Davis-Bacon Act requirements) (and regulations relating thereto) and 33 U.S.C. §3914 (relating to American iron and steel products). Supporting documentation, such as certified payroll records and certifications for all iron and steel products used for the Project, are being maintained and are available for review upon request by the WIFIA Lender.
16. The representations and warranties of the Borrower set forth in the WIFIA Loan Agreement and in each other WIFIA Loan Document are true and correct as of the date hereof and as of the Disbursement Date, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties are true and correct as of such earlier date).
17. The 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 WIFIA Lender.
18. The amount hereby being requested for Disbursement is with respect to Eligible Project Costs for which [all][a portion][none] of the Eligible Project Costs Documentation was previously submitted to and approved by the WIFIA Lender in accordance with Schedule IV (*Requisition Procedures*) and Schedule V (*Reporting Requirements*) of the WIFIA Loan Agreement. The [following table below][attached excel sheet] sets out a summary of any Eligible Project Costs that have not otherwise been previously submitted to the WIFIA Lender for approval, and supporting Eligible Project Costs Documentation in respect of such new Eligible Project Costs is attached hereto.¹

¹ See Schedules IV, V and Exhibit E of the WIFIA Loan Agreement for additional details on EPC Documentation.

| | | | | | | | | WIFIA USE ONLY | |
|--|-----------------------------|--------------|--------------|----------------|-------------------------------------|----------------------------|--------------------------------------|-----------------|-------|
| Vendor or Contractor Name ² | Invoice Number ³ | Invoice Date | Payment Date | Invoice Amount | WIFIA Requested Amount ⁴ | Activity Type ⁵ | Description of Activity ⁶ | 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: _____

CITY OF CHATTANOOGA,
by its authorized representative

By: _____

Name:

Title: _____

² If seeking reimbursement for internal costs, enter "Internally financed activities."

³ Vendor's number indicated on the invoice sent to the Borrower.

⁴ If the amount requested for reimbursement by the WIFIA Lender is less than the total amount of the invoice, include an explanation for the difference.

⁵ Specify whether activity is: (a) **Development phase activity**, which includes planning, preliminary engineering, design, environmental review, revenue forecasting and other pre-construction activities; (b) **Construction**, which includes construction, reconstruction, rehabilitation and replacement activities; (c) **Acquisition of real property**, which includes acquiring an interest in real property, environmental mitigation, construction contingencies and acquisition of equipment; (d) **Carrying costs**, including capitalized interest, as necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses and other carrying costs during construction; (e) **WIFIA fees**, including for application and credit processing; or (f) **Other**, with an explanation in the "Description of Activity" column.

⁶ Provide a brief description of the activities included in the invoice for which WIFIA funds are being requested and any other notes that will aid in the review of the disbursement request.

EXHIBIT E

FORM OF CERTIFICATION OF ELIGIBLE PROJECT COSTS DOCUMENTATION

VIA EMAIL

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

Re: The City of Chattanooga Wastewater Compliance and Sustainability Project (WIFIA ID – N21106TN)

Ladies and Gentlemen:

Pursuant to Part C of Schedule V (*Reporting Requirements*) of the WIFIA Loan Agreement, dated as of November [], 2022 (the “**WIFIA Loan Agreement**”), by and between the CITY OF CHATTANOOGA (the “**Borrower**”) and the UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, acting by and through the Administrator (the “**WIFIA Lender**”), the Borrower hereby presents this certificate in connection with the Borrower’s delivery of Eligible Project Costs Documentation to the WIFIA Lender. Capitalized terms used but not defined herein have the meaning set forth in the WIFIA Loan Agreement.

The undersigned does hereby represent and certify the following:

1. This certificate is being delivered to the WIFIA Lender in connection with the Eligible Project Costs during the period between [] and [] (the “**Quarterly Period**”).
2. A summary of the Eligible Project Costs incurred, invoiced and/or paid (as the case may be) is set out in the [attached excel sheet][table on the following page:]

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

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

3. The anticipated sources of funding for such Eligible Project Costs are [listed below][set forth in the attached excel sheet].
4. Supporting Eligible Project Costs Documentation for the above Eligible Project Costs for the Quarterly Period are also attached hereto.⁶
5. The most recently delivered Construction Monitoring Report delivered in accordance with Part C of Schedule V (*Reporting Requirements*) sets out a summary of the progress of construction of the Project, no change has occurred since the date of such Construction Monitoring Report that could reasonably be expected to cause a Material Adverse Effect, and the Borrower is otherwise in compliance with Part C of Schedule V (*Reporting Requirements*).

Date: _____

CITY OF CHATTANOOGA⁷

By: _____

Name:

Title: _____

² If the expectation is to seek reimbursement for internal costs, enter "Internally financed activities."

³ Vendor's number indicated on the invoice sent to the Borrower.

⁴ Specify whether activity is: (a) **Development phase activity**, which includes planning, preliminary engineering, design, environmental review, revenue forecasting and other pre-construction activities; (b) **Construction**, which includes construction, reconstruction, rehabilitation and replacement activities; (c) **Acquisition of real property**, which includes acquiring an interest in real property, environmental mitigation, construction contingencies and acquisition of equipment; (d) **Carrying costs**, including capitalized interest on other Project Obligations during construction, as necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses and other carrying costs during construction; (e) **WIFIA fees**, including for application and credit processing; or (f) **Other**, with an explanation in the "Description of Activity" column.

⁵ Provide a brief description of the activities included in the invoice for which WIFIA funds are being requested and any other notes that will aid in the review of the documentation.

⁶ See Schedules IV and V of the WIFIA Loan Agreement for additional details on EPC Documentation.

⁷ To be executed by the Borrower's Authorized Representative.

EXHIBIT F

FORM OF CONSTRUCTION MONITORING REPORT

VIA EMAIL

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

Re: The City of Chattanooga Wastewater Compliance and Sustainability Project (WIFIA ID – N21106TN)

This Construction Monitoring Report for the period of *[insert relevant quarterly period]* (the “**Quarterly Period**”) is provided pursuant to Part D of Schedule V (*Reporting Requirements*) of the WIFIA Loan Agreement, dated as of November [], 2022 (the “**WIFIA Loan Agreement**”), by and between the CITY OF CHATTANOOGA (the “**Borrower**”) and the UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, acting by and through the Administrator of the Environmental Protection Agency (the “**WIFIA Lender**”). Unless otherwise defined herein, all capitalized terms in this Construction Monitoring Report have the meanings assigned to those terms in the WIFIA Loan Agreement.

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

| |
|--|
| |
|--|

2. **Current Projected Substantial Completion Date:**

| |
|--|
| |
|--|

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

| |
|--|
| |
|--|

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

Note any problems encountered or anticipated during the construction of the Project during the Quarterly Period that (1) impedes Project completion within the scope, costs, and schedule outlined in the WIFIA Loan Agreement or (2) relates to unforeseen complications in connection with the construction of the Project. This may include commissioning/start-up issues, constructability issues for the Project as planned, adverse impacts to Project surroundings, changes in or issues with meeting environmental or federal compliance requirements, and unanticipated or abnormal permit approval timelines. Include an assessment of the impact and any current plans to address the problems.

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

Date: _____

CITY OF CHATTANOOGA

By: _____

Name: _____

Title: _____

APPENDIX A ¹

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

Table Definitions:

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

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

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

Location (program of projects only) – physical project boundaries

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

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

Bid Advertisement Date – the date the bid was advertised

Contract Award date – the date the contract was awarded

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

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

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

Original Contract Amount – the original contract award amount

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

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

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

¹ Appendix A summarizes all project components that will be bid in the next quarter, are currently under construction, or have completed construction. It should be a cumulative list of projects that is updated each quarter. A Microsoft Excel spreadsheet with similar table format is acceptable.

EXHIBIT G

FORM OF CERTIFICATE OF SUBSTANTIAL COMPLETION

[Letterhead of Borrower]

[Date]

VIA EMAIL

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

Project: The City of Chattanooga Wastewater Compliance and Sustainability Project (WIFIA ID – N21106TN)

Dear Director:

This Notice is provided pursuant to Part E of Schedule V (*Reporting Requirements*) of that certain WIFIA Loan Agreement (the “**WIFIA Loan Agreement**”), dated as of November [___], 2022, by and between the CITY OF CHATTANOOGA (the “**Borrower**”) and the UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, acting by and through its Administrator (the “**WIFIA Lender**”).

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

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

- (a) the Project has satisfied each of the requirements for Substantial Completion set forth in the Construction Contracts;
- (b) Substantial Completion has been declared under each of the relevant Construction Contracts and copies of the notices of Substantial Completion under such agreements are attached to this certification;
- (c) Substantial Completion, as defined in the WIFIA Loan Agreement, has been achieved and the Substantial Completion Date is [___]; and

- (d) The total federal assistance provided to the Project, including the Maximum Principal Amount of the WIFIA Loan, does not exceed eighty percent (80%) of Total Project Costs.

CITY OF CHATTANOOGA,
by its authorized representative

By: _____
Name:
Title:

EXHIBIT H-1

OPINIONS REQUIRED FROM GENERAL COUNSEL TO BORROWER

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

(a) the Borrower is duly formed, validly existing, and in good standing under the laws of the jurisdiction of its organization;

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

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

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

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

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

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

(h) to the knowledge of such counsel after due inquiry, 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 Related Documents or the System (including the Project) that are pending.

EXHIBIT H-2

OPINIONS REQUIRED FROM BOND COUNSEL TO BORROWER

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

(a) The Borrower has been duly created and validly exists as a municipal corporation of the State under and pursuant to the laws of the State (including the [*Borrower enabling legislation*] as amended to the date hereof) (the “**Borrower Act**”), with good right and power to issue the WIFIA Bond.

(b) The Borrower has the right and power under the laws of the State, including the Borrower Act, to enter into the Master Resolution Documents, the WIFIA Loan Documents and the WIFIA Bond, and each has been duly authorized, executed and delivered by the Borrower, is in full force and effect, and constitutes a legal, valid and binding agreement of the Borrower enforceable against the Borrower in accordance with its respective terms and conditions.

(c) the WIFIA Bond (i) is secured by the Pledged Collateral, (ii) is a Junior Bond entitled to the benefits of a Junior Bond under the Master Resolution, (iii) is enforceable under the laws of the State without any further action by the Borrower or any other Person, and (iv) ranks *pari passu* in right of payment and right of security with all other Junior Bonds, senior in right of payment and right of security to any Subordinated Indebtedness and subordinate only (except as otherwise required by law) to the Lien on the Pledged Collateral in favor of any Additional Senior Bonds;

(d) the Master Resolution creates the valid and binding assignment and pledge of the Pledged Collateral to secure the payment of the principal of, interest on, and other amounts payable in respect of, the WIFIA Bond, irrespective of whether any party has notice of the pledge and without the need for any physical delivery, recordation, filing or further act;

(e) all actions by the Borrower that are required for the application of Revenues as required under the Master Resolution Documents and under the WIFIA Loan Agreement have been duly and lawfully made;

(f) the Borrower has complied with the requirements of State law to lawfully pledge the Pledged Collateral and use the Revenues as required by the terms of the Master Resolution and the WIFIA Loan Agreement;

(g) the Borrower is not eligible to be a debtor in either a voluntary or involuntary case under the United States Bankruptcy Code; and

(h) the Borrower is not entitled to claim governmental immunity in any breach of contract action under the WIFIA Loan Agreement or the WIFIA Bond or under the Master Resolution Documents.



**CITY OF CHATTANOOGA
WASTEWATER COMPLIANCE AND SUSTAINABILITY PROJECT
(WIFIA ID – N21106TN)**

WIFIA Loan Agreement Closing Deliverables Checklist

Effective Date: *November* __, 2022

| <u>Parties</u> | |
|-----------------------|--|
| Designation | Party |
| Borrower | City of Chattanooga |
| Project | City of Chattanooga Wastewater Compliance and Sustainability Project |
| WIFIA Lender | United States Environmental Protection Agency (acting by and through the Administrator of the Environmental Protection Agency) |

| <u>Counsel and Advisors</u> | |
|------------------------------------|---|
| Designation | Party |
| Borrower General Counsel | Office of the City Attorney of the City of Chattanooga, general counsel to Borrower |
| Borrower Bond Counsel | Bass, Berry & Sims PLC, bond counsel to Borrower |
| WIFIA Lender Counsel | Hawkins Delafield & Wood LLP, counsel to WIFIA Lender |

Defined Terms and Section References: Except as otherwise specified herein, all capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the WIFIA Loan Agreement to be entered into between the Borrower and the WIFIA Lender (the “WIFIA Loan Agreement” or “WLA”). All section references are to the WIFIA Loan Agreement.

| | Item / Document | Responsible Party | Signatory | WLA Document Reference | Status / Comments |
|-----------|--|--------------------------------------|--|------------------------|--|
| A. | WIFIA LOAN DOCUMENTS | | | | |
| 1. | WIFIA Loan Agreement | WIFIA Lender Counsel / WIFIA Lender | <input type="checkbox"/> Borrower <input type="checkbox"/> WIFIA Lender | Sec. 11(a)(i) | WIFIA Lender Counsel draft 10/3/2022. |
| | Schedule I – WIFIA Loan Specific Terms | Borrower / WIFIA Lender | | | WIFIA Lender and Borrower to review and complete. |
| | Schedule II – Project Details | Borrower | | | Borrower to provide Part C. Existing Construction Contracts. |
| | Schedule III – Borrower Disclosures | Borrower | | | Borrower to complete. |
| | Schedule IV – Requisition Procedures | WIFIA Lender | | | Complete. |
| | Schedule V – Reporting Requirements | WIFIA Lender | | | Complete. |
| | Schedule VI – WIFIA Loan Amortization Schedule | WIFIA Lender | | | To be finalized with interest rate on Effective Date. |
| | Exhibit A – Form of WIFIA Bond | Borrower Bond Counsel / WIFIA Lender | | | To be finalized with interest rate on Effective Date. |
| | Exhibit B – Form of Closing Certificate | WIFIA Lender | | | Complete. |
| | Exhibit C – Form of Public Benefits Report | WIFIA Lender | | | Complete. |

| Item / Document | Responsible Party | Signatory | WLA Document Reference | Status / Comments |
|--|-------------------------------------|--|----------------------------------|--|
| Exhibit D – Form of Requisition | WIFIA Lender | | | Complete. |
| Exhibit E – Form of Certification of Eligible Project Costs Documentation | WIFIA Lender | | | Complete. |
| Exhibit F – Form of Construction Monitoring Report | WIFIA Lender | | | Complete. |
| Exhibit G – Form of Certificate of Substantial Completion | WIFIA Lender | | | Complete. |
| Exhibit H-1 – Opinions Required from General Counsel to Borrower | Borrower General Counsel | | | Borrower General Counsel to signoff. |
| Exhibit H-2 – Opinions Required from Bond Counsel to Borrower | Borrower Bond Counsel | | | Borrower Bond Counsel to signoff. |
| 2. WIFIA Bond | Borrower Bond Counsel | <input type="checkbox"/> Borrower <input type="checkbox"/> Bond Registrar | Sec. 11(a)(i) (WLA Exhibit A) | Borrower Bond Counsel to break out and provide in form of Exhibit A to WLA. |
| 3. WIFIA Supplemental Resolution | Borrower Bond Counsel | <input type="checkbox"/> Borrower | Sec. 11(a)(i) | Borrower Bond Counsel draft 9/30/2022. |
| 4. WIFIA Term Sheet | WIFIA Lender / WIFIA Lender Counsel | <input type="checkbox"/> WIFIA Lender <input type="checkbox"/> Borrower | | WIFIA Lender Counsel draft 10/3/2022. |
| B. MASTER RESOLUTION DOCUMENTS | | | | |
| 1. Complete and fully executed copies of the Master Resolution, together with any amendments, supplements, waivers or modifications thereto (but | Borrower | | Sec. 11(a)(ii)(A) | Borrower to provide: <input type="checkbox"/> final certified Master Resolution (Borrower Bond Counsel draft 9/30/2022) |

| Item / Document | Responsible Party | Signatory | WLA Document Reference | Status / Comments |
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| excluding any document that solely provides for the issuance or incurrence of Obligations) that has been entered into on or prior to the Effective Date. | | | | <input type="checkbox"/> final certified Resolution No. [] (the "Initial Resolution") (Borrower Bond Counsel draft 9/30/2022) <input type="checkbox"/> final certified WIFIA Supplemental Resolution |
| 2. Complete and fully executed copies of any Related Document with respect to which all or a portion of the proceeds are or will be applied to fund all or any portion of Total Project Costs, that has been entered into on or prior to the Effective Date. | Borrower | | Sec. 11(a)(ii)(B) | Borrower to provide: <input type="checkbox"/> [list out existing Master Resolution Documents for the Project, if any] <input type="checkbox"/> [list out existing Other Financing Documents for the Project, if any] |
| C. LEGAL OPINIONS | | | | |
| 1. Opinion of General Counsel to Borrower | Borrower General Counsel | <input type="checkbox"/> Borrower General Counsel | Sec. 11(a)(iv) (WLA Exhibit H-1) | Borrower General Counsel to provide, containing the opinions set out in Exhibit H-1 to WLA. |
| 2. Opinion of Bond Counsel to Borrower | Borrower Bond Counsel | <input type="checkbox"/> Borrower Bond Counsel | Sec. 11(a)(iv) (WLA Exhibit H-2) | Borrower Bond Counsel to provide, containing the opinions set out in Exhibit H-2 to WLA. |
| D. CERTIFICATES | | | | |
| 1. Closing Certificate | Borrower Bond Counsel | <input type="checkbox"/> Borrower | Sec. 11(a)(v) (WLA Exhibit B) | Borrower Bond Counsel to break out and provide in the form of Exhibit B to WLA, with attachments. |
| Incumbency Certificate | Borrower Bond Counsel | <input type="checkbox"/> Borrower | Sec. 11(a)(v) (Annex A to WLA Exhibit B) | Borrower Bond Counsel to break out and provide in the form of Annex A to Exhibit B to WLA. |

| Item / Document | Responsible Party | Signatory | WLA Document Reference | Status / Comments |
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| | | | | To be attached as Annex A to Closing Certificate. Certification covered in the Closing Certificate. |
| <p>Certification that the Borrower has delivered to the WIFIA Lender complete and fully executed copies of (A) the Master Resolution, together with any amendments, supplements, waivers or modifications thereto (but excluding any document that solely provides for the issuance or incurrence of Obligations) and (B) any Related Document with respect to which all or a portion of the proceeds are or will be applied to fund all or any portion of Total Project Costs, in each case that has been entered into on or prior to the Effective Date, and each such document is complete, fully executed and in full force and effect, and that all conditions contained in the Related Documents that are necessary to the closing of the WIFIA transaction contemplated by the WIFIA Loan Agreement (if any) have been fulfilled.</p> | | | Sec. 11(a)(ii) | Certification covered in the Closing Certificate. |
| <p>Certification that, as of the Effective Date, (1) the Maximum Principal Amount, together with the amount of any other credit assistance provided under the Act to the Borrower, does not exceed forty-nine percent (49%) of reasonably anticipated Eligible Project Costs; (2) the aggregate amount of Eligible Project Costs previously incurred prior to the Effective Date does not exceed fifty-one percent (51%) of Eligible Project Costs; and (3) the total federal assistance provided to the Project, including the Maximum Principal Amount, does not exceed eighty percent (80%) of Total Project Costs.</p> | | | Sec. 11(a)(v)(A) | Certification covered in the Closing Certificate. |
| <p>Certification that the Borrower is in compliance with NEPA and any applicable federal, state or local environmental review and approval requirements with respect to the Project.</p> | | | Sec. 11(a)(v)(B) | Certification covered in the Closing Certificate. |
| <p>Certification that the Borrower has (i) obtained a FEIN (as evidenced by the delivery of a copy of the Borrower's W-9) and a UEI Number, and (ii) registered with, and obtained confirmation of active SAM registration status.</p> | | | Sec. 11(a)(v)(C) | <p>Borrower to provide:</p> <p><input type="checkbox"/> W-9</p> <p><input type="checkbox"/> Screenshot of active SAM registration taken no earlier than 7 days before the</p> |

| Item / Document | Responsible Party | Signatory | WLA Document Reference | Status / Comments |
|-----------------|-------------------|--|------------------------|---|
| | | | | Effective Date showing "active" status and the UEI number <i>Certification covered in the Closing Certificate.</i> |
| | | Certification that the Borrower has obtained the WIFIA CUSIP Number. | Sec. 11(a)(v)(D) | Borrower to provide: <input type="checkbox"/> Confirmation of WIFIA CUSIP Number <i>Certification covered in the Closing Certificate.</i> |
| | | Certification that the representations and warranties of the Borrower set forth in the WIFIA Loan Agreement and in each other WIFIA Loan Document to which the Borrower is a party are true and correct on and as of the 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. | Sec. 11(a)(v)(E) | <i>Certification covered in the Closing Certificate.</i> |
| | | Certification that no Material Adverse Effect, or any event or condition that could reasonably be expected to have a Material Adverse Effect, has occurred or arisen since the date of the Application. | Sec. 11(a)(v)(F) | <i>Certification covered in the Closing Certificate.</i> |
| | | Certification that the rating letter delivered to the WIFIA Lender pursuant to Section 11(a)(vi) of the WIFIA Loan Agreement has not been reduced, withdrawn or suspended as of the Effective Date. | Sec. 11(a)(vi) | <i>Certification covered in the Closing Certificate.</i> |
| | | Certification that the Borrower has delivered to the WIFIA Lender duly executed copies of all consents that are required from the Tennessee Local Development Authority under the State Revolving Fund Loans (as defined in the Master Resolution) in effect as of the Effective Date for the incurrence of the WIFIA Loan and the issuance of the WIFIA Bond pursuant to the WIFIA Loan | Sec. 11(a)(ix) | <i>Certification covered in the Closing Certificate.</i> |

| Item / Document | Responsible Party | Signatory | WLA Document Reference | Status / Comments |
|--|-------------------------|-----------|---------------------------------|---|
| Documents, which consents shall be in form and substance satisfactory to the WIFIA Lender. | | | | |
| E. RATING LETTER | | | | |
| 1. Evidence to the WIFIA Lender's satisfaction, prior to the Effective Date, of the assignment by at least one (1) Nationally Recognized Rating Agency of a public Investment Grade Rating on the WIFIA Loan. | Borrower | | Sec. 11(a)(vi) | Borrower to provide: Rating delivered by: <input type="checkbox"/> S&P |
| F. PUBLIC BENEFITS REPORT | | | | |
| 1. Public Benefits Report | Borrower / WIFIA Lender | | Sec. 11(a)(vii) (WLA Exhibit C) | WIFIA Lender to work with Borrower to develop. |
| G. OTHER CONDITIONS PRECEDENT TO EFFECTIVENESS | | | | |
| 1. Fully executed copies of each Existing Construction Contract, together with any amendments, waivers or modifications thereto. | Borrower | | Sec. 11(a)(iii) | Borrower to provide: <input type="checkbox"/> [list out Existing Construction Contracts from Part C of Schedule II] WIFIA Lender to provide: <input type="checkbox"/> Final NEPA Determination |
| 2. Borrower shall have paid in full all invoices delivered by the WIFIA Lender to the Borrower as of the Effective Date for any applicable Servicing Fees and the fees and expenses of the WIFIA Lender's counsel and financial advisors and any auditors or other consultants | Borrower | | Sec. 11(a)(viii) | N/A. WIFIA Lender confirmed no invoices will be delivered prior to closing. |

| | Item / Document | Responsible Party | Signatory | WLA Document Reference | Status / Comments |
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| | retained by the WIFIA Lender for the purposes of the WLA. | | | | |
| 3. | Borrower shall have delivered to the WIFIA Lender duly executed copies of all consents that are required from the Tennessee Local Development Authority under the State Revolving Fund Loans (as defined in the Master Resolution) in effect as of the Effective Date for the incurrence of the WIFIA Loan and the issuance of the WIFIA Bond pursuant to the WIFIA Loan Documents. | Borrower Bond Counsel | <input type="checkbox"/> TLDA | Sec. 11(a)(ix) | Borrower to provide. Borrower draft consent request letter 9/19/2022. |
| 4. | Proof of Publication of Initial Resolution | Borrower Bond Counsel | | | Borrower Bond Counsel to provide. |