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**AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT**

between

**CITY OF RIVERSIDE**

and

**U.S. BANK NATIONAL ASSOCIATION**

Dated as of February 1, 2022

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## AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT

THIS AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT is dated as of February 1, 2022 (this "Agreement"), is between, the **CITY OF RIVERSIDE**, a municipal corporation and chartered city of the State of California (the "*City*"), and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association, and its successors and assigns (the "*Lender*").

### WITNESSETH:

WHEREAS, the City makes expenditures to maintain, repair and operate its Electric System (as defined herein) and Water System (as defined herein) and to pay the costs of acquisition and construction of additions to and improvements of its Electric System and Water System; and

WHEREAS, the Board of the City's Public Utilities Department (the "*Board*") and the City Council previously determined that it was in the best interests of the City to enter into that certain Revolving Credit Agreement, dated as of February 1, 2019 (as amended, restated or otherwise modified from time to time, the "*Original Agreement*") for use by the Electric System and the Water System, and for the indebtedness thereunder to be evidenced by Water System promissory notes and Electric System promissory notes, as applicable, pursuant to the Section 1108 of the Charter and the Resolutions (as defined herein) to defray certain of the expenditures made in (a) the maintenance, repair and operation of its Electric System and Water System, as applicable; (b) the payment of costs of acquisition and construction of additions to and improvements of its Electric System and Water System, as applicable, and (c) the refinancing of indebtedness issued to finance any of the foregoing; and

WHEREAS, the City has determined it is in the best interests of the City to extend the expiry of Original Agreement and make certain other modifications to the Original Agreement;

WHEREAS, the City has requested, and the Lender has agreed, to make the aforementioned amendments and, for the sake of clarity and convenience, the Original Agreement shall be amended and restated in its entirety. This Agreement amends and restates the Original Agreement, and from and after the Closing Date all references made to the Original Agreement refer to this Agreement. This Agreement shall become effective and supersede all provisions of the Original Agreement upon the execution of this Agreement by each of the parties hereto and the fulfillment of all conditions precedent hereof; and

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

### ARTICLE I

#### DEFINITIONS

**Section 1.01. Definitions.** Capitalized terms used herein but not otherwise defined below or elsewhere herein shall have the meanings given to them in the Resolutions.

The following terms, as used herein, have the following meanings:

*“Affiliate”* means, with respect to any Person, any Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person. A Person shall be deemed to control another Person for the purposes of this definition if such first Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

*“Agreement”* has the meaning set forth in the introductory paragraph hereof.

*“Anti-Corruption Laws”* means all laws, rules, and regulations of any jurisdiction applicable to the City from time to time concerning or relating to bribery or corruption.

*“Applicable Factor”* means 80%.

*“Applicable Spread”* means (i) with respect to Electric System Loans, the Applicable Spread (Electric) and (ii) with respect to Water System Loans, the Applicable Spread (Water).

*“Applicable Spread (Electric)”* means a rate per annum associated with the Level corresponding to the Electric Ratings as specified below:

<b>Level</b>	<b>Moody’s Electric Rating</b>	<b>Fitch Electric Rating</b>	<b>S&amp;P Electric Rating</b>	<b>Applicable Spread (Electric) for Taxable Loans</b>	<b>Applicable Spread (Electric) for Tax-Exempt Loans</b>
I	Aa3 or above	AA- or above	AA- or above	0.460%	0.370%
II	A1	A+	A+	0.585%	0.470%
III	A2	A	A	0.710%	0.570%
IV	A3	A-	A-	0.960%	0.770%
V	Baa1	BBB+	BBB+	1.340%	1.070%

The applicable Level shall be the Level corresponding to the prevailing Electric Rating on any day. In the event of a split rating (i.e., one of the foregoing Rating Agencies’ Electric Ratings is at a different level than the Electric Rating of either of the other Rating Agencies), the Applicable Spread (Electric) shall be determined as follows: (i) if two Rating Agencies maintain an Electric Rating, then the Level in which the lower Electric Rating appears shall be used to determine the Applicable Spread (Electric); and (ii) if three Rating Agencies maintain an Electric Rating, then the Level in which the lower of the two highest Electric Ratings appear shall be used to determine the Applicable Spread (Electric); provided that if two Electric Ratings appear in the same Level, then the Level in which such two Electric Ratings appears shall be used to determine the Applicable Spread (Electric). For the avoidance of doubt, Level V is the lowest Level, and Level I is the highest Level for purposes of the above pricing grid. Any change in the Applicable Spread (Electric) resulting from a change in an Electric Rating shall be and become effective as of and on

the date of the announcement of the change in such Electric Rating. References to Electric Ratings above are references to rating categories as presently determined by the Rating Agencies and, in the event of adoption of any new or changed rating system by any such Rating Agency, each of the Electric Ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The City acknowledges that as of the Closing Date the Applicable Spread (Electric) is that specified above for Level I.

*“Applicable Spread (Water)”* means a rate per annum associated with the Level corresponding to the Water Ratings as specified below:

<b>Level</b>	<b>Moody’s Water Rating</b>	<b>Fitch Water Rating</b>	<b>S&amp;P Water Rating</b>	<b>Applicable Spread (Water) for Taxable Loans</b>	<b>Applicable Spread (Water) for Tax-Exempt Loans</b>
I	Aa2 or above	AA or above	AA or above	0.440%	0.350%
II	Aa3	AA-	AA-	0.505%	0.400%
III	A1	A+	A+	0.600%	0.475%
IV	A2	A	A	0.695%	0.550%
V	A3	A-	A-	0.915%	0.725%
VI	Baa1	BBB+	BBB+	1.265%	1.000%

The applicable Level shall be the Level corresponding to the prevailing Water Rating on any day. In the event of a split rating (i.e., one of the foregoing Rating Agencies’ Water Rating is at a different level than the Water Ratings of either of the other Rating Agencies), the Applicable Spread (Water) shall be determined as follows: (i) if two Rating Agencies maintain a Water Rating, then the Level in which the lower Water Rating appears shall be used to determine the Applicable Spread (Water); and (ii) if three Rating Agencies maintain a Water Rating, then the Level in which the lower of the two highest Water Ratings appear shall be used to determine the Applicable Spread (Water); provided that if two Water Ratings appear in the same Level, then the Level in which such two Water Ratings appears shall be used to determine the Applicable Spread (Water). For the avoidance of doubt, Level VI is the lowest Level, and Level I is the highest Level for purposes of the above pricing grid. Any change in the Applicable Spread (Water) resulting from a change in a Water Rating shall be and become effective as of and on the date of the announcement of the change in such Water Rating. References to Water Ratings above are references to rating categories as presently determined by the Rating Agencies and, in the event of adoption of any new or changed rating system by any such Rating Agency, each of the Water Ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The City acknowledges that as of the Closing Date the Applicable Spread (Water) is that specified above for Level I.



*“Authorizing Resolution”* means, collectively, Resolution No. 23412 adopted by the City Council on January 22, 2019 related to the Electric System, Resolution No. 23411 adopted by the City Council on January 22, 2019 related to the Water System and Resolution [No. \_\_\_\_\_] adopted by the City Council on [January \_\_, 2022] related to the Electric System and the Water System, together with any and all further amendments or supplements thereto permitted by the terms thereof and hereof.

*“Bank Agreement”* means any credit agreement, liquidity agreement, standby bond purchase agreement, reimbursement agreement, direct purchase agreement, bond purchase agreement, or other agreement or instrument (or any amendment, supplement or other modification thereof) under which, directly or indirectly, any Person or Persons undertake(s) to make or provide funds to make payment of, or to purchase or provide credit enhancement for bonds or notes of the City secured by or payable from Electric System Net Operating Revenues or Water System Net Operating Revenues, as the context may require.

*“Bankruptcy Code”* means the Bankruptcy Code, 11 U.S.C. § 101, et seq., as amended.

*“Base Rate”* means, for any day, (a) with respect to determinations of the Term Loan Rate applicable to tax-exempt Term Loans, a fluctuating rate of interest per annum equal to the greatest of (i) the Prime Rate in effect at such time plus one percent (1.00%), (ii) the Federal Funds Rate in effect at such time plus two percent (2.00%), and (iii) seven and one half of one percent (7.50%) and (b) with respect to determination of the Term Loan Rate applicable to taxable Term Loans, a fluctuating rate of interest per annum equal to the greatest of (i) the Prime Rate in effect at such time plus one percent (1.00%), (ii) the Federal Funds Rate in effect at such time plus two percent (2.00%), and (iii) ten and one half of one percent (10.50%). Each change in the Base Rate shall take effect simultaneously with the corresponding change or changes in the Prime Rate or the Federal Funds Rate, as the case may be.

*“Board”* has the meaning set forth in the second “Whereas” clause of this Agreement.

*“Borrowing”* means a borrowing hereunder consisting of a Loan to be made to the City by the Lender pursuant to Article II hereof.

*“BSBY”* means the Bloomberg Short-Term Bank Yield Index.

*“BSBY Index Loan”* means any Loan bearing interest with respect to the BSBY Index Rate (or, if applicable, the Taxable Rate, the Default Rate, the Maximum Lawful Rate or rate determined in accordance with Section 2.05(e) hereof).

*“BSBY Index Rate”* means, the greater of (a) zero and (b) the one-month BSBY rate quoted by the Lender from the applicable Reuters screen (or other commercially available source providing such quotations as may be selected by the Lender from time to time), which shall be the one-month BSBY rate published on the Computation Date and reset on each BSBY Index Reset Date; provided that if the BSBY rate is not published on such Computation Date due to a holiday or other circumstance that the Lender deems in its sole discretion to be temporary, the applicable BSBY rate shall be the one-month BSBY rate last published prior to such New York Banking Day.

*“BSBY Index Reset Date”* means the first calendar day of each month.

*“Business Day”* means a day which is not (a) a Saturday, Sunday or legal holiday on which banking institutions in Riverside, California or New York, New York or the states where the principal corporate office of the Fiscal Agent is located are authorized by law to close; (b) a day on which the New York Stock Exchange or the Federal Reserve Bank is closed; or (c) a day on which the principal offices of the Lender is closed.

*“Change in Law”* means the adoption of or change in any law, governmental or quasi-governmental rule, regulation, policy, guideline, interpretation, or directive (whether or not having the force of law) or in the interpretation, promulgation, implementation or administration thereof by any Governmental or quasi-Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, including, notwithstanding the foregoing, all requests, rules, guidelines or directives (x) in connection with the Dodd-Frank Wall Street Reform and Consumer Protection Act or (y) promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States financial regulatory authorities, in each case of clauses (x) and (y), regardless of the date enacted, adopted, issued, promulgated or implemented, or compliance by the Lender with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency.

*“Charter”* means the Charter of the City, as amended and supplemented from time to time.

*“City”* means the City of Riverside, a municipal corporation and chartered city of the State of California.

*“Closing Date”* means February 1, 2022, subject to the satisfaction or waiver by the Lender of all of the conditions precedent set forth in Article III hereof.

*“Commitment”* means the Electric System Commitment and/or the Water System Commitment, as the context requires.

*“Compliance Certificate”* means a certificate substantially in form of Exhibit B hereto.

*“Computation Date”* means the second New York Banking Day preceding the applicable BSBY Index Reset Date.

*“Debt”* means, for any Person (without duplication), (a) all indebtedness created, assumed or incurred in any manner by such Person representing money borrowed (including by the issuance of debt securities), (b) all obligations for the deferred purchase price of property or services (other than trade accounts payable arising in the ordinary course of business), (c) all obligations secured by any Lien upon Property of such Person, whether or not such Person has assumed or become liable for the payment of such indebtedness, (d) all obligations of such Person under an installment purchase contract, financing lease or capital lease or similar instrument that, in accordance with generally accepted accounting principles, would be required to be capitalized, (e) all obligations, contingent or otherwise, of such Person on or with respect to letters of credit, banker’s acceptances and other evidences of indebtedness representing extensions of credit

whether or not representing obligations for borrowed money, (f) all Guarantees, (g) certificates of participation evidencing an undivided ownership interest in payments made by such Person (i) as lessee under any lease of property which in accordance with generally accepted accounting principles would be required to be capitalized on the balance sheet of such Person, (ii) as purchaser under an installment sale agreement or (iii) otherwise as an obligor in connection therewith and (h) all obligations of such person on or with respect to Swap Contracts.

*“Default”* means any event or condition which, with notice, the passage of time or any combination of the foregoing, would constitute an Event of Default.

*“Default Rate”* means, for any day, a fluctuating rate of interest per annum equal to the greatest of (i) the Prime Rate in effect at such time plus four percent (4.00%), (ii) the Federal Funds Rate in effect at such time plus five percent (5.00%), and (iii) thirteen and one half of one percent (13.50%), subject to the Maximum Lawful Rate.

*“Designated Representative”* means any person authorized from time to time in writing by the City, or its successors and assigns, to perform a designated act or execute a designated document.

*“Determination of Taxability”* means and shall be deemed to have occurred on the first to occur of the following:

(a) on the date on which the City files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(b) the date on which the Lender or any Noteholder or former Noteholder notifies the City that it has received a written opinion by a nationally recognized firm of attorneys of substantial expertise on the subject of Tax-Exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within 180 days after receipt by the City of such notification from the Lender or such Noteholder or any former Noteholder, the City shall deliver to the Lender, the Noteholder and any former Noteholder a ruling or determination letter issued to or on behalf of the City by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time) or a written opinion of its Note Counsel to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(c) the date on which the City shall be advised in writing by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time, including an employee subordinate to one of these officers who has been authorized to provide such advice) that, based upon filings of the City, or upon any review or audit of

the City or upon any other ground whatsoever, an Event of Taxability shall have occurred;  
or

(d) the date on which the City shall receive notice from the Noteholder or any former Noteholder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Lender, such Noteholder or such former Noteholder the interest on the applicable Tax-Exempt Notes or Tax-Exempt Loan due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under clause (c) or (d) hereunder unless the City has been afforded the opportunity, at its expense, to contest any such assessment or opinion, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; provided further, however, that upon demand from the Lender, such Noteholder or former Noteholder, the City shall promptly reimburse, the Lender, such Noteholder or former Noteholder for any payments, including any taxes, interest, penalties or other charges, the Lender, such Noteholder or former Noteholder shall be obligated to make as a result of the Determination of Taxability.

*"Dollars," "US\$," "\$" and "U.S. Dollars"* mean the lawful currency of the United States of America.

*"Electric Rating"* means the long term unenhanced rating assigned by each Rating Agency to the Electric System Senior Debt.

*"Electric System"* means the electric public utility system of the City and shall include all works and rights owned, controlled or operated by the City, within or without the City, for supplying the City and its inhabitants with electric energy, including all facilities related thereto and all additional, extensions and improvements thereof.

*"Electric System Bonds"* has the meaning assigned to the term "Bonds" in the Electric System Master Resolution.

*"Electric System Commitment"* means the amount of \$35,000,000, as such amount may be reduced from time to time pursuant to Sections 2.07, 2.08 and 7.01 hereof.

*"Electric System Gross Operating Revenues"* has the meaning assigned to the term "Gross Operating Revenues" in the Electric System Master Resolution.

*"Electric System Loans"* means Loans made to provide working capital or short-term or interim financing or refinancing thereof for the Electric System.

*"Electric System Master Resolution"* means Resolution No. 17662, adopted by the City Council on January 8, 1991, as amended and supplemented to date, together with any and all further amendments or supplements thereto permitted by the terms thereof and hereof.

*"Electric System Net Operating Revenues"* has the meaning assigned to the term "Net Operating Revenues" in the Electric System Master Resolution.

*“Electric System Notes”* means (a) the Electric System Taxable Revolving Note, (b) the Electric System Tax-Exempt Revolving Note, (c) the Electric System Taxable Term Note, and (d) the Electric System Tax-Exempt Term Note.

*“Electric System Parity and Senior Debt”* means, as the context requires, Electric System Senior Debt and/or Electric System Subordinate Obligations.

*“Electric System Senior Debt”* means (a) any indebtedness or other obligation of the City for borrowed money, or (b) any obligations of the City for deferred purchase price, in each case, having an equal lien and charge upon the Electric System Net Operating Revenues with the Electric System Bonds and therefore payable on a parity with the Electric System Bonds (whether or not any Electric System Bonds are Outstanding).

*“Electric System Subordinate Obligations”* has the meaning assigned to the term “Subordinate Obligations” set forth in the Electric System Master Resolution.

*“Electric System Taxable Revolving Note”* means the Amended and Restated Electric System Taxable Revolving Note of the City substantially in the form set forth in Exhibit C hereto, evidencing the obligation of the City to repay the Electric System Loans which are Taxable Loans bearing interest with respect to a LIBOR Index Rate (or, if applicable, the Default Rate, the Maximum Lawful Rate or rate determined in accordance with Section 2.05(e) hereof) and interest thereon, issued under the Electric System Master Resolution and in accordance with this Agreement.

*“Electric System Taxable Term Note”* means, to the extent that the Lender makes a Term Loan with respect to the Electric System, the Amended and Restated Electric System Taxable Term Note of the City substantially in the form set forth in Exhibit G hereto, evidencing the obligation of the City to repay the Term Loan that is a Taxable Loan that refunded the Electric System Loans which were Taxable Loans and interest thereon, issued under the Electric System Master Resolution in accordance with this Agreement.

*“Electric System Tax-Exempt Revolving Note”* means the Amended and Restated Electric System Tax-Exempt Revolving Note of the City substantially in the form set forth in Exhibit E hereto, evidencing the obligation of the City to repay the Electric System Loans which are Tax-Exempt Loans bearing interest with respect to a LIBOR Index Rate (or, if applicable, the Taxable Rate, the Default Rate, the Maximum Lawful Rate or rate determined in accordance with Section 2.05(e) hereof) and interest thereon, issued under the Electric System Master Resolution and in accordance with this Agreement.

*“Electric System Tax-Exempt Term Note”* means, to the extent that the Lender makes a Term Loan with respect to the Electric System, the Amended and Restated Electric System Tax-Exempt Term Note of the City substantially in the form set forth in Exhibit I hereto, evidencing the obligation of the City to repay the Term Loan that is a Tax-Exempt Loan that refunded the Electric System Loans which were Tax-Exempt Loans and interest thereon, issued under the Electric System Master Resolution in accordance with this Agreement.

*“Electric System Termination Date”* means the Facility Maturity Date or, if earlier, the date on which the Electric System Commitment is terminated or permanently reduced to zero in accordance with the terms hereof.

*“EMMA”* means Electronic Municipal Market Access as provided by the Municipal Securities Rulemaking Board.

*“Environmental Claims”* means any and all administrative, regulatory or judicial actions, suits, demand letters, claims, Liens, notices of noncompliance or violation, investigations or proceedings relating in any way to any Environmental Law (hereinafter referred to as “claims”) or any permit issued under any such Environmental Law, including, without limitation, (a) any and all claims by governmental or regulatory authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law, and (b) any and all claims by any third parties seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes or arising from alleged injury or threat of injury to health, safety or the environment.

*“Environmental Laws”* means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

*“ERISA”* means the Employee Retirement Income Security Act of 1974, as amended and in effect from time to time, and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time. References to Sections of ERISA shall be construed also to refer to any successor Sections.

*“Event of Default”* with respect to this Agreement means one or more of the events described in Sections 7.01, 7.02 and/or 7.03 of this Agreement and, with respect to any Related Document, has the meaning assigned therein.

*“Event of Insolvency”* means, with respect to any Person, the occurrence of one or more of the following events:

- (a) the Person shall (i) commence a voluntary case or other proceeding seeking liquidation, reorganization, arrangement, adjustment, winding-up, dissolution, composition or other similar relief with respect to itself or its indebtedness under any bankruptcy, insolvency, reorganization or other similar law for the relief of debtors now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official for it or a substantial part of its property, (ii) consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, (iii) make a general assignment for the benefit of creditors, (iv) fail generally to pay or admit in writing its inability to pay its

indebtedness as it becomes due, or (v) take (through an authorized officer or representative) any official action to authorize any of the foregoing; or

(b) any of the following shall occur with respect to such Person: (i) an involuntary case or other proceeding shall be commenced against such Person seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property and either (A) such Person shall consent in writing to such action or (B) such case shall not be dismissed within sixty (60) days, (ii) an order for relief shall be entered against such Person under the federal bankruptcy laws as now or hereafter in effect or pursuant to any other State or federal laws concerning insolvency or of similar purpose, (iii) a final and non-appealable debt moratorium, debt adjustment, debt restructuring or comparable extraordinary restriction with respect to the payment of principal or interest on the indebtedness of such Person shall be declared or imposed pursuant to a finding or ruling by such Person, the United States of America, the State, any instrumentality thereof or any other Governmental Authority of competent jurisdiction over such Person, or (iv) the issuance, under the laws of any state or under the laws of the United States of America, of an order of rehabilitation, liquidation or dissolution of such Person.

*“Event of Taxability”* means a (a) change in Law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the City, or the failure to take any action by the City, or the making by the City of any misrepresentation herein or in any certificate given in connection with the Tax-Exempt Notes or Tax-Exempt Loans) which has the effect of causing interest paid or payable on any Tax-Exempt Note or any Tax-Exempt Loan to become includable in the gross income of the Lender, the Noteholder or any former Noteholder for federal income tax purposes; or (b) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on any Tax-Exempt Note or any Tax-Exempt Loan to become includable in the gross income of the Lender, the Noteholder or any former Noteholder for federal income tax purposes with respect to any Tax-Exempt Note or any Tax-Exempt Loan.

*“Excess Interest”* has the meaning set forth in Section 2.05(d)(ii) hereof.

*“Excluded Tax”* shall mean, with respect to the Lender or any Noteholder, (a) taxes, whether federal, state or local, imposed on or measured by its overall net income (however denominated), and franchise or similar taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which the Lender or such Noteholder is organized, is doing business or in which its principal office is located, or under which it is subject to taxation; and (b) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which the City is located.

*“Facility Maturity Date”* means August 1, 2025, or, if such day is not a Business Day, the next preceding Business Day.

*“Federal Funds Rate”* means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that: (a) if such day is not a Business Day, then the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day; and (b) if no such rate is so published on such next succeeding Business Day, then the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of one-hundredth of one percent) charged to the Lender on such day on such transactions as determined by the Lender.

*“Fiscal Agent”* has the meaning set forth in the Water System Master Resolution and the Electric System Master Resolution, as applicable.

*“Fiscal Year”* has the meaning set forth in the Water System Master Resolution and the Electric System Master Resolution, as applicable.

*“Fitch”* means Fitch, Inc. and any successor rating agency.

*“Governmental Authority”* means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including, without limitation, any supra-national bodies such as the European Union or the European Central Bank) and any group or body charged with setting financial accounting or regulatory capital rules or standards (including, without limitation, the Financial Accounting Standards Board, the Bank for International Settlements or the Basel Committee on Banking Supervisory Practices or any successor or similar authority to any of the foregoing).

*“Guarantees”* means, as to any Person, all guarantees, endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations of such Person to purchase, to provide funds for payment, to supply funds to invest in any other Person or otherwise to assure a creditor of another Person against loss.

*“Indemnified Taxes”* means Taxes other than Excluded Taxes.

*“Interest Payment Date”* means with respect to any Loan, the first Business Day of each calendar month (with the first Interest Payment Date being March 1, 2022), the Facility Maturity Date and such earlier date on which all Loans or the related Loan is required to be paid in full in accordance with the terms hereof or, if applicable, on the Term Loan Maturity Date.

*“Interest Period”* means, with respect to any Loan, the period from (and including) the date such Loan is advanced to (but excluding) the next succeeding BSBY Index Reset Date, and thereafter means the period from (and including) such BSBY Index Reset Date to (but excluding) the next succeeding BSBY Index Reset Date (or, if sooner, to but excluding the Termination Date or such earlier date on which all Loans are required to be payable in full hereunder).



*“Internal Revenue Code”* means the Internal Revenue Code of 1986, as amended, or any successor statute.

*“Investment Policy”* means the investment policy of the City which is to be delivered to the Lender pursuant to Section 3.01(i) hereof.

*“Law”* means any treaty or any federal, regional, state and local law, statute, rule, ordinance, regulation, code, license, authorization, decision, injunction, interpretation, order or decree of any court or other Governmental Authority.

*“Lender”* has the meaning set forth in the introductory paragraph hereof.

*“Lien”* means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. For the purposes of this Agreement, a Person shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

*“Loan”* means a Loan to be made by the Lender in accordance with the applicable Notice of Borrowing. The term *“Loan”* means, individually, an Electric System Loan or a Water System Loan and *“Loans”* means Electric System Loans or Water System Loans, or a combination thereof, as applicable.

*“Master Resolutions”* means, collectively, the Electric System Master Resolution and the Water System Master Resolution.

*“Material Adverse Effect”* means any material adverse change in or effect on (i) the business, operations, assets, liabilities, condition (financial or otherwise) or results of operations of the City, the Electric System or the Water System, as applicable, (ii) the ability of the City to consummate the transactions contemplated by this Agreement or any of the Related Documents to which it is or will be a party, or (iii) the ability of the City to perform any of its obligations under this Agreement or any of the Related Documents to which it is or will be a party.

*“Maximum Federal Corporate Tax Rate”* means, on any given day, the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Internal Revenue Code, as in effect from time to time (or, if as a result of a change in the Internal Revenue Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Lender, the maximum statutory rate of federal income taxation which could apply to the Lender).

*“Maximum Lawful Rate”* means the maximum rate of interest on the relevant obligation permitted by applicable law.

*“Moody’s”* means Moody’s Investors Service, Inc. and any successor rating agency.

*“New York Banking Day”* shall mean any date (other than a Saturday or Sunday) on which commercial banks are open for business in New York, New York.

*“Note Counsel”* means Stradling Yocca Carlson & Rauth, a Professional Corporation, or any other firm of attorneys nationally recognized on the subject of tax-exempt municipal finance selected by the City.

*“Noteholder”* means the Lender and each Non-Lender Transferee pursuant to the terms hereof so long as such Non-Lender Transferee owns an interest in the Electric System Notes or the Water System Notes, as applicable, and shall include any holder of Term Loans.

*“Notes”* means the Electric System Notes and/or the Water System Notes.

*“Notice of Borrowing”* has the meaning set forth in Section 2.02(a) hereof.

*“Obligations”* means all amounts payable by the City hereunder (excluding the Loans, the Term Loans, the Electric System Notes and the Water System Notes), and all other obligations to be performed by the City, pursuant to this Agreement and the other Related Documents (including any amounts to reimburse the Lender for any advances or expenditures by it under any of such documents).

*“Original Agreement”* has the meaning set forth in the recitals.

*“Other Taxes”* has the meaning set forth in Section 8.02(a) hereof.

*“Outstanding”* (a) with respect to the Electric System Notes, has the meaning set forth in the Electric System Master Resolution; and (b) with respect to the Water System Notes, has the meaning set forth in the Water System Master Resolution.

*“Parity and Senior Debt”* means, as the context requires, Electric System Parity and Senior Debt and/or Water System Parity and Senior Debt.

*“Participant”* has the meaning set forth in Section 9.05(c) hereof.

*“Patriot Act”* means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107-56 (signed into law October 26, 2001).

*“Person”* means an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

*“Plan”* means an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Internal Revenue Code.

*“Prime Rate”* means on any day, the rate of interest per annum then most recently established by the Lender as its “prime rate.” Any such rate is a general reference rate of interest, may not be related to any other rate, and may not be the lowest or best rate actually charged by the Lender to any customer or a favored rate and may not correspond with future increases or decreases in interest rates charged by other lenders or market rates in general, and that the Lender may make various business or other loans at rates of interest having no relationship to such rate. If the Lender

ceases to establish or publish a prime rate from which the Prime Rate is then determined, the applicable variable rate from which the Prime Rate is determined thereafter shall be instead the prime rate reported in The Wall Street Journal (or the average prime rate if a high and a low prime rate are therein reported), and the Prime Rate shall change without notice with each change in such prime rate as of the date such change is reported.

*“Rating Agency”* means all or any of S&P, Moody’s and Fitch, as the context may require.

*“Related Documents”* means and includes this Agreement and the Authorizing Resolution, and (a) in the case of Electric System Loans and Electric Term Loans, the Electric System Master Resolution and the Electric System Notes, and any and all other documents which the City has executed and delivered, or may hereafter execute and deliver, to evidence or further assure the City’s obligations hereunder and with respect to the Electric System Loans, the Electric Term Loans and the Electric System Notes; or (b) in the case of Water System Loans and Water Term Loans, the Water System Master Resolution and the Water System Notes, and any and all other documents which the City has executed and delivered, or may hereafter execute and deliver, to evidence or further assure the City’s obligations hereunder and with respect to the Water System Loans, the Water Term Loans and the Water System Notes.

*“Related Person”* means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees and advisors of such Person and of such Person’s Affiliates.

*“Resolutions”* means the Authorizing Resolution, the Electric System Master Resolution and the Water System Master Resolution.

*“Revolving Credit Period”* means the period from and including the Closing Date to and including the Termination Date.

*“S&P”* means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business and any successor rating agency.

*“Sanctioned Country”* means, at any time, any country or territory which is itself the subject or target of any comprehensive Sanctions.

*“Sanctioned Person”* means, at any time, (a) any Person or group listed in any Sanctions related list of designated Persons maintained by OFAC or the U.S. Department of State, the United Nations Security Council, the European Union or any EU member state, (b) any Person or group operating, organized or resident in a Sanctioned Country, (c) any agency, political subdivision or instrumentality of the government of a Sanctioned Country, or (d) any Person 50% or more owned, directly or indirectly, by any of the above.

*“Sanctions”* means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State or (b) the United Nations Security Council, the European Union or Her Majesty’s Treasury of the United Kingdom.

*“State”* means the State of California.

*“Supplemental Resolution”* has the meaning set forth in each Master Resolution.

*“Swap Contract”* means (a) any and all rate swap transactions, basis swaps, total return swaps, credit derivative transactions, forward rate transactions, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, cap transactions, floor transactions, collar transactions, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement; and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement.

*“System”* or *“Systems”* means the Electric System and the Water System, as applicable.

*“Taxable Date”* means the date on which interest on any Tax-Exempt Loan or Tax-Exempt Note is first includable in the gross income of any holder thereof (including, without limitation, the Lender) as a result of an Event of Taxability as such date is established pursuant to a Determination of Taxability.

*“Taxable Loan”* means a Loan that is identified as a Taxable Loan in the Notice of Borrowing, or a Term Loan that refunded one or more Loans which were Taxable Loans.

*“Taxable Rate”* means, with respect to a Taxable Period, the product of (a) the interest rate on the applicable Tax-Exempt Loan or Tax-Exempt Note during such period, and (b) the quotient of (i) one divided by (ii) one minus the Maximum Federal Corporate Tax Rate.

*“Taxes”* means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto.

*“Tax-Exempt Loan”* means a Loan that is identified as a Tax-Exempt Loan in the Notice of Borrowing, or a Term Loan that refunded one or more Loans which were Tax-Exempt Loans.

*“Tax-Exempt Notes”* means the Electric System Tax-Exempt Revolving Note, the Electric System Tax-Exempt Term Note, the Water System Tax-Exempt Revolving Note and the Water System Tax-Exempt Term Note.

*“Term Loans”* has the meaning set forth in Section 2.12(a) hereof.

*“Term Loan Maturity Date”* means the date that is three years after the making of the Term Loan(s) hereunder, or such earlier date as the Term Loans become due and payable by the terms hereof.

*“Term Loan Rate”* means the rate of interest per annum with respect to any Term Loans (a) from and including the date of the extension of the Term Loans up to and including the date which is ninety (90) days immediately succeeding such date, equal to the Base Rate from time to time in effect, (b) from and including the date which is ninety-one (91) days immediately succeeding the date of the extension of the Term Loans up to and including the date which is one hundred eighty (180) days immediately succeeding such date, equal to the Base Rate from time to time in effect *plus* one percent (1.00%); and (c) from and including the date which is one hundred eighty-one (181) days immediately succeeding the date of the extension of the Term Loans, and at all times thereafter, equal to the Base Rate from time to time in effect *plus* two percent (2.00%); provided, however, that immediately and automatically upon the occurrence of any Event of Default (and without any notice given with respect thereto) and during the continuance of such Event of Default, the “Term Loan Rate” shall mean the Default Rate.

*“Termination Date”* means the Electric System Termination Date and/or the Water System Termination Date, as the context may require or, if earlier, the date on which the Electric System Commitment or the Water System Commitment, as applicable, is terminated or permanently reduced to zero in accordance with the term hereof.

*“Unutilized Commitment”* means the Commitment, as of the Closing Date (as permanently reduced from time to time in accordance with the terms hereof), less the outstanding principal amount of any Loans hereunder.

*“Water Rating”* means the long-term unenhanced rating assigned by each Rating Agency to the Water System Senior Debt.

*“Water System”* means the water public utility system of the City and shall include all works and rights owned, controlled or operated by the City, within or without the City, for supplying the City and its inhabitants with water, including all facilities related thereto and all additions, extensions and improvements thereon.

*“Water System Bonds”* has the meaning assigned to the term “Bonds” in the Water System Master Resolution.

*“Water System Commitment”* means the amount of \$25,000,000, as such amount may be reduced from time to time pursuant to Sections 2.07, 2.08 and 7.01 hereof.

*“Water System Gross Operating Revenues”* has the meaning assigned to the term “Gross Operating Revenues” in the Water System Master Resolution.

*“Water System Loans”* means Loans made to provide working capital or short-term or interim financing or refinancing thereof for the Water System.

*“Water System Master Resolution”* means Resolution No. 17664, adopted by the City Council on January 8, 1991, as amended and supplemented to date, together with any and all further amendments or supplements thereto permitted by the terms thereof and hereof.

*“Water System Net Operating Revenues”* has the meaning assigned to the term “Net Operating Revenues” in the Water System Master Resolution.

*“Water System Notes”* means (a) the Water System Taxable Revolving Note, (b) the Water System Tax-Exempt Revolving Note, (c) the Water System Taxable Term Note and (d) the Water System Tax-Exempt Term Note.

*“Water System Parity and Senior Debt”* means, as the context requires, Water System Senior Debt and/or Water System Subordinate Obligations.

*“Water System Senior Debt”* means (a) any indebtedness or other obligation of the City for borrowed money, or (b) any obligations of the City for deferred purchase price, in each case, having an equal lien and charge upon the Water System Net Operating Revenues with the Water System Bonds and therefore payable on a parity with the Water System Bonds (whether or not any Water System Bonds are Outstanding).

*“Water System Subordinate Obligations”* has the meaning assigned to the term “Subordinate Obligations” set forth in the Water System Master Resolution.

*“Water System Taxable Revolving Note”* means the Amended and Restated Water System Taxable Revolving Note of the City substantially in the form set forth in Exhibit D hereto, evidencing the obligation of the City to repay the Water System Loans which are Taxable Loans bearing interest with respect to a LIBOR Index Rate (or, if applicable, the Default Rate, the Maximum Lawful Rate or rate determined in accordance with Section 2.05(e) hereof) and interest thereon, issued under the Water System Master Resolution and in accordance with this Agreement.

*“Water System Taxable Term Note”* means, to the extent that the Lender makes a Term Loan with respect to the Water System, the Amended and Restated Water System Taxable Term Note of the City substantially in the form set forth in Exhibit H hereto, evidencing the obligation of the City to repay the Term Loan that is a Taxable Loan that refunded the Water System Loans which were Taxable Loans and interest thereon, issued under the Water System Master Resolution in accordance with this Agreement.

*“Water System Tax-Exempt Revolving Note”* means the Amended and Restated Water System Tax-Exempt Revolving Note of the City substantially in the form set forth in Exhibit F hereto, evidencing the obligation of the City to repay the Water System Loans which are Tax-Exempt Loans bearing interest with respect to a LIBOR Index Rate (or, if applicable, the Taxable Rate, the Default Rate, the Maximum Lawful Rate or rate determined in accordance with Section 2.05(e) hereof) and interest thereon, issued under the Water System Master Resolution and in accordance with this Agreement.

*“Water System Tax-Exempt Term Note”* means, to the extent that the Lender makes a Term Loan with respect to the Water System, the Amended and Restated Water System Tax-Exempt Term Note of the City substantially in the form set forth in Exhibit J hereto, evidencing the obligation of the City to repay the Term Loan that is a Tax-Exempt Loan that refunded the Water System Loans which were Tax-Exempt Loans and interest thereon, issued under the Water System Master Resolution in accordance with this Agreement.

“*Water System Termination Date*” means the Facility Maturity Date or, if earlier, the date on which the Water System Commitment is terminated or permanently reduced to zero in accordance with the terms hereof.

“*Written*” or “*in writing*” means any form of written communication or a communication by means of facsimile.

**Section 1.02. Accounting Terms and Determinations.** Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with generally accepted accounting principles as in effect from time to time, applied on a basis with the most recent audited financial statements of the City delivered to the Lender hereunder. If at any time any change in generally accepted accounting principles would affect the computation of any financial ratio or requirement set forth in any Related Document, and either the City or the Lender shall so request, the Lender and the City shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in generally accepted accounting principles; provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with generally accepted accounting principles prior to such change therein and (ii) the City shall provide to the Lender financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in generally accepted accounting principles.

## ARTICLE II

### THE CREDIT

#### Section 2.01. Commitment to Lend.

(a) ***Loans.*** During the Revolving Credit Period, the Lender agrees, on the terms and conditions set forth in this Agreement, to make revolving loans to the City pursuant to this Section from time to time in amounts such that the aggregate principal amount of (i) Electric System Loans by the Lender at any one time outstanding shall not exceed the amount of the Electric System Commitment and (ii) Water System Loans by the Lender at any one time outstanding shall not exceed the amount of the Water System Commitment. Within the foregoing limit, the City may borrow under this paragraph (a), repay or, to the extent permitted by Section 2.09 hereof, prepay, the Loans and re-borrow at any time during the Revolving Credit Period under this paragraph (a).

(b) ***Extension of Revolving Credit Period.*** The City may by written notice to the Lender, not earlier than one hundred twenty (120) days prior to the then current Facility Maturity Date in effect hereunder (such current Facility Maturity Date without regard to such requested extension, the “*Existing Expiration Date*”), request that the Lender consent to the extension of the Existing Expiration Date. The Lender will make reasonable efforts to respond to such request within sixty (60) days after receipt of all information necessary, in the Lender’s reasonable judgment, to permit the Lender to make an informed credit decision. In the event the Lender fails to definitively respond to such request within such

period of time, the Lender shall be deemed to have refused to grant the extension requested. The Lender may, in its sole and absolute discretion, decide to accept or reject any such proposed extension. The consent of the Lender, if granted, shall be conditioned upon the preparation, execution and delivery of documentation in form and substance reasonably satisfactory to the Lender and consistent with this Agreement as shall be mutually acceptable to the Lender and the City. If such an extension request is accepted by the Lender in its absolute discretion, the then current Facility Maturity Date shall be extended to the date agreed to by the City and the Lender. If the Facility Maturity Date is extended, the City shall, except as otherwise agreed to in writing by the Lender, be deemed to have made the representations and warranties contained herein on and as of the date on which the Facility Maturity Date is so extended.

**Section 2.02. Method of Borrowing, Continuing or Converting Loans; Account to Which Proceeds of Loans to Be Credited.**

(a) In the case of any Borrowing, the City shall give the Lender notice in the form of Exhibit A hereto, executed by a Designated Representative of the City (each a "*Notice of Borrowing*"), by not later than 11:00 a.m., Pacific time, on the second Business Day before each Borrowing (or such shorter time as the Lender may agree in writing), specifying:

- (A) the date of such Borrowing, which shall be a Business Day;
- (B) the aggregate principal amount of such Borrowing (which shall not exceed the difference between (A) the amount of the applicable Commitment, and (B) the aggregate principal amount of all Loans of such System then outstanding);
- (C) after taking into consideration the proceeds of this Borrowing, the aggregate principal amount of all Loans of such System then outstanding;
- (D) whether such Borrowing (1) is for the Electric System or the Water System, and (2) will be a Taxable Loan or a Tax-Exempt Loan; and
- (E) the wiring instructions for the proceeds of the Loan.

(b) Subject to the provisions of subsection (a) of this Section 2.02, by not later than 3:00 p.m., Pacific time, on the date of each Borrowing, the Lender shall wire transfer, in federal or other immediately available funds, the proceeds of such Borrowing to the City pursuant to the wiring instructions designated by the City in the applicable Notice of Borrowing.

(c) The Lender shall not be obligated to honor more than one Borrowing with respect to a Taxable Loan and a Tax-Exempt Loan per System on any Business Day and in no event shall the Lender be obligated to honor more than four Borrowings per System in any calendar month.



(d) Each Loan shall be in the principal amount requested by the City pursuant to each Notice of Borrowing but in any event in a minimum principal amount of \$1,000,000 or such greater amount which is an integral multiple of \$5,000 in excess thereof.

### **Section 2.03. The Notes.**

(a) (i) Electric System Loans which are Taxable Loans bearing interest with respect to a BSYB Index Rate (or, if applicable, the Default Rate, the Maximum Lawful Rate or rate determined in accordance with Section 2.05(e) hereof) shall be evidenced by a single corresponding Amended and Restated Electric System Taxable Revolving Note of the City substantially in the form set forth in Exhibit C hereto payable to the Lender in an amount equal to the Electric System Commitment (*"Electric System Taxable Revolving Note"*).

(ii) Electric System Loans which are Tax-Exempt Loans bearing interest with respect to a BSBY Index Rate (or, if applicable, the Taxable Rate, the Default Rate, the Maximum Lawful Rate or rate determined in accordance with Section 2.05(e) hereof) shall be evidenced by a single corresponding Amended and Restated Electric System Tax-Exempt Revolving Note of the City substantially in the form set forth in Exhibit E hereto payable to the Lender in an amount equal to the Electric System Commitment (*"Electric System Tax-Exempt Revolving Note"*).

(iii) The Term Loan that is a Taxable Loan that refunded the Electric System Loans that were Taxable Loans shall be evidenced by a single corresponding Amended and Restated Electric System Taxable Term Note of the City substantially in the form set forth in Exhibit G hereto payable to the Lender in an amount equal to the Electric System Commitment (*"Electric System Taxable Term Note"*).

(iv) The Term Loan that is a Tax-Exempt Loan that refunded the Electric System Loans that were Tax-Exempt Loans shall be evidenced by a single corresponding Amended and Restated Electric System Tax-Exempt Term Note of the City substantially in the form set forth in Exhibit I hereto payable to the Lender in an amount equal to the Electric System Commitment (*"Electric System Tax-Exempt Term Note"*).

(v) Water System Loans which are Taxable Loans bearing interest with respect to a BSBY Index Rate (or, if applicable, the Default Rate, the Maximum Lawful Rate or rate determined in accordance with Section 2.05(e) hereof) shall be evidenced by a single corresponding Amended and Restated Water System Taxable Revolving Note of the City substantially in the form set forth in Exhibit D hereto payable to the Lender in an amount equal to the Water System Commitment (*"Water System Taxable Revolving Note"*).

(vi) Water System Loans which are Tax-Exempt Loans bearing interest with respect to a BSBY Index Rate (or, if applicable, the Taxable Rate, the Default Rate, the Maximum Lawful Rate or rate determined in accordance with

Section 2.05(e) hereof) shall be evidenced by a single corresponding Amended and Restated Water System Tax-Exempt Revolving Note of the City substantially in the form set forth in Exhibit F hereto payable to the Lender in an amount equal to the Water System Commitment (*"Water System Tax-Exempt Revolving Note"*).

(vii) The Term Loan that is a Taxable Loan that refunded the Water System Loans that were Taxable Loans shall be evidenced by a single corresponding Amended and Restated Water System Taxable Term Note of the City substantially in the form set forth in Exhibit H hereto payable to the Lender in an amount equal to the Water System Commitment (*"Water System Taxable Term Note"*).

(viii) The Term Loan that is a Tax-Exempt Loan that refunded the Water System Loans that were Tax-Exempt Loans shall be evidenced by a single corresponding Amended and Restated Water System Tax-Exempt Term Note of the City substantially in the form set forth in Exhibit J hereto payable to the Lender in an amount equal to the Water System Commitment (*"Water System Tax-Exempt Term Note"*).

(b) Each reference in this Agreement to the "Electric System Notes" or "Water System Notes" shall be deemed to refer to and include any or all of such Notes, respectively, as the context may require.

(c) The Lender may record the date, amount, type and maturity of each Loan made by it and the date and amount of each payment of principal made by or on behalf of the City with respect thereto, and prior to any transfer of an Electric System Note or Water System Note shall endorse on the schedule forming a part thereof appropriate notations to evidence the foregoing information with respect to each Loan then outstanding evidenced by such Note; provided that the failure of the Lender to make any such recordation or endorsement, or any error therein, or failure to submit any such notations to the City shall not affect the obligations of the City hereunder or under such Note. The Lender is hereby irrevocably authorized by the City so to endorse each Electric System Note and Water System Note and to attach to and make a part of each such Note a continuation of any such schedule as and when required.

(d) The City's obligations to repay each Loan and to pay interest thereon as provided herein shall be evidenced and secured by the related Note, and the City shall pay amounts under the related Note on each date on which the City is required to make a principal payment on the related Loan or Term Loan, as applicable, in an amount equal to the Loan or Term Loan, as applicable, payment due on such date. The payment of the principal of and interest on a Note shall constitute payment of the principal of and interest on the related Loans or Term Loan, as applicable, and the payment of the principal of and interest on the Loans or Term Loan, as applicable, shall constitute the payment of principal and interest on the related Note and the failure to make any payment on any Loan or Term Loan, as applicable, when due shall be a failure to make a payment on the related Note and the failure to make any payment on the related Note when due shall be a failure to make a payment on the related Loan or Term Loan, as applicable.

#### **Section 2.04. Maturity of Loans and Term Loans.**

(a) Each Loan included in any Borrowing shall mature, and the principal amount thereof (together with all accrued and unpaid interest therein) shall be due and payable by the City, on the Facility Maturity Date or such earlier date on which all Loans or the related Loans become due and payable in accordance with the terms hereof, subject to Section 2.12 hereof.

(b) The Term Loans shall mature, and the principal amount thereof (together with all accrued and unpaid interest thereon) shall be due and payable by the City, on the Term Loan Maturity Date.

#### **Section 2.05. Interest Rates.**

(a) Subject to paragraphs (d) and (e) below, and Section 6.05 hereof, each Loan (other than a Term Loan) which is a Taxable Loan shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is advanced until it becomes due, at a rate per annum equal to the sum of (i) the BSBY Index Rate plus (ii) the Applicable Spread. Such interest shall be payable by the City on each Interest Payment Date and on the Termination Date.

(b) Subject to paragraphs (d), (e) and (f) below, and Section 6.05 hereof, each Loan (other than a Term Loan) which is a Tax-Exempt Loan shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is advanced until it becomes due, at a rate per annum equal to the sum of (i) the Applicable Spread, and (ii) the product of (A) the BSBY Index Rate, and (B) the Applicable Factor.

(c) The Lender shall determine the BSBY Index Rate on each Computation Date during the applicable Interest Period, and such rate shall become effective on the BSBY Index Reset Date next succeeding such Computation Date and interest at such rate shall accrue each day during such Interest Period. The BSBY Index Rate shall be rounded upwards to the third decimal place. Promptly following the determination of the BSBY Index Rate, the Lender shall give notice thereof to the City. If the BSBY Index Rate is not available or published on the Computation Date, the rate of interest borne on such Loans shall be the rate in effect for such Loans on the immediately preceding BSBY Index Reset Date until the Lender next determines the BSBY Index Rate as required hereunder. Notwithstanding the foregoing, with respect to (i) a Taxable Loan designated to bear interest with respect to the BSBY Index Rate that is advanced pursuant to a new Borrowing on a day other than a BSBY Index Reset Date, the rate for such Taxable Loan shall be the same rate as for all outstanding Taxable Loans bearing interest with respect to the BSBY Index Rate; and (ii) a Tax-Exempt Loan designated to bear interest with respect to the BSBY Index Rate that is advanced pursuant to a new Borrowing on a day other than a BSBY Index Reset Date, the rate for such Tax-Exempt Loan shall be the same rate as for all outstanding Tax-Exempt Loans bearing interest with respect to the BSBY Index Rate.

(d) If the rate of interest payable hereunder shall exceed the Maximum Lawful Rate for any period for which interest is payable, then (i) interest at the Maximum Lawful

Rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof (without regard to any limitation otherwise imposed by the Maximum Lawful Rate) and (B) the Maximum Lawful Rate (the "*Excess Interest*"), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof (without regard to any limitation otherwise imposed by the Maximum Lawful Rate) ceases to exceed the Maximum Lawful Rate, at which time the City shall pay to the Lender, to the extent permitted by law at that time, with respect to amounts then payable to the Lender that are required to accrue interest hereunder, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Lender to equal the Maximum Lawful Rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder until all deferred Excess Interest is fully paid to the Lender. Upon the termination of this Agreement, in consideration for the limitation of the rate of interest otherwise payable hereunder, the City shall pay to the Lender a fee equal to the amount of all deferred Excess Interest.

(e) In the event the Lender determines (which determination shall be conclusive absent manifest error) that (i) the interest rate applicable to Loans hereunder is not ascertainable or does not adequately and fairly reflect the cost of making or maintaining such advances and such circumstances are unlikely to be temporary, (ii) ICE Benchmark Administration (or any Person that takes over the administration of such rate) discontinues its administration and publication of interest settlement rates for deposits in Dollars, or (iii) the supervisor for the administrator of such interest settlement rate or a Governmental Authority having jurisdiction over the Lender has made a public statement identifying a specific date after which such interest settlement rate shall no longer be used for determining interest rates for loans, then the Lender shall determine an alternate index to the BSBY Index Rate that gives due consideration to the then prevailing market convention for determining a rate of interest for comparable Lender-originated commercial loans in the United States at such time, and, if necessary, the Lender and the City shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable. Until an alternate rate of interest shall be determined in accordance with this Section, interest on each Loan hereunder shall accrue at the Prime Rate plus the Applicable Spread. If at any time the alternate index determined shall be less than zero, such index shall be deemed to be zero until such time as it is calculated to be greater than zero.

(f) Upon a Determination of Taxability, all Tax-Exempt Loans shall bear interest at the Taxable Rate.

(g) Subject to paragraph (d) above, the Term Loans shall bear interest on the outstanding principal amount thereof, for each date from the date of extension of such Term Loan until it becomes due, at a rate per annum equal to the Term Loan Rate. Such interest shall be payable on each Interest Payment date and on the Term Loan Maturity Date (or such earlier date on which all Loans or the related Loans become due and payable in accordance with the terms hereof).

## Section 2.06. Fees.

(a) **Commitment Fee.** The City agrees to pay to the Lender, in arrears on April 1, 2022, for the period commencing on the Closing Date and ending on March 31, 2022, and thereafter on the first Business Day of each July, October, January and April occurring thereafter to the Termination Date for the prior calendar quarter, and on the Termination Date for the calendar quarter or portion thereof then ending, a non-refundable commitment fee (the “*Commitment Fee*”) with respect to the Unutilized Commitment in an amount equal to the product of the rate per annum specified in the applicable Level below (the “*Commitment Fee Rate*”) from time to time in effect for each day during the period for which such Commitment Fee is being paid times the Unutilized Commitment from time to time in effect for each day during the period for which such Commitment Fee is being paid:

Level	Moody’s Rating	Fitch Rating	S&P Rating	Commitment Fee Rate
I	Aa3 or above	AA- or above	AA- or above	0.20%
II	A1	A+	A+	0.30%
III	A2	A	A	0.40%
IV	A3	A-	A-	0.60%
V	Baa1	BBB+	BBB+	0.90%

The applicable Level shall be the Level corresponding to the lower of the prevailing Electric Rating or Water Rating on any day (herein, the “*CF Rating*”). In the event of a split rating (i.e., one of the foregoing Rating Agencies’ Electric Rating or Water Rating is at a different level than the applicable rating of either of the other Rating Agencies), the Commitment Fee Rate shall be determined as follows:

(i) if two Rating Agencies maintain a CF Rating, then the Level in which the lower CF Rating appears shall be used to determine the Commitment Fee Rate; and

(ii) if three Rating Agencies maintain a CF Rating, then the Level in which the lower of the two highest CF Ratings appear shall be used to determine the Commitment Fee Rate; provided that if two CF Ratings appear in the same Level, then the Level in which such two CF Ratings appears shall be used to determine the Commitment Fee Rate.

For the avoidance of doubt, Level V is the lowest Level, and Level I is the highest Level for purposes of the above pricing grid. Any change in the Commitment Fee Rate resulting from a change in CF Rating shall be and become effective as of and on the date of the announcement of the change in such rating. References to ratings above are references to rating categories as presently determined by the Rating Agencies and, in the event of adoption of any new or changed rating system by any such Rating Agency, each of the ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the

applicable rating category as currently in effect. In the event of a withdrawal, suspension or downgrade of a CF Rating below “Baa1” by Moody’s, “BBB+” by S&P or “BBB+” by Fitch, or upon the occurrence and during the continuance of an Event of Default, the Commitment Fee Rate shall be increased to the rate set forth in Level V plus three percent (3.00%) per annum. The City acknowledges that as of the Closing Date the Commitment Fee Rate is that specified above for Level I.

(b) ***Amendment, Consent or Waiver Fee.*** The City shall pay to the Lender a fee for each amendment to this Agreement or any Related Document or any consent or waiver by the Lender with respect to any Related Document, in each case, in a minimum amount of \$2,500 plus the reasonable fees and expenses of counsel to the Lender, if any.

(c) The City shall pay within thirty (30) days after demand:

(i) the reasonable costs and expenses of the Lender in connection with the enforcement (whether by means of legal proceedings or otherwise) of any of its rights under this Agreement, the other Related Documents and such other documents which may be delivered in connection therewith;

(ii) the reasonable fees and out-of-pocket expenses for counsel or other reasonably required consultants to the Lender in connection with advising the Lender as to its rights and responsibilities under this Agreement and the other Related Documents or in connection with Events of Default, potential Events of Default and responding to requests from the City for approvals, consents and waivers; and

(iii) any reasonable amounts advanced by or on behalf of the Lender to the extent required to cure any Default, Event of Default or event of nonperformance hereunder or any Related Document, together with interest at the Default Rate.

(d) Upon the occurrence and during the continuance of an Event of Default, the Loans, Term Loans and all other Obligations shall bear interest at the Default Rate.

## **Section 2.07. Optional Termination or Reduction of Commitment.**

(a) During the Revolving Credit Period, the City may, upon at least three Business Days’ notice to the Lender, (i) terminate either Commitment at any time, if no Loans are outstanding at such time; or (ii) reduce either Commitment from time to time by an aggregate amount of \$1,000,000 or any larger integral multiple of \$1,000,000, which amount shall be not greater than the amount of the applicable Commitment.

(b) The City shall pay to the Lender an optional reduction fee or termination fee in connection with each optional reduction or termination of all or any portion of either Commitment prior to the first anniversary of the Closing Date, in an amount equal to the product of (a) the Commitment Fee Rate in effect on the date of such optional reduction or termination, as applicable; (b) the principal amount of the applicable Commitment to be

optionally reduced or terminated; and (c) a fraction, the numerator of which is equal to the number of days from and including the date of such termination or optional reduction, as applicable, to and including the first anniversary of the Closing Date, and the denominator of which is 360, payable on the date that all or any portion of the applicable Commitment is optionally reduced or terminated. Notwithstanding the forgoing, no such fee shall be payable pursuant to this Section 2.07(b) in the event the Lender imposes increased costs upon the City pursuant to Section 8.01 hereof.

**Section 2.08. Mandatory Termination or Reduction of Commitment.**

(a) The Electric System Commitment shall terminate on the Electric System Termination Date, and any Electric System Loans then outstanding (together with accrued interest thereon and all other amounts payable hereunder) shall be due and payable on such date. The Water System Commitment shall terminate on the Water System Termination Date, and any Water System Loans then outstanding (together with accrued interest thereon and all other amounts payable hereunder) shall be due and payable on such date.

(b) If at any time an Event of Default for any System or for both Systems shall have occurred and be continuing, the Lender may deliver a written notice to that effect to the City, and the applicable Commitment or both Commitments shall immediately terminate as to the System(s) to which the Event(s) of Default relates.

**Section 2.09. Optional Prepayments; Funding Indemnity.** The City may, upon at least two Business Days' notice to the Lender, prepay any Borrowing in whole at any time, or from time to time in part in amounts aggregating \$1,000,000 or any larger integral multiple of \$5,000, by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment; provided, however, in the event the Lender shall incur any loss, cost, or expense (including, without limitation, any loss, cost, or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired or contracted to be acquired by the Lender to make the Loan or the relending or reinvesting of such deposits or other funds or amounts paid or prepaid to the Lender) as a result of any prepayment of any BSBY Index Loan for any reason, whether before or after default, on a date other than a BSBY Index Reset Date, then upon the demand of the Lender, the City shall pay to the Lender such amount as will reimburse the Lender for such loss, cost, or expense. If the Lender requests such an amount it shall provide to the City a certificate setting forth the computation of the loss, cost, or expense giving rise to the request for such an amount in reasonable detail and such certificate shall be conclusive if reasonably determined and the City shall pay the Lender the amount shown as due on any such certificate within thirty (30) days after receipt thereof.

**Section 2.10. General Provisions as to Payments.** The City shall make each payment of principal of, and interest on, the Loans and Term Loans and of fees hereunder, not later than 3:00 p.m., Pacific time, on the date when due, in federal or other funds immediately available to the Lender at its address referred to in Section 9.01 hereof. Whenever any payment of principal of, or interest on, the Loans or Term Loans or of fees shall be due on a day which is not a Business Day, the date for payment thereof shall be extended to the next succeeding Business Day. If the date for any payment of principal is extended by operation of law or otherwise, interest thereon shall be payable for such extended time.

**Section 2.11. Computation of Interest and Fees.** Interest and fees shall be calculated on the basis of a year of 360-days and the actual number of days elapsed.

**Section 2.12. The Term Loans.**

(a) ***Generally.***

(i) On the Facility Maturity Date, so long as (A) no Default or Event of Default described in Section 7.01 or Section 7.02 hereof shall have occurred and be continuing, or would result therefrom; (B) the representations and warranties of the City set forth in Article IV hereof are true and correct in all material respects as if made as of such date (except to the extent such representations and warranties specifically relate to an earlier date); (C) the Electric System Taxable Term Note and/or the Electric System Tax-Exempt Term Note, as applicable, shall have been executed and delivered to the Lender; and (D) the Lender shall be in receipt of an opinion of Note Counsel, addressed to the Lender, as to the validity, enforceability and tax status of such Note, the Electric System Loans, if any, maturing on such date shall be automatically converted to term loans (each an “*Electric Term Loan*” and collectively, the “*Electric Term Loans*”), the proceeds of which shall be deemed to have refunded the Electric System Loans and the City’s obligations under the related Notes.

(ii) On the Facility Maturity Date, so long as (A) no Default or Event of Default described in Section 7.01 or Section 7.03 hereof shall have occurred and be continuing, or would result therefrom; (B) the representations and warranties of the City set forth in Article IV hereof are true and correct in all material respects as if made as of such date (except to the extent such representations and warranties specifically relate to an earlier date); (C) the Water System Taxable Term Note and/or the Water System Tax-Exempt Term Note, as applicable, shall have been executed and delivered to the Lender; and (D) the Lender shall be in receipt of an opinion of Note Counsel, addressed to the Lender, as to the validity, enforceability and tax status of such Note, the Water System Loans, if any, maturing on such date shall be automatically converted to term loans (each a “*Water Term Loan*” and collectively, the “*Water Term Loans*”, and individually and collectively together with the Electric Term Loan and the Electric Term Loans, the “*Term Loan*” and “*Term Loans*”), the proceeds of which shall be deemed to have refunded the Water System Loans and the City’s obligations under the related Notes.

(iii) The Term Loans shall be evidenced by the Electric System Taxable Term Note, the Electric System Tax-Exempt Term Note, the Water System Taxable Term Note and the Water System Tax-Exempt Term Note, as applicable, and the Lender’s receipt of such Note(s) shall be a condition precedent to extension of the Term Loan(s). The Term Loans may be repaid in whole or in part on any Business Day upon prior written notice from the City to the Lender.

(b) ***Repayment.*** The Term Loans shall be payable by the City in twelve (12) equal (as nearly as possible) quarterly installments, commencing on the third-month



anniversary of the Facility Maturity Date, and on the corresponding date in every three months occurring thereafter which occurs prior to the Term Loan Maturity Date and on the Term Loan Maturity Date; provided, however, that, notwithstanding anything contained herein to the contrary, the entire principal amount of the Term Loans, plus accrued and unpaid interest thereon, shall be due and payable in full on the Term Loan Maturity Date (or such earlier date on which all Loans or the related Loans become due and payable in accordance with the terms hereof).

### **Section 2.13. Determination of Taxability.**

(a) In the event a Determination of Taxability occurs, the City hereby agrees to pay to the Lender and each Noteholder within thirty (30) days of demand therefor (i) an amount equal to the difference between (A) the amount of interest that would have been paid to the Lender and such Noteholder on the applicable Tax-Exempt Note or Tax-Exempt Loan, without duplication, during the period for which interest on the such Tax-Exempt Note or Tax-Exempt Loan is included in the gross income of the Lender and such Noteholder if the applicable Tax-Exempt Note or Tax-Exempt Loan had borne interest at the Taxable Rate, beginning on the Taxable Date (the "*Taxable Period*"); and (B) the amount of interest actually paid to the Lender and such Noteholder during the Taxable Period; and (ii) an amount equal to any interest, penalties or charges owed by the Lender and such Noteholder as a result of interest on the applicable Tax-Exempt Note or Tax-Exempt Loan becoming included in the gross income of the Lender and such Noteholder, together with any and all reasonable attorneys' fees, court costs, or other reasonable out-of-pocket costs incurred by the Lender and such Noteholder in connection therewith.

(b) Subject to the provisions of paragraph (c) below, the Lender and such Noteholder shall afford the City the opportunity, at the City's sole cost and expense, to contest (i) the validity of any amendment to the Internal Revenue Code which causes the interest on the applicable Tax-Exempt Note or Tax-Exempt Loan to be included in the gross income of Lender and such Noteholder; or (ii) any challenge to the validity of the tax exemption with respect to the interest on the applicable Tax-Exempt Note or Tax-Exempt Loan, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals); provided that, in no event shall the Lender or a Noteholder be required to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the City or any other Person.

(c) As a condition precedent to the exercise by the City of its right to contest set forth in paragraph (b) above, the City shall, within thirty (30) days from demand, reimburse the Lender and such Noteholder for reasonable expenses (including reasonable attorneys' fees for services that may be required or desirable, as determined by the Lender and such Noteholder in its reasonable discretion) that may be incurred by the Lender and such Noteholder in connection with any such contest, and shall, within thirty (30) days, reimburse Lender and such Noteholder for any and all penalties or other charges payable by the Lender or such Noteholder for failure to include such interest in its gross income.

**Section 2.14. Benchmark Replacement.** If the Lender has determined in its sole discretion that (i) the administrator of BSBY (or any substitute index which replaces BSBY (BSBY

or such replacement, the “Benchmark”)) has made a public statement that such Benchmark will no longer be provided, (ii) the administrator of the Benchmark has announced that such Benchmark is no longer representative, or (iii) any similar circumstance exists such that such Benchmark has become permanently unavailable or ceased to exist, the Lender will replace such Benchmark with a replacement rate as set forth in this Section. In the case of BSBY, such replacement rate will be Term SOFR; provided that if the Lender determines in its sole discretion that Term SOFR is not available for the applicable advance at the time of such replacement, then such replacement rate will be Daily Simple SOFR. For purposes of this Agreement, (a) “SOFR” means the secured overnight financing rate which is published by the Board of Governors of the Federal Reserve System (together with any committees convened by the Board, the “Board of Governors”) and available at [www.newyorkfed.org](http://www.newyorkfed.org); (b) “Term SOFR” means a forward-looking term rate based on SOFR and recommended by the Board of Governors, plus 0.11448% (11.448 basis points) for a one-month tenor, 0.26161% (26.161 basis points) for a three-month tenor, and 0.42826% (42.826 basis points) for a six-month tenor; and (c) “Daily Simple SOFR” means a daily rate based on SOFR and determined by the Lender in accordance with the conventions for such rate selected by the Lender, plus 0.11448% (11.448 basis points). In connection with the selection and implementation of any such replacement rate, the Lender may make any technical, administrative or operational changes that the Lender decides may be appropriate to reflect the adoption and implementation of such replacement rate. The Lender does not warrant or accept any responsibility for the administration or submission of, or any other matter related to, BSBY or with respect to any alternative or successor rate thereto, or replacement rate thereof, including without limitation whether any such alternative, successor or replacement rate will have the same value as, or be economically equivalent to, BSBY. The Lender’s internal records of applicable interest rates shall be determinative in the absence of manifest error.

### ARTICLE III

#### CONDITIONS

**Section 3.01. Effectiveness.** This Agreement shall become effective on the date on which each of the following conditions shall have been satisfied:

(a) receipt by the Lender of a counterpart hereof signed by each of the parties hereto;

(b) receipt by the Lender of duly executed Water System Notes and Electric System Notes dated on or before the Closing Date complying with the provisions of Section 2.03 hereof;

(c) receipt by the Lender of (i) an opinion of the City Attorney, addressed to the Lender and in a form acceptable to the Lender and covering such matters relating to the transactions contemplated hereby or by the Related Documents as the Lender may reasonably request, and (ii) an opinion of Note Counsel with a reliance letter addressed to the Lender and in a form acceptable to the Lender and covering such matters relating to the transactions contemplated hereby or by the Related Documents as the Lender may reasonably request (including, without limitation, as to the validity, enforceability of the Agreement and the other Related Documents);

(d) receipt by the Lender of a certified copy of each Resolution and a certificate of a Designated Representative, dated the Closing Date, certifying that each Resolution is in full force and effect on the Closing Date and that there has been no other amendment or supplement of, or modification to, any provision of any such instrument, except as set forth therein;

(e) receipt by the Lender of a certificate of a duly authorized officer of the City, certifying that (i) the representations and warranties contained in Article IV hereof and the other Related Documents are true and correct in all material respects on the Closing Date, (except to the extent such representations and warranties specifically relate to an earlier date); (ii) no event has occurred and is continuing, or would result from entry into this Agreement, which would constitute a Default or Event of Default; (iii) no petition by or against the City has at any time been filed under the United States Bankruptcy Code or under any similar law; and (iv) since June 30, 2021, there has been no material adverse change (in the reasonable judgment of the City) in the financial condition of the Electric System or the Water System, except as otherwise disclosed to the Lender in writing;

(f) receipt by the Lender of a certificate of a Designated Representative, certifying as to the incumbency and signature of each of the officers of the City authorized to sign this Agreement and the Notes;

(g) receipt by the Lender of all opinions, certificates and other documents it may reasonably request relating to the existence of the City, the corporate authority for and the validity of this Agreement and the Notes then being delivered, and any other matters relevant hereto or thereto, all in form and substance satisfactory to the Lender; and

(h) the City shall have promptly notified the Lender of the existence of any pending litigation (service of process on the City having been made) not previously disclosed in writing to the Lender which individually or in the aggregate could, in the event of an unfavorable outcome, reasonably be expected to result in a Material Adverse Effect.

**Section 3.02. Borrowings During the Revolving Credit Period.** The obligation of the Lender to make a Loan on or prior to the Termination Date is subject to the satisfaction of the following conditions:

(a) receipt by the Lender of a Notice of Borrowing as required by Section 2.02 hereof;

(b) immediately after such Borrowing, the aggregate outstanding principal amount of the Electric System Loans will not exceed the amount of the Electric System Commitment and the aggregate outstanding principal amount of the Water System Loans will not exceed the amount of the Water System Commitment, as applicable;

(c) immediately before and as a result of giving effect to such Borrowing, no Default or Event of Default for the System to which the Loan relates (or for both Systems) shall have occurred and be continuing; and

(d) the representations and warranties of the City (except to the extent such representations and warranties specifically relate to an earlier date) (and if such representations and warranties relate to a System, then only to the extent they relate to the particular System for which the Loan is to be made, continued or converted) contained in this Agreement shall be true in all material respects on and as of the date of such Borrowing.

Each Borrowing hereunder shall be deemed to be a representation and warranty by the City on the date of such Borrowing as to the facts specified in clauses (b), (c) and (d) of this Section.

**Section 3.03. Each Tax-Exempt Loan Borrowing.** The obligation of the Lender to make each Tax-Exempt Loan with respect to each System hereunder is subject to the satisfaction of the following conditions:

(a) all conditions set forth in Section 3.02 hereof shall be satisfied prior to the making of such Loan;

(b) the Lender shall have received an executed opinion of Note Counsel addressed to the City and the Lender (or with a reliance letter to the Lender), in a form acceptable to the Lender, to the effect that the interest on all the Tax-Exempt Notes relating to such System is excludable from gross income for federal income tax purposes; and

(c) the City shall have executed, and the Lender shall have received an executed copy of, the tax certificate related to the applicable Tax-Exempt Notes.

## ARTICLE IV

### REPRESENTATIONS AND WARRANTIES

The City makes the following representations and warranties to each Noteholder:

**Section 4.01. Organization, Powers, Etc.** The City is a municipal corporation and chartered city duly organized and existing under and by virtue of the laws of the State of California and the Charter, and is possessed of full powers to own and lease real and personal property, to own and operate each System, to conduct its other business as presently conducted and to enter into contracts such as this Agreement and the other Related Documents, which powers have been validly exercised in connection with the transactions effected by this Agreement and the other Related Documents and to perform and observe all of the terms and provisions of the Related Documents to which the City is a party.

**Section 4.02. Authorized, Absence of Conflicts, Etc.** The execution, delivery and performance of each Related Document (i) were and have been duly authorized by all necessary action on the part of the City; (ii) did not and do not conflict with, or result in a violation of, any provision of law, including the Charter, or any order, writ, rule or regulation of any court or governmental agency or instrumentality binding upon or applicable to the City; and (iii) did not and do not conflict with, result in a violation of, or constitute a default or create a Lien under any other resolution, agreement or instrument to which the City was or is a party or by which the City

or any of its property was or is bound; and no further approvals, authorizations or consents are required by law or otherwise.

**Section 4.03. Binding Obligation.** Each Related Document to which the City is a party was and is a valid and binding obligation of the City in accordance with its respective terms, and this Agreement is the legal, valid and binding obligation of the City enforceable in accordance with its terms.

**Section 4.04. Electric System Security.** (a) The obligation of the City to pay the principal of and interest on the Electric System Loans, the Electric Term Loans and the related Electric System Notes are payable from and secured by a Lien on the Electric System Net Operating Revenues on a parity with all other Electric System Subordinate Obligations.

(b) The City hereby designates the obligations of the City to pay the principal of and interest on the Electric System Loans, the Electric Term Loans and the related Electric System Notes as Electric System Subordinate Obligations. Section 5.01 of the Electric System Master Resolution creates a valid security interest in the funds and accounts created under the Electric System Master Resolution and the moneys, including, without limitation, the Electric System Net Operating Revenues on deposit therein, as security for the punctual payment of the interest and principal due with respect to the Electric System Notes and all other Electric System Subordinate Obligations. All actions necessary to create a lien on such funds and accounts and on moneys on deposit therein, including the Electric System Net Operating Revenues, have been duly and validly taken.

(c) No further consent, approval, permit, authorization or order of, or registration or filing with, any court or governmental agency, authority or instrumentality, or recording or filing of any Related Documents, any financing statement or any other certificate, resolution, instrument or agreement, was, is or will be necessary to create or perfect the liens, pledges and security interests of the Lender in the Electric System Net Operating Revenues.

**Section 4.05. Water System Security.** (a) The obligation of the City to pay the principal of and interest on the Water System Loans, the Water Term Loans and the related Water System Notes are payable from and secured by a Lien on the Water System Net Operating Revenues on a parity with all other Water System Subordinate Obligations.

(b) The City hereby designates the obligations of the City to pay the principal of and interest on the Water System Loans, the Water Term Loans and the related Water System Notes as Water System Subordinate Obligations. The Water System Master Resolution creates a valid security interest in the funds and accounts created under the Water System Master Resolution and the moneys, including, without limitation, the Water System Net Operating Revenues on deposit therein, as security for the punctual payment of the interest and principal due with respect to the Water System Notes and all other Water System Subordinate Obligations. All actions necessary to create a lien on such funds and accounts and on moneys on deposit therein, including the Water System Net Operating Revenues, have been duly and validly taken.

(c) No further consent, approval, permit, authorization or order of, or registration or filing with, any court or governmental agency, authority or instrumentality, or recording or filing of any Related Documents, any financing statement or any other certificate, resolution, instrument or agreement, was, is or will be necessary to create or perfect the liens, pledges and security interests of the Lender in the Water System Net Operating Revenues.

**Section 4.06. Governmental Consent or Approval.** (a) No consent, approval, permit, authorization or order of, or registration or filing with, any court or governmental agency, authority or other instrumentality not already obtained, given or made was or is required on the part of the City for the execution, delivery and performance of the Related Documents.

(b) All consents, approvals, permits, authorizations and orders of, and registrations and filings with, any court or governmental or public agency, authority or other instrumentality required for the issuance, sale, execution, delivery and performance of each Note have been or will be obtained prior to the delivery thereof.

**Section 4.07. Litigation.** There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, arbitrator, governmental or other board, body or official, pending or, to the best knowledge of the City, threatened against or affecting the City, that draws into question the validity of the Charter or any proceeding taken or to be taken by the City in connection with the execution, delivery and performance of any Related Document, nor, to the best knowledge of the City, is there any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect (i) the validity of the Charter, (ii) the validity or enforceability of, or the authority or ability of the City to perform its obligations under, any Related Document, (iii) the ability of the City to carry out its purposes in the manner now conducted or as proposed to be conducted, or (iv) the exclusion of interest on any Tax-Exempt Note from gross income for Federal income tax purposes or the exemption of any Tax-Exempt Note or the interest thereon from personal income taxation by the State or any political subdivision thereof. In addition to the foregoing, there are no actions, suits or proceedings at law or in equity (including any Environmental Claims) pending or, to the knowledge of the City, threatened against or affecting it or either System before any court or arbitrator or any governmental or nongovernmental body, agency or official in which an adverse decision could produce a Material Adverse Effect.

**Section 4.08. No Defaults.** No Default or Event of Default has occurred and is continuing. The City is not in default under (i) any order, writ, injunction or decree of any court or governmental body, agency or other instrumentality applicable to the City, or (ii) any constitutional provision or law or regulation, or (iii) any Debt of the City relating to either System, or (iv) any contract, agreement or instrument to which the City is a party or by which it or any of its properties is bound, in each case, which default could (A) adversely affect the validity or enforceability of, or the authority or ability of the City to perform its obligations under, this Agreement or the other Related Documents, or (B) result in a Material Adverse Effect; and no event has occurred which with the giving of notice or the passage of time or both would constitute such a default.

**Section 4.09. Immunity.** The City is not entitled to claim immunity on the grounds of sovereignty or other similar grounds with respect to itself or its revenues or assets (irrespective of

their use or intended use) from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) or (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be made subject in any proceedings in the courts of any jurisdiction and no such immunity (whether or not claimed) may be attributed to it or its revenues or assets, in each case, with respect to any suit or other action related to this Agreement or any other Related Document.

**Section 4.10. Environmental Compliance.** The City has not received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which noncompliance or remedial action could have a Material Adverse Effect.

**Section 4.11. Financial Condition.** On the date of execution and delivery of this Agreement (i) the balance sheets of the Electric System and the Water System for each of the three (3) Fiscal Years immediately preceding the date hereof, and the related statements of revenues, expenses and changes in retained earnings and financial position, present fairly the Electric System's and the Water System's, as applicable, financial position as of the end of such Fiscal Year and the results of its operations and its income, fund balances and changes in fund equity and financial position for the end of such Fiscal Year, in conformity with generally accepted accounting principles applied on a consistent basis and (ii) no Material Adverse Effect has occurred relating to such balance sheet and related statements of revenues, expenses and changes.

**Section 4.12. Disclosures.** As of the date hereof, no information, exhibit or report, including, without limitation, the financial statements furnished by or on behalf of the Electric System or the Water System to the Lender, contains any untrue statement of a material fact or omits any statement of a material fact necessary to make the statements contained herein, in light of the circumstances under which they were made, not misleading, and there are no facts that the City has not disclosed in writing to the Lender that, individually or in the aggregate, materially adversely affect the Related Documents or the ability of the City to perform its obligations hereunder, or, so far as the City can now foresee, will have a Material Adverse Effect.

**Section 4.13. No Proposed Legal Changes.** As of the date hereof and except as otherwise disclosed to the Lender in writing, there is no amendment, or to the knowledge of the City, proposed amendment certified for placement on any ballot in the State, or any legislation that has passed either house of the State's legislature or the United States Congress, or any published judicial decision interpreting any of the foregoing, the effect of which is to materially adversely affect the Notes or the ability of the City to execute, deliver and perform its obligations under this Agreement and the other Related Documents.

**Section 4.14. ERISA.** The City does not maintain or contribute to, and has not maintained or contributed to and is not required to maintain or contribute to, any Plan that is subject to Title IV of ERISA.

**Section 4.15. Margin Regulations; Investment Company Act.** (a) The City is not engaged in the business of extending credit for the purpose of purchasing or carrying any margin stock as defined in Regulation U of the Board of Governors of the Federal Reserve System, and the City will not use the proceeds of any Loan so as to violate Regulation T, U or X of the Board of Governors of the Federal Reserve System, as the same may be amended or interpreted from time to time.

(b) The City does not intend to use any part of the proceeds of the Notes or the funds advanced hereunder and has not incurred any indebtedness to be reduced, retired or purchased by the City out of such proceeds, for the purpose of purchasing or carrying any margin stock, and the City does not own and has no intention of acquiring any such margin stock.

(c) The City is not required to be registered as an “investment company” under the Investment Company Act of 1940.

**Section 4.16. Compliance with Laws.** Except as disclosed in writing to the Lender, the City is in compliance in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

**Section 4.17. Insurance.** The City is in compliance with the insurance requirements set forth in each of the Electric System Master Resolution and the Water System Master Resolution.

**Section 4.18. Taxes.** The City has filed all Federal, state and other material tax returns and reports required to be filed, if any, and has paid all Federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon it or its properties, income or assets otherwise due and payable, if any, except those which are being contested in good faith by appropriate proceedings diligently conducted and “for which adequate reserves have been provided in accordance with generally accepted accounting principles. There is no proposed tax assessment against the City that would, if made, have a Material Adverse Effect.

**Section 4.19. No Rate Regulation.** No Governmental Authority has the power to directly regulate the rates and charges for (a) the services, facilities and electricity of the Electric System or (b) the services, facilities and water of the Water System.

**Section 4.20. Anti-Corruption Laws; Sanctions.** (a) The City and its officers and employees and, to the knowledge of the City, its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. Neither the City nor, to the knowledge of the City, any of its directors, officers or employees is a Sanctioned Person. Neither the Notes, the use of the proceeds of the Notes or the other transactions contemplated hereby will violate Anti-Corruption Laws or applicable Sanctions.



(b) Neither the purchase of the Notes nor the use of the proceeds thereof will violate the Patriot Act, the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto or successor statute thereto. The City is in compliance in all material respects with the Patriot Act.

## ARTICLE V

### AFFIRMATIVE COVENANTS

The City covenants and agrees, so long as the Lender has any obligation hereunder and until the full and final payment and satisfaction of all of the Notes and the Obligations hereunder, except in any instance in which the Lender specially agrees in writing to any non-performance or noncompliance, that it will do the following:

**Section 5.01. Performance of this and Other Agreements.** Punctually pay or cause to be paid all amounts payable under this Agreement, the Notes and the other Related Documents and observe and perform all of the conditions, covenants and requirements set forth in this Agreement, the Notes and the other Related Documents.

**Section 5.02. Further Assurances.** Execute, acknowledge where appropriate, and deliver, and cause to be executed, acknowledged where appropriate, and delivered, from time to time promptly at the request of the Lender all such instruments and documents as in the reasonable judgment of the Lender are necessary or advisable to carry out the intent and purpose of this Agreement, the Notes and the other Related Documents.

**Section 5.03. Books and Records; Inspection Rights.** Keep adequate records and books of account, in which complete entries will be made, reflecting all financial transactions of the Systems; and at any reasonable time and from time to time, permit the Lender or any agents or representatives thereof to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, each System and to discuss the affairs, finances and accounts of each System with any of the City's officers, trustees and independent auditors (and by this provision, the City authorizes said auditors to discuss with the Lender or its agents or representatives, the affairs, finances and accounts of each System).

**Section 5.04. Reporting Requirements.** Furnish to the Lender either electronically (which may be a notice with a link to the City's website) or by hard copy:

(a) as soon as available and in any event within two hundred ten (210) days after the end of each Fiscal Year, the comprehensive annual audited financial report of each System;

(b) as soon as available and in any event within ninety (90) days after the end of the first, second quarter and third quarter of each Fiscal Year, the unaudited financial statements of each System for such quarterly period, in the form customarily prepared by the City, showing financial statements for each such System, if any;

(c) concurrently with each delivery of the comprehensive annual financial report referred to in clause (i) above, a Compliance Certificate of the City in the form attached hereto as Exhibit B stating that (i) under his/her supervision the City has made a review of its activities during the preceding annual period for the purpose of determining whether or not the City has complied with all of the terms, provisions and conditions of this Agreement and the other Related Documents and (ii) to the best of his/her knowledge no Default or Event of Default has occurred with respect to the City in the performance or observance of any of the terms, covenants, provisions or conditions of this Agreement or any of the other Related Documents, or if a Default or Event of Default shall have occurred with respect to the City, such certificate shall specify each such Default or Event of Default, the nature and status thereof and any remedial steps taken or proposed to correct each such Default or Event of Default, as applicable;

(d) within thirty (30) days of the end of each Fiscal Year, copies of all preliminary budgets of each System for the following Fiscal Year that are released or available to the public or notice to the Lender that such budgets are publicly available on the City's website;

(e) promptly after an official of the City has actual knowledge thereof, notice of any action, suit, proceeding, inquiry or investigation before or by any court, public authority or body pending or threatened wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Agreement or the other Related Documents, or which would adversely affect the validity or enforceability of, or the authority or ability of the City to perform its obligations under, this Agreement or the other Related Documents to which it is a party;

(f) promptly after the occurrence of each Event of Default or Default under this Agreement, a Certificate of a Designated Representative setting forth details of such Event of Default or Default and the action which the City is taking or proposes to take with respect thereto;

(g) promptly after the adoption thereof, copies of any amendments of or supplements to the Charter which relate to the Electric System, the Water System, the Electric System Net Operating Revenues or the Water System Net Operating Revenues that would materially and adversely affect the City's operations or the obligations of the City under this Agreement or with respect to the Notes;

(h) during any period of time a System is subject to continuing disclosure requirements under Rule 15c2-12 promulgated pursuant to the Securities Exchange Act of 1934, as amended (17 C.F.R. Sec. 240-15c2-12), or any successor or similar legal requirement, immediately following any dissemination, distribution or provision thereof to any Person, a copy of any reportable event notice (as described in b(5)(i)(C) of Rule 15c2-12) disseminated, distributed or provided in satisfaction of or as may be required pursuant to such requirements; and

(i) with reasonable promptness, such other information and data with respect to the business, properties, condition (financial or other), operations or prospects of each System as from time to time may be reasonably requested by the Lender.

**Section 5.05. Compliance with Laws, Documents, Etc.** Comply with all applicable documents, laws, rules, regulations, guidelines and orders of any governmental authority having jurisdiction over the City (including, without limitation, compliance with Environmental Laws and ERISA, where applicable), except that this Section shall not apply if non-compliance with the foregoing would not, singly or in the aggregate, have a Material Adverse Effect on the City or the ability of the City to perform its obligations hereunder or under any of the other Related Documents.

**Section 5.06. Incorporation by Reference.** Perform and comply with each and every covenant and agreement to be performed or observed by it in each of the Related Documents and each such covenant, together with the related definitions of terms contained therein, is hereby incorporated by reference herein with the same effect as if it were set forth herein in its entirety, it being understood that no amendment or waiver with respect to such covenants and agreements or defined terms shall be effective as to this Agreement unless and until specifically agreed to in writing by the Lender with reference to this Agreement.

**Section 5.07. Maintenance of Senior Ratings.** Cause to be maintained at least two Electric Ratings and two Water Ratings at all times.

**Section 5.08. ERISA.** Comply and require all Related Persons to comply in all material respects with Title IV of ERISA, if or to the extent applicable.

**Section 5.09. Other Agreements.** In the event that the City shall, directly or indirectly, enter into or otherwise consent to any Bank Agreement which such Bank Agreement provides such Person with different or more restrictive covenants, different or additional events of default and/or greater rights and remedies than are provided to the Lender in this Agreement, the City shall provide the Lender with a copy of each such Bank Agreement and such different or more restrictive covenants, different or additional events of default and/or greater rights and remedies shall automatically be deemed to be incorporated into this Agreement and the Lender shall have the benefits of such different or more restrictive covenants, different or additional events of default and/or greater rights and remedies as if specifically set forth herein. The City shall promptly enter into an amendment to this Agreement to include different or more restrictive covenants, different or additional events of default and/or greater rights and remedies; *provided* that the Lender shall have and maintain the benefit of such different or more restrictive covenants, different or additional events of default and/or greater rights and remedies even if the City fails to provide such amendment.

**Section 5.10. Activities of the City.** Preserve, renew and maintain all material licenses, approvals, authorizations, permits, rights, privileges and franchises necessary to conduct each System.

**Section 5.11. Maintenance of Insurance.** Maintain insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is required by law or is deemed by the City to be prudent.

## ARTICLE VI

### NEGATIVE COVENANTS

The City covenants and agrees, so long as the Lender has any obligation hereunder and until the full and final payment and satisfaction of all of the Notes and the Obligations hereunder, except in any instance in which the Lender specially agrees in writing to any non-performance or noncompliance, that it will not do the following:

**Section 6.01. No Adverse Effect.** Take any action or omit to take any action that adversely affects (i) the rights or security of the Lender under this Agreement, the Notes or under any other Related Document (including, without limitation, the right to receive timely and sufficient payment hereunder or thereunder), (ii) the Lien, pledge and security interest in favor of the Noteholders in and to the Electric System Net Operating Revenues or the Water System Net Operating Revenues, as applicable, or (iii) the rights of the holders of the Notes (including, without limitation, the right to receive timely and sufficient payment thereunder).

**Section 6.02. Transfer of Systems.** Transfer, sell, lease or dispose of all or substantially all of the properties and facilities constituting (i) the Electric System, except as permitted under the Electric System Master Resolution or (ii) the Water System, except as permitted under the Water System Master Resolution.

**Section 6.03. Amendments.** (i) Modify, amend or supplement any of the Related Documents or (ii) give any consent to any modification, amendment or supplement of any of the Related Documents or (iii) make any waiver with respect to any of the Related Documents, without the prior written consent of the Lender; *provided, however*, that amendments, modifications, supplements and waivers of any Related Document (other than this Agreement) shall be effective without the prior written consent of the Lender, to the extent, and only to the extent, that (i) such amendments, modifications, supplements and waivers would not have any adverse effect on the Related Documents, the Electric System Net Operating Revenues or the Water System Net Operating Revenues, as applicable, the rights, security interests, duties and obligations of the Lender hereunder or the Lien in respect of the Electric System Net Operating Revenues or the Water System Net Operating Revenues, as applicable, or under any other Related Document or the ability of the City to meet its obligations hereunder or any other Related Document and (ii) such amendments, modifications, supplements and waivers would not have a Material Adverse Effect. In addition, the City promptly will supply the Lender with one fully executed copy of any modification, amendment, supplement or waiver of any Related Document. For the avoidance of doubt, this Section 6.03 shall not be construed to prevent the City from entering into a Supplemental Resolution to a Master Resolution providing for the issuance of additional Debt in accordance with the terms and provisions of such Master Resolution and this Agreement.

**Section 6.04. Exempt Status.** Take any action, omit to take any action or cause or permit another Person to take any action or omit to take any action, which, if taken or omitted, would

adversely affect the excludability of interest on the Tax-Exempt Notes from the gross income of the holders thereof for purposes of Federal income taxation.

**Section 6.05. Additional Debt.** (a) Issue or incur (i) any additional Electric System Subordinate Obligations; (ii) and Debt subordinate to or junior to the Electric System Subordinate Obligations; or (iii) any Debt senior to the Electric System Subordinate Obligations except for Electric System Senior Debt issued in accordance with the Electric System Master Resolution, including Section 6.13 thereof.

(a) Issue or incur (i) any additional Water System Subordinate Obligations; (ii) and Debt subordinate to or junior to the Water System Subordinate Obligations; or (iii) any Debt senior to the Water System Subordinate Obligations except for Water System Senior Debt issued in accordance with the Water System Master Resolution, including Section 6.12 thereof.

**Section 6.06. Additional Liens.** (a) (i) Create, incur, assume or suffer to exist any Lien on the Electric System Net Operating Revenues on a parity with or subordinate to the Lien of the Electric System Master Resolution in favor of the Electric System Notes or (ii) create, incur, assume or suffer to exist any Lien on the Electric System Net Operating Revenues senior to the Lien in favor of the Electric System Subordinate Obligations except for the Lien on the Electric System Net Operating Revenues in favor of the Electric System Senior Debt.

(b) (i) Create, incur, assume or suffer to exist any Lien on the Water System Net Operating Revenues on a parity with or subordinate to the Lien of the Water System Master Resolution in favor of the Water System Notes or (ii) create, incur, assume or suffer to exist any Lien on the Water System Net Operating Revenues senior to the Lien in favor of the Water System Subordinate Obligations except for the Lien on the Water System Net Operating Revenues in favor of the Water System Senior Debt.

**Section 6.07. Other Agreements.** Enter into any agreement containing any provision which would be violated or breached by the performance of its obligations hereunder or under the other Related Documents.

**Section 6.08. Consolidation, Merger, Etc.** Dissolve or otherwise dispose of all or substantially all of the assets of either System or the City or consolidate with or merge into another Person or permit one or more other Persons to consolidate with or merge into either System or the City.

**Section 6.09. Use of Proceeds.** Use the proceeds of any credit extension, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose, in each case in violation of, or for a purpose which violates, or would be inconsistent with, Regulation T, U or X of the Board of Governors of the Federal Reserve System.

**Section 6.10. Sovereign Immunity.** Not claim any immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any proceedings in the courts of any jurisdiction and irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all such immunity, in each case, with respect to any suit or other action related to this Agreement or any other Related Document. The City hereby waives any rights and will not assert any claims, in each case with respect to any immunity it may have from setoff or legal proceeding it may hereafter acquire under any applicable laws and will not invoke any defense of immunity in respect of its obligations arising under or related to this Agreement and the other Related Documents.

**Section 6.11. No DTC, Rating or CUSIP.** Not (i) assign a specific rating to any Note by any Rating Agency, (ii) obtain a CUSIP number or have a CUSIP number assigned to any Note or register any Note with The Depository Trust Company or any other securities depository.

**Section 6.12. Fiscal Year.** The City shall not adopt any change in its Fiscal Year without giving prior written notice of such change to the Lender.

## **ARTICLE VII**

### **EVENTS OF DEFAULT**

**Section 7.01. Events of Default Relating to Both Systems.** If one or more of the following events shall have occurred and be continuing, each shall each constitute an Event of Default hereunder relating to both Systems:

(a) the City shall fail to pay any Obligation and such failure shall continue for three Business Days; or

(b) as to both Systems, to the extent it relates to both Systems or the City generally: any representation or warranty made by or on behalf of the City to the Lender in this Agreement, a Related Document or in any certificate or statement delivered hereunder shall be incorrect or untrue in any material respect when made or deemed to have been made; or

(c) as to both Systems, to the extent it relates to both Systems, the City shall default in the due performance or observance of any of the covenants set forth in Sections 5.06, 5.07 or Article VI hereof; or

(d) as to both Systems, to the extent it relates to both Systems, the City shall default in the due observance or performance of any other term, covenant or agreement set forth in this Agreement or any other Related Document and the continuance of such default for fifteen (15) days after the earlier to occur of (i) knowledge by the City or (ii) written notice from the Lender; or

- (e) an Event of Insolvency shall have occurred with respect to the City; or
- (f) dissolution or termination of the existence of the City;

then, and in every such event, the Lender (i) may, by notice to the City, terminate the Commitment as to the Loan or Loans for both Systems, and the Commitment as to the Loan or Loans for both Systems shall thereupon terminate; and (ii) may, by notice to the City demand that the Notes relating to the Loan or Loans or Term Loans for the Systems, be immediately due and payable by the City and the City shall thereupon be obligated to pay immediately the outstanding principal amount of such Notes or Term Loans, as applicable (together with accrued interest thereon), without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the City; provided that in the case of any of the Events of Default specified in clause (e) or (f) above, without any notice to the City or any other act by the Lender, the Commitment shall thereupon immediately terminate and the Notes, Term Loans and other Obligations, as applicable, shall immediately be deemed to be due for payment by the City and the City shall be obligated to pay immediately the outstanding principal amount of the Notes, Term Loans and Obligations, as applicable, (together with accrued interest thereon) and with all other amounts then owing hereunder, in each case, without presentment, demand, protest or notice of any kind, all of which are hereby waived by the City; the Lender shall also be entitled to exercise any and all other rights and remedies available at law or in equity. Promptly following the taking of any action or the occurrence of any event or condition referred to above, the Lender shall give notice thereof to the City, but the failure to give any such notice or any delay in giving any such notice shall not impair the validity or effect of any action or event or condition referred to above.

Notwithstanding the provisions of the immediately preceding paragraph, (A) the Lender shall not cause all the Loans or Term Loans for the Systems to become immediately due and payable by the City as described in clause (ii) of the immediately preceding paragraph until seven days after the occurrence of an Event of Default specified in Section 7.01(e) or 7.01(f) hereof; and (B) the Lender shall notify the City of an acceleration at least one hundred eighty (180) days prior thereto in the case of any Event of Default not specified in the immediately preceding clause (A). Notwithstanding the foregoing sentence of this paragraph, (1) if any other holder of Parity and Senior Debt or any counterparty under any Swap Contract related thereto has the right to cause such Parity and Senior Debt to be immediately due and payable (whether by repurchase, mandatory tender, mandatory redemption, acceleration or otherwise) on a date earlier than, or pursuant to a notice period which is shorter than what is set forth in the first sentence of this paragraph in connection with a default related to such Parity and Senior Debt, then the Lender shall automatically have such right or shorter notice period, as applicable, or (2) if any other holder, credit enhancer or liquidity provider of Parity and Senior Debt or any counterparty under any Swap Contract related thereto causes any such Parity and Senior Debt to become immediately due and payable (whether by repurchase, mandatory tender, mandatory redemption, acceleration or otherwise), then the Lender may immediately, without notice, avail itself of the remedies set forth in clause (ii) of the immediately preceding paragraph and/or declare or cause to be declared the unpaid principal amount of all outstanding Notes relating to the Loans or Term Loans for the Water System, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder to be immediately due and payable.

**Section 7.02. Events of Default Relating to Electric System.** If one or more of the following events shall have occurred and be continuing, each shall each constitute an Event of Default with respect to the Electric System:

(a) the City shall fail to pay when due any principal of or interest on any Electric System Notes; or

(b) the City shall (i) default on the payment of the principal of or interest on any Electric System Parity and Senior Debt, beyond the grace period, if any, provided in the instrument or agreement under which such Electric System Parity and Senior Debt was created or incurred; or (ii) default in the observance or performance of any agreement or condition relating to any Electric System Parity and Senior Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to permit any such Electric System Parity and Senior Debt to become immediately due and payable in full as the result of the acceleration, mandatory redemption (or purchase in lieu of redemption) or mandatory tender of such Electric System Parity and Senior Debt; or

(c) as to the Electric System: any representation or warranty made by or on behalf of the City to the Lender in this Agreement, a Related Document or in any certificate or statement delivered hereunder shall be incorrect or untrue in any material respect when made or deemed to have been made; or

(d) any "*event of default*" under the Electric System Master Resolution which is not cured within any applicable cure period shall occur; or

(e) as to Electric System, the City shall default in the due performance or observance of any of the covenants set forth in Sections 5.06, 5.07 or Article VI hereof; or

(f) as to Electric System, the City shall default in the due observance or performance of any other term, covenant or agreement set forth in this Agreement or any other Related Document and the continuance of such default for fifteen (15) days after the earlier to occur of (i) knowledge by the City or (ii) written notice from the Lender; or

(g) (i) this Agreement, the Electric System Master Resolution, the Authorizing Resolution, the Electric System Notes, the Charter or any provision hereof or thereof (A) relating to the payment of principal of and interest on any Electric System Notes or the payment of principal of and interest on all Electric System Parity and Senior Debt; or (B) relating to the obligation of the City to repay the principal and interest on any Electric System Notes or on all Electric System Parity and Senior Debt at any time after its adoption or execution and delivery, as applicable, shall, for any reason, cease to be valid and binding on the City or in full force and effect (other than in accordance with its terms) or shall be declared, in a final, non-appealable judgment, to be null and void; or

(ii) the validity or enforceability of this Agreement, the Electric System Master Resolution, the Authorizing Resolution, the Electric System Notes, the



Charter or any provision hereof or thereof (A) relating to the payment of principal of and interest on Electric System Parity and Senior Debt; or (B) relating to the obligation of the City to repay the principal of and interest on any Electric System Parity and Senior Debt shall be contested in writing by an authorized representative of the City or an authorized representative of the City shall deny in writing that the City has any or further liability or obligation under this Agreement, the Electric System Master Resolution, the Charter or the Authorizing Resolution or with respect to the Electric System Notes; or

(iii) any other material provision of this Agreement or any other Related Document relating to the Electric System or Electric System Notes, other than a provision described in clause (i) above, shall at any time for any reason cease to be valid and binding on the City as a result of any legislative or administrative action by a Governmental Authority with competent jurisdiction or shall be declared in a final non-appealable judgment by any court with competent jurisdiction to be null and void, invalid, or unenforceable, or the validity or enforceability thereof shall be publicly contested by the City; or

(h) one or more final, nonappealable judgments against the City, or attachments against the property of the City, the operation or result of which, individually or in the aggregate, equal or exceed \$10,000,000 and which are secured by or payable from Water System Gross Operating Revenues or Water System Net Operating Revenues shall remain unpaid, unstayed, discharged, unbonded or undismissed for a period of sixty (60) days; or

(i) any of Fitch, Moody's and S&P shall have downgraded its Electric Rating to below "BBB+" (or its equivalent), "Baa1" (or its equivalent), or "BBB+" (or its equivalent) respectively, or suspended or withdrawn its Electric Rating for credit related reasons; or

(j) there shall be appointed or designated with respect to the Electric System, an entity such as an organization, board, commission, authority, agency or body to monitor or declare a financial emergency or similar state of financial distress with respect to it or there shall be declared by it or by any legislative or regulatory body with competent jurisdiction over it, the existence of a state of financial emergency or similar state of financial distress in respect of it; or

(k) any of the funds or accounts established pursuant to the Electric System Master Resolution or any funds or accounts on deposit, or otherwise to the credit of, such funds or accounts shall become subject to any stay, writ, judgment, warrant of attachment, execution or similar process by any of the creditors of the City and such stay, writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or stayed within fifteen (15) days after its issue or levy;

then, and in every such event, the Lender (i) may, by notice to the City, terminate the Electric System Commitment, and the Electric System Commitment shall thereupon terminate; and (ii) may, by notice to the City demand that the Electric System Notes relating to the Loans or Term Loans for the Electric System, be immediately due and payable by the City and the City shall

thereupon be obligated to pay immediately the outstanding principal amount of all Notes, Term Loans and Obligations payable from the Electric System Net Operating Revenues (together with accrued interest thereon), without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the City; provided that in the case of any of the Events of Default specified in clause (j) above, without any notice to the City or any other act by the Lender, the Electric System Commitment shall thereupon immediately terminate and all Notes, Term Loans and Obligations payable from Electric System Net Operating Revenues shall immediately be deemed to be due for payment by the City and the City shall be obligated to pay immediately the outstanding principal amount of the Notes, Term Loans and Obligations payable from Electric System Net Operating Revenues, as applicable, (together with accrued interest thereon) and with all other amounts then owing hereunder, in each case, without presentment, demand, protest or notice of any kind, all of which are hereby waived by the City; the Lender shall also be entitled to exercise any and all other rights and remedies available at law or in equity. Promptly following the taking of any action or the occurrence of any event or condition referred to above, the Lender shall give notice thereof to the City, but the failure to give any such notice or any delay in giving any such notice shall not impair the validity or effect of any action or event or condition referred to above.

Notwithstanding the provisions of the immediately preceding paragraph, (A) the Lender shall not cause the Notes relating to the Loans or Term Loans for the Electric System, to become immediately due and payable by the City as described in clause (ii) of the immediately preceding paragraph until seven days after the occurrence of an Event of Default specified in Section 7.02(a), 7.02(b)(i), 7.02(g)(i), 7.02(g)(ii), 7.02(h) or 7.02(j) hereof, and (B) the Lender shall notify the City of an acceleration at least one hundred eighty (180) days prior thereto in the case of any Event of Default not specified in the immediately preceding clause (A). Notwithstanding the foregoing sentence of this paragraph, (1) if any other holder of Electric System Parity and Senior Debt or any counterparty under any Swap Contract related thereto has the right to cause such Electric System Parity and Senior Debt to be immediately due and payable (whether by repurchase, mandatory tender, mandatory redemption, acceleration or otherwise) on a date earlier than, or pursuant to a notice period which is shorter than what is set forth in the first sentence of this paragraph in connection with a default related to such Electric System Parity and Senior Debt, then the Lender shall automatically have such right or shorter notice period, as applicable, or (2) if any other holder, credit enhancer or liquidity provider of Electric System Parity and Senior Debt or any counterparty under any Swap Contract related thereto causes any such Electric System Parity and Senior Debt to become immediately due and payable (whether by repurchase, mandatory tender, mandatory redemption, acceleration or otherwise), then the Lender may immediately, without notice, avail itself of the remedies set forth in clause (ii) of the immediately preceding paragraph and/or declare or cause to be declared the unpaid principal amount of all outstanding Notes relating to the Loans or Term Loans for the Electric System, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder to be immediately due and payable.

**Section 7.03. Events of Default Relating to Water System.** If one or more of the following events shall have occurred and be continuing, each shall each constitute an Event of Default with respect to the Water System:

(a) the City shall fail to pay when due any principal of or interest on any Water System Notes; or

(b) the City shall (i) default on the payment of the principal of or interest on any Water System Parity and Senior Debt, beyond the grace period, if any, provided in the instrument or agreement under which such Water System Parity and Senior Debt was created or incurred; or (ii) default in the observance or performance of any agreement or condition relating to any Water System Parity and Senior Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to permit any such Water System Parity and Senior Debt to become immediately due and payable in full as the result of the acceleration, mandatory redemption (or purchase in lieu of redemption) or mandatory tender of such Water System Parity and Senior Debt; or

(c) as to the Water System: any representation or warranty made by or on behalf of the City to the Lender in this Agreement, a Related Document or in any certificate or statement delivered hereunder shall be incorrect or untrue in any material respect when made or deemed to have been made; or

(d) any “*event of default*” under the Water System Master Resolution which is not cured within any applicable cure period shall occur; or

(e) as to Water System, the City shall default in the due performance or observance of any of the covenants set forth in Sections 5.06, 5.07 or Article VI hereof; or

(f) as to Water System, the City shall default in the due observance or performance of any other term, covenant or agreement set forth in this Agreement or any other Related Document and the continuance of such default for fifteen (15) days after the earlier to occur of (i) knowledge by the City or (ii) written notice from the Lender; or

(g) (i) this Agreement, the Water System Master Resolution, the Authorizing Resolution, the Water System Notes, the Charter or any provision hereof or thereof (A) relating to the payment of principal of and interest on any Water System Notes or the payment of principal of and interest on all Water System Parity and Senior Debt; or (B) relating to the obligation of the City to repay the principal and interest on any Water System Notes or on all Water System Parity and Senior Debt at any time after its adoption or execution and delivery, as applicable, shall, for any reason, cease to be valid and binding on the City or in full force and effect (other than in accordance with its terms) or shall be declared, in a final, non-appealable judgment, to be null and void; or

(ii) the validity or enforceability of this Agreement, the Water System Master Resolution, the Authorizing Resolution, the Water System Notes, the Charter or any provision hereof or thereof (A) relating to the payment of principal of and interest on Water System Parity and Senior Debt; or (B) relating to the obligation of the City to repay the principal of and interest on any Water System Parity and Senior Debt shall be contested in writing by an authorized representative

of the City or an authorized representative of the City shall deny in writing that the City has any or further liability or obligation under this Agreement, the Water System Master Resolution, the Charter or the Authorizing Resolution or with respect to the Water System Notes; or

(iii) any other material provision of this Agreement or any other Related Document relating to the Water System or Water System Notes, other than a provision described in clause (i) above, shall at any time for any reason cease to be valid and binding on the City as a result of any legislative or administrative action by a Governmental Authority with competent jurisdiction or shall be declared in a final non-appealable judgment by any court with competent jurisdiction to be null and void, invalid, or unenforceable, or the validity or enforceability thereof shall be publicly contested by the City; or

(h) one or more final, nonappealable judgments against the City, or attachments against the property of the City, the operation or result of which, individually or in the aggregate, equal or exceed \$10,000,000 and which are secured by or payable from Water System Gross Revenues or Water System Net Operating Revenues shall remain unpaid, unstayed, discharged, unbonded or undismissed for a period of sixty (60) days; or

(i) any of Fitch, Moody's and S&P shall have downgraded its Water Rating to below "BBB+" (or its equivalent), "Baa1" (or its equivalent), or "BBB+" (or its equivalent) respectively, or suspended or withdrawn its Water Rating for credit related reasons; or

(j) there shall be appointed or designated with respect to the Water System, an entity such as an organization, board, commission, authority, agency or body to monitor or declare a financial emergency or similar state of financial distress with respect to it or there shall be declared by it or by any legislative or regulatory body with competent jurisdiction over it, the existence of a state of financial emergency or similar state of financial distress in respect of it; or

(k) any of the funds or accounts established pursuant to the Water System Resolution or any funds or accounts on deposit, or otherwise to the credit of, such funds or accounts shall become subject to any stay, writ, judgment, warrant of attachment, execution or similar process by any of the creditors of the City and such stay, writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or stayed within fifteen (15) days after its issue or levy;

then, and in every such event, the Lender (i) may, by notice to the City, terminate the Water System Commitment, and the Water System Commitment shall thereupon terminate; and (ii) may, by notice to the City demand that the Water System Notes relating to the Loans or Term Loans for the Water System, be immediately due and payable by the City and the City shall thereupon be obligated to pay immediately the outstanding principal amount of all Notes, Term Loans and Obligations payable from the Water System Net Operating Revenues (together with accrued interest thereon), without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the City; provided that in the case of any of the Events of Default specified in clause (j) above, without any notice to the City or any other act by the Lender, the Water System

Commitment shall thereupon immediately terminate and all Notes, Term Loans and Obligations payable from the Water System Net Operating Revenues shall immediately be deemed to be due for payment by the City and the City shall be obligated to pay immediately the outstanding principal amount of the Notes, Term Loans and Obligations payable from Water System Net Operating Revenues, as applicable, (together with accrued interest thereon) and with all other amounts then owing hereunder, in each case, without presentment, demand, protest or notice of any kind, all of which are hereby waived by the City; the Lender shall also be entitled to exercise any and all other rights and remedies available at law or in equity. Promptly following the taking of any action or the occurrence of any event or condition referred to above, the Lender shall give notice thereof to the City, but the failure to give any such notice or any delay in giving any such notice shall not impair the validity or effect of any action or event or condition referred to above.

Notwithstanding the provisions of the immediately preceding paragraph, (A) the Lender shall not cause the Notes relating to the Loans or Term Loans for the Water System, to become immediately due and payable by the City as described in clause (ii) of the immediately preceding paragraph until seven days after the occurrence of an Event of Default specified in Section 7.03(a), 7.03(b)(i), 7.03(g)(i), 7.03(g)(ii), 7.03(h) or 7.03(j) hereof, and (B) the Lender shall notify the City of an acceleration at least one hundred eighty (180) days prior thereto in the case of any Event of Default not specified in the immediately preceding clause (A). Notwithstanding the foregoing sentence of this paragraph, (1) if any other holder of Water System Parity and Senior Debt or any counterparty under any Swap Contract related thereto has the right to cause such Water System Parity and Senior Debt to be immediately due and payable (whether by repurchase, mandatory tender, mandatory redemption, acceleration or otherwise) on a date earlier than, or pursuant to a notice period which is shorter than what is set forth in the first sentence of this paragraph in connection with a default related to such Water System Parity and Senior Debt, then the Lender shall automatically have such right or shorter notice period, as applicable, or (2) if any other holder, credit enhancer or liquidity provider of Water System Parity and Senior Debt or any counterparty under any Swap Contract related thereto causes any such Water System Parity and Senior Debt to become immediately due and payable (whether by repurchase, mandatory tender, mandatory redemption, acceleration or otherwise), then the Lender may immediately, without notice, avail itself of the remedies set forth in clause (ii) of the immediately preceding paragraph and/or declare or cause to be declared the unpaid principal amount of all outstanding Notes relating to the Loans or Term Loans for the Water System, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder to be immediately due and payable.

**Section 7.04. Effect of Event of Default.** The related Notes, Term Loans and other Obligations, as applicable, shall be immediately due and payable upon becoming subject to payment by the City pursuant to Section 7.01, Section 7.02 or Section 7.03 hereof, as applicable. From and after the occurrence and during the continuance of an Event of Default, all amounts owing to the Lender and all amounts owing to the Noteholders hereunder and amounts owing on any related Notes and Term Loans, as applicable and all other obligations of the City hereunder shall bear interest at the Default Rate.

## ARTICLE VIII

### INCREASED COSTS AND TAXES

#### Section 8.01. Additional Costs.

(a) ***Increased Costs Generally.*** If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, capital or liquidity ratio, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, the Lender or any Noteholder;

(ii) subject to the Lender or any Noteholder to any Tax of any kind whatsoever with respect to this Agreement, the related Notes, any Loan or Term Loan made by it or the related Notes, or change the basis of taxation of payments to the Lender or such Noteholder in respect thereof (except for Indemnified Taxes or Other Taxes covered by Section 8.02 hereof and the imposition of, or any change in the rate of any Excluded Tax payable by the Lender or such Noteholder); or

(iii) impose on the Lender or any Noteholder any other condition, cost or expense affecting this Agreement or the related Notes or the Term Loans;

and the result of any of the foregoing shall be to increase the cost to the Lender or such Noteholder of making Loans or Term Loans or maintaining the Commitment, or to reduce the amount of any sum received or receivable by the Lender or such Noteholder hereunder, under the related Notes, under any Loan or under the Term Loan(s) (whether of principal, interest or any other amount) then, upon written request of the Lender or such Noteholder as set forth in paragraph (c) below, the City shall promptly pay to the Lender or such Noteholder, as the case may be, such additional amount or amounts as will compensate the Lender or such Noteholder, as the case may be, for such additional costs incurred or reduction suffered.

(b) ***Capital or Liquidity Requirements.*** If the Lender or any Noteholder determines that any Change in Law affecting the Lender or such Noteholder or the Lender's or such Noteholder's parent or holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on the Lender's or such Noteholder's capital or on the capital of the Lender's or such Noteholder's parent or holding company, if any, as a consequence of this Agreement, or of making Loans or Term Loans or maintaining the Commitment, to a level below that which the Lender or such Noteholder or the Lender's or such Noteholder's parent or holding company, if any, could have achieved but for such Change in Law (taking into consideration the Lender's or such Noteholder's policies or the policies of the Lender's or such Noteholder's parent or holding company with respect to capital or liquidity adequacy), then from time to time upon written request of the Lender or such Noteholder as set forth in paragraph (c) below, the City shall promptly pay to the Lender or such Noteholder, as the case may be, such

additional amount or amounts as will compensate the Lender or such Noteholder for any such reduction suffered.

(c) ***Certificates for Reimbursement.*** A certificate of the Lender or any Noteholder setting forth the amount or amounts necessary to compensate the Lender or any such Noteholder, as the case may be, as specified in paragraph (a) or (b) of this Section in reasonable detail setting forth the computation of such compensation (including the reason therefor), and delivered to the City, shall be conclusive absent manifest error. The City shall pay the Lender or any such Noteholder, as the case may be, the amount shown as due on any such certificate within thirty (30) days after receipt thereof.

(d) ***Delay in Requests.*** Failure or delay on the part of the Lender or any Noteholder to demand compensation pursuant to this Section shall not constitute a waiver of the Lender's or the Noteholders' right to demand such compensation.

(e) ***Survival.*** Without prejudice to the survival of any other agreement of the City hereunder, the agreements and obligations of the City contained in this Section shall survive the termination of this Agreement and the payment in full of the Loans, the Term Loans and the obligations of the City thereunder and hereunder.

#### **Section 8.02. Taxes.**

(a) Any and all payments to the Lender or any Noteholder by the City hereunder or with respect to the Loans and Term Loans shall be made free and clear of and without deduction or withholding for any and all Indemnified Taxes. If the City shall be required by law to deduct or withhold any Indemnified Taxes imposed by the United States of America or any political subdivision thereof from or in respect of any sum payable hereunder or with respect to the Loans and/or Term Loans, then (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Lender or such Noteholder receives an amount equal to the sum it would have received had no such deductions been made, (ii) the City shall make such deductions, and (iii) the City shall timely pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the City shall make any payment under this Section to or for the benefit of the Lender or such Noteholder with respect to Indemnified Taxes and if the Lender or such Noteholder shall claim any credit or deduction for such Indemnified Taxes against any other taxes payable by the Lender or such Noteholder to any taxing jurisdiction in the United States of America then the Lender or such Noteholder shall pay to the City an amount equal to the amount by which such other taxes are actually reduced; provided, that the aggregate amount payable by the Lender or such Noteholder pursuant to this sentence shall not exceed the aggregate amount previously paid by the City with respect to such Indemnified Taxes. In addition, the City agrees to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America or any state of the United States from any payment made hereunder or under the Loans, the Term Loans or from the execution or delivery of this Agreement or the Notes, or otherwise with respect to this Agreement, the Loans or the Term Loans (hereinafter referred to as "*Other Taxes*").

The Lender or such Noteholder shall provide to the City within a reasonable time a copy of any written notification it receives with respect to Indemnified Taxes or Other Taxes owing by the City to the Lender or such Noteholder hereunder; provided, that the Lender or such Noteholder's failure to send such notice shall not relieve the City of its obligation to pay such amounts hereunder.

(b) The City shall, to the fullest extent permitted by law and subject to the provisions hereof, pay the Lender or such Noteholder for the full amount of Indemnified Taxes and Other Taxes including any Indemnified Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section paid by the Lender or such Noteholder or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto; provided, that the City shall not be obligated to pay the Lender or such Noteholder for any penalties, interest or expenses relating to Indemnified Taxes or Other Taxes arising from the Lender or such Noteholder's gross negligence or willful misconduct. The Lender or such Noteholder agrees to give notice to the City of the assertion of any claim against the Lender or such Noteholder relating to such Indemnified Taxes or Other Taxes as promptly as is practicable after being notified of such assertion; provided, that the Lender or such Noteholder's failure to notify the City promptly of such assertion shall not relieve the City of its obligation under this Section. Payments by the City pursuant to this Section shall be made within thirty (30) days from the date the Lender or such Noteholder makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. The Lender or such Noteholder agrees to repay to the City any refund (including that portion of any interest that was included as part of such refund) with respect to Indemnified Taxes or Other Taxes paid by the City pursuant to this Section received by the Lender or such Noteholder for Indemnified Taxes or Other Taxes that were paid by the City pursuant to this Section and to contest, with the cooperation and at the expense of the City, any such Indemnified Taxes or Other Taxes which the Lender or such Noteholder or the City reasonably believes not to have been properly assessed.

(c) Within thirty (30) days after the date of any payment of Indemnified Taxes by the City, the City shall furnish to the Lender or such Noteholder, as applicable, the original or a copy of a receipt evidencing payment thereof.

## **ARTICLE IX**

### **MISCELLANEOUS**

**Section 9.01. Notices.** All notices, requests, consents and other communications to either party hereunder shall be in writing (including bank wire, facsimile transmission or similar writing) and shall be given to such party at its address or facsimile number set forth on the signature page hereof or at such other address or facsimile number as such party may hereafter specify for the purpose by at least five Business Days' prior notice to the other party. Each such notice, request, consent or other communication shall be effective (a) if given by facsimile, when such facsimile is transmitted to the facsimile number specified in this Section and the appropriate answerback is received; (b) if given by mail, seventy-two (72) hours after such communication is deposited in the mail with first class postage prepaid, addressed as aforesaid; or (c) if given by any other means,



when delivered at the address specified in this Section; provided that notices to the Lender under Article II or Article VII shall not be effective until received.

Lender: U.S. Bank National Association  
Attention: Ashley Martin  
Telephone: (310) 717-5900  
Email: [ashley.martin1@usbank.com](mailto:ashley.martin1@usbank.com)

and

U.S. Bank National Association  
1095 Avenue of the Americas, 13<sup>th</sup> Floor  
New York, New York 10036  
Telephone: (646) 935-4518  
Facsimile: (917) 256-2830  
E-mail: [jane.park@usbank.com](mailto:jane.park@usbank.com)

Wiring instructions: U.S. Bank National Association  
ABA No. 123000220  
c/o Commercial Loan Service – West  
Account No. 00340012160600  
Reference: City of Riverside  
Attention: Commercial Customer Service

If to the City: City of Riverside  
3900 Main Street, 6<sup>th</sup> Floor  
Riverside, California 92522  
Telephone: (951) 826-5972  
Email: [eenriquez@riversideca.gov](mailto:eenriquez@riversideca.gov)

**Section 9.02. No Waivers.** No course of dealing and no delay or failure of the Lender in exercising any right, power or privilege under this Agreement or the other Related Documents shall affect any other or future exercise thereof or exercise of any right, power or privilege; nor shall any single or partial exercise of any such right, power or privilege or any abandonment or discontinuance of steps to enforce such a right, power or privilege preclude any further exercise thereof or of any other right, power or privilege. The rights and remedies of the Lender under this Agreement are cumulative and not exclusive of any rights or remedies which the Lender would otherwise have under any Related Document, at law or in equity.

**Section 9.03. Expenses; Documentary Taxes; Indemnification.**

(a) The City shall pay (i) reasonable out-of-pocket expenses of the Lender, including reasonable fees and disbursements of counsel for the Lender, in connection with the preparation of this Agreement, any waiver or consent hereunder or any amendment hereof or any Default or alleged Default hereunder; and (ii) reasonable out-of-pocket expenses incurred by the Lender, including reasonable fees and disbursements of counsel, in connection with any Event of Default or alleged Event of Default, and collection,

bankruptcy, insolvency and other enforcement proceedings resulting therefrom. The City shall, to the extent permitted by law, indemnify and hold the Lender harmless (on a net after tax basis) from any present or future claim or liability for any transfer taxes, documentary taxes, assessments or charges made by any governmental authority by reason of the execution and delivery of this Agreement or the Notes.

(b) To the extent permitted by law, the City agrees to indemnify and hold harmless the Lender, its officers, directors, employees and agents (each an "*Indemnified Party*") from and against any and all claims, damages, losses, liabilities, reasonable costs or expenses whatsoever which an Indemnified Party may incur (or which may be claimed against an Indemnified Party by any Person) by reason of or in connection with the execution and delivery of and consummation of the transactions contemplated under this Agreement and the other Related Documents, including, without limitation, the adoption of the Authorizing Resolution and the execution and delivery or performance by any Person under this Agreement or any other Related Document; *provided*, that the City shall not be required to indemnify the Lender for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, determined by a final and nonappealable judgment of a court of competent jurisdiction to be caused by the willful misconduct or gross negligence of the Lender. Nothing under this Section is intended to limit the City's payment of its obligations hereunder. The obligation of the City under this Section shall survive the payment of the Loans, the Term Loans and the other Obligations hereunder and the termination of this Agreement.

**Section 9.04. Amendments and Waivers.** Any provision of this Agreement or the Notes may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the City and the Lender, and unless, the Commitment shall have terminated, any party holding all or any portion of the Commitment; provided that no such amendment or waiver shall (a) increase the Commitment or shorten the duration of the Commitment or affect any right or remedy to terminate the Commitment without the written consent of each party affected thereby; (b) reduce the principal amount of any Loan or Term Loan or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Noteholder affected thereby; (c) postpone the scheduled date of payment of the principal amount of any Loan or Term Loan, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, without the written consent of each Noteholder affected thereby; or (d) change any of the provisions of this Section.

**Section 9.05. Successors and Assigns.**

(a) ***Successors and Assigns Generally.*** This Agreement is a continuing obligation and shall be binding upon the City, its successors, transferees and assigns and shall inure to the benefit of the Noteholders and their respective permitted successors, transferees and assigns as set forth herein. The City may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Lender. So long as no Event of Default shall have occurred and be continuing hereunder, the Lender may not assign its obligations to make Loans pursuant to the terms of this Agreement without the prior written consent of the City. Each Noteholder may, in its sole discretion and in accordance with applicable law, from time to time assign, sell or transfer in whole

or in part, this Agreement, its interest in the Notes and the Related Documents in accordance with the provisions of paragraph (b) of this Section. Each Noteholder may at any time and from time to time enter into participation agreements in accordance with the provisions of paragraph (c) of this Section. Each Noteholder may at any time pledge or assign a security interest subject to the restrictions of paragraph (d) of this Section.

(b) ***Sales and Transfers by Noteholder to a Non-Lender Transferee.*** Without limitation of the foregoing generality, a Noteholder may at any time sell or otherwise transfer all or any portion of the Notes to one or more transferees that the Lender reasonably believes is qualified to purchase or hold the Notes (each a “*Non-Lender Transferee*”) if (i) written notice of such sale or transfer, including that such sale or transfer is to a Non-Lender Transferee, together with addresses and related information with respect to the Non-Lender Transferee, shall have been given to the City and the Lender (if different than the Noteholder) by such selling Noteholder and Non-Lender Transferee; and (ii) the Non-Lender Transferee shall have delivered to the City and the selling Noteholder, an investment letter in substantially the form delivered by the Lender on the Closing Date (the “*Investor Letter*”).

From and after the date the City and the selling Noteholder have received written notice and an executed Investor Letter (A) the Non-Lender Transferee thereunder shall be a party hereto and shall have the rights and obligations of a Noteholder hereunder and under the other Related Documents, and this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to effect the addition of the Non-Lender Transferee, and any reference to the assigning Noteholder hereunder and under the other Related Documents shall thereafter refer to such transferring Noteholder and to the Non-Lender Transferee to the extent of their respective interests; and (B) if the transferring Noteholder no longer owns any Notes, then it shall relinquish its rights and be released from its obligations hereunder and under the Related Documents.

(c) ***Participations.*** The Lender shall have the right to grant participations in all or a portion of the Lender’s interest in the Notes, this Agreement and the other Related Documents to one or more other banking institutions (each, a “*Participant*”); provided, that (i) no such participation by any such Participant shall in any way affect the obligations of the Lender hereunder and (ii) the City shall be required to deal only with the Lender, with respect to any matters under this Agreement, the Notes and the other Related Documents and no such Participant shall be entitled to enforce any provisions hereunder against the City.

(d) ***Certain Pledges.*** The Lender may at any time pledge or grant a security interest in all or any portion of its rights under the Notes, this Agreement and the Related Documents to secure obligations of the Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release the Lender from any of its obligations hereunder or substitute any such pledgee or assignee for the Lender as a party hereto.

## **Section 9.06. Governing Law; Venue.**

(a) This Agreement shall be deemed to be a contract under, and for all purposes shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York; provided, that the capacity, power and authority of the City to enter into and perform its obligations under this Agreement shall be governed by and construed in accordance with the internal laws of the State of California, without giving effect to conflict of law principles.

(b) Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this agreement or the transactions contemplated hereby (whether based on contract, tort or any other theory). Each party hereto (a) certifies that no representative, agent or attorney of any other person has represented, expressly or otherwise, that such other person would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other parties hereto have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this section. If and to the extent that the foregoing waiver of the right to a jury trial is unenforceable for any reason in such forum, each of the parties hereto hereby consents to the adjudication of all claims pursuant to judicial reference as provided in California Code of Civil Procedure Section 638, and the judicial referee shall be empowered to hear and determine all issues in such reference, whether fact or law. Each of the parties hereto represents that each has reviewed this waiver and consent and each knowingly and voluntarily waives its jury trial rights and consents to judicial reference following consultation with legal counsel on such matters. In the event of litigation, a copy of this Agreement may be filed as a written consent to a trial by the court or to judicial reference under California Code of Civil Procedure Section 638 as provided herein.

(c) To the fullest extent permitted by applicable law, each of the parties hereto irrevocably and unconditionally submits to the jurisdiction and venue of any state or federal court located in the State of California or the State of New York in the Borough of Manhattan, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such court or, to the fullest extent permitted by applicable law, in such federal court. This consent to and submission to jurisdiction is with regard to any action related to this Agreement regardless of whether the party's actions took place in the State of California, the State of New York or elsewhere in the United States. This submission to jurisdiction is nonexclusive, and does not preclude either party from obtaining jurisdiction over the other in any court otherwise having jurisdiction.

(d) Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, the

defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

**Section 9.07. Counterparts; Integration.** This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement constitutes the entire agreement and understanding among the parties hereto and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

**Section 9.08. Right of Setoff.** If an Event of Default shall have occurred and be continuing, the Lender and its Affiliates are hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by the Lender or any such Affiliate to or for the credit or the account of the City or any other party against any and all of the obligations of the City or such party now or hereafter existing under this Agreement to the Lender, irrespective of whether or not the Lender shall have made any demand under this Agreement and although such obligations of the City or such party may be contingent or unmatured or are owed to a branch or office of the Lender different from the branch or office holding such deposit or obligated on such indebtedness. The rights of the Lender and its Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that the Lender or its Affiliates may have. The Lender agrees to notify the City promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

**Section 9.09. Severability.** The provisions of this Agreement are intended to be several. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

**Section 9.10. Government Regulations.** The Lender is subject to the Patriot Act and hereby notifies the City that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the City, which information includes the name and address of the City and other information that will allow the Lender, to identify the City in accordance with the Patriot Act. The City shall promptly provide such information on request by the Lender. The City hereby agrees (a) that it is not and shall not be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the Office of Foreign Assets Control (“OFAC”), the Department of the Treasury or included in any Executive Orders, that prohibits or limits the Lender from making any advance or extension of credit to the City or from otherwise conducting business with the City; and (b) to ensure that the proceeds of the Loans and Notes shall not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto.

**Section 9.11. No Advisory or Fiduciary Relationship.** In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Related Document), the City acknowledges and agrees that: (a) (i) the services regarding this Agreement provided by the Lender are arm’s-length

commercial transactions between the City, on the one hand, and the Lender, on the other hand; (ii) the City has consulted its own legal, accounting, regulatory, tax, financial and other advisors to the extent it has deemed appropriate; and (iii) the City is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Related Documents; (b) (i) the Lender is and has been acting solely as a principal for its own interests and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor (municipal, financial or otherwise), agent or fiduciary, for the City, and has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the City with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether the Lender has provided other services or is currently providing other services to the City on other matters); (ii) the Lender has no obligation to the City with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Related Documents, (iii) the only obligations the Lender has to the City with respect to this transaction are set forth in this Agreement; and (iv) the Lender is not recommending that the City take an action with respect to the transaction described in this Agreement and the other Related Documents; and (c) the Lender may be engaged in a broad range of transactions that involve interests that differ from those of the City, and the Lender has no obligation to disclose any of such interests to the City.

**Section 9.12. Electronic Signatures.** To the extent allowed by California law, the parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (a) to be “written” or “in writing,” (b) to have been signed, and (c) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or “printouts,” if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents by proffering secondary evidence or as not satisfying the business records exception to the hearsay rule. For purposes hereof, “electronic signature” means a manually-signed original signature that is then transmitted by electronic means; “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a “pdf” (portable document format) or other replicating image attached to an e-mail message; and, “electronically signed document” means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

**Section 9.13. Prior Understandings.** This Agreement and the other Related Documents supersede all other prior understandings and agreements, whether written or oral, among the parties hereto relating to the transactions provided for herein and therein.

**Section 9.14. Continuing Obligation.** The obligations of the City under this Agreement shall continue until the later of the date this Agreement terminates and the date upon which all amounts owing to the Lender, each Noteholder and each Participant hereunder and under the Notes shall have been paid in full, provided that the obligations of the City to pay accrued but unpaid

amounts pursuant to Article II and Article VIII hereof shall survive the termination of this Agreement

**Section 9.15. Amendment and Restatement.** This Agreement shall become effective on the Closing Date and shall supersede, amend and restate all provisions of the Original Agreement as of such date. From and after the Closing Date, all references made to the Original Agreement in any instrument or document shall, without more, be deemed to refer to this Agreement. Without limiting the foregoing, the parties to this Agreement hereby acknowledge and agree that the “Agreement” referred to in the Original Agreement shall from and after the Closing Date be deemed a reference to this Agreement.

[Remainder of this page intentionally left blank]

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

CITY OF RIVERSIDE

By \_\_\_\_\_  
Name: Edward Enriquez  
Title: Chief Financial Officer/City Treasurer

U.S. BANK NATIONAL ASSOCIATION

By \_\_\_\_\_  
Name: Ashley L. Martin  
Title: Vice President

APPROVED AS TO FORM:

BY: *Susan Vella*  
ASSISTANT CITY ATTORNEY



**EXHIBIT A**

**FORM OF NOTICE OF BORROWING**

[Date]

TO: U.S. Bank National Association

FROM: City of Riverside

Re: Amended and Restated Revolving Credit Agreement (the "*Credit Agreement*")  
dated as of February 1, 2022, between the City of Riverside and the Lender

We hereby give notice, pursuant to Section 2.02(a) of the Credit Agreement, of the following proposed Borrowing:

Date of Borrowing ..... [Date]  
Loan Principal Amount..... [\$xx,xxx,xxx]  
Amount of Loans Outstanding..... [\$xxx,xxx,xxx]

The Proceeds of such Loan are to be wire transferred to the following account:

[Wiring Information]

The Loan constituting such Borrowing is to be a (check applicable box):

Electric System Loan ☐

Water System Loan ☐

The Loan constituting such Borrowing is to be a (check applicable box):

Taxable Loan ☐

Tax-Exempt Loan ☐

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of Borrowing, before and after giving effect to such Borrowing:

(a) no Default or Event of Default for the System to which the Loan relates (or for both Systems) shall have occurred and be continuing;

(b) the representations and warranties of the City (except to the extent such representations and warranties specifically relate to an earlier date) (and if such representations and warranties relate to a System, then only to the extent they relate to the particular System for which the Loan is to be made, continued or converted) contained in the Agreement shall be true in all material respects on and as of the date of such Borrowing; and

(c) with respect to Tax-Exempt Loans only, the Lender shall have received an executed opinion of Note Counsel addressed to the City and the Lender (or with a reliance letter to the Lender), in a form acceptable to the Lender, to the effect that the interest on such Tax-Exempt Loan is excludable from gross income for federal income tax purposes.

The rates of interest on the Loan will not exceed the Maximum Lawful Rate.

Terms used herein have the meanings assigned to them in the Credit Agreement.

CITY OF RIVERSIDE

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

## EXHIBIT B

### FORM OF COMPLIANCE CERTIFICATE

This Compliance Certificate (this "*Certificate*") is furnished to U.S. Bank National Association (the "*Lender*") pursuant to the Amended and Restated Revolving Credit Agreement dated as of February 1, 2022 (the "*Agreement*"), between the City of Riverside, a municipal corporation and chartered city of the State of California (the "*City*") and the Lender. Unless otherwise defined herein, the terms used in this Certificate shall have the meanings assigned thereto in the Agreement.

#### THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the [insert title of officer] of the City;
2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the City during the accounting period covered by the attached financial statements;
3. No Default or Event of Default has occurred and is continuing; and
4. The City's audited financial statements as of [\_\_\_\_\_, 20\_\_] of each System, as heretofore delivered to the Lender pursuant to Section 5.04(a) of the Agreement fairly present in all material respects the financial condition of the Electric System and the Water System as of said dates and the results of the operations of the Electric System and the Water System for such period have been prepared in accordance with generally accepted accounting principles consistently applied except as stated in the notes thereto.

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the City has taken, is taking, or proposes to take with respect to each such condition or event:

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The foregoing certifications and the financial statements delivered with this Certificate in support hereof, are made and delivered this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

CITY OF RIVERSIDE

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

## EXHIBIT C

### FORM OF AMENDED AND RESTATED ELECTRIC SYSTEM TAXABLE REVOLVING NOTE

#### CITY OF RIVERSIDE ELECTRIC SYSTEM TAXABLE REVOLVING NOTE TRANSFER OF THIS NOTE IS RESTRICTED AS SET FORTH IN THE AGREEMENT

Principal Amount

\$35,000,000

Dated Date

February 1, 2022

For value received, CITY OF RIVERSIDE, a municipal corporation and chartered city of the State of California (the "*City*"), promises to pay, solely from the funds hereafter referred to, to U.S. Bank National Association (the "*Lender*"), at the address provided in the Agreement (hereinafter defined), (a) the principal sum of Thirty-Five Million Dollars (\$35,000,000) or, if less, the aggregate unpaid principal amount of all Electric System Loans which are Taxable Loans bearing interest with respect to a BSBY Index Rate (or, if applicable, the Default Rate, the Maximum Lawful Rate or rate determined in accordance with Section 2.05(e) of the Agreement) made by the Lender to the City, payable at such times as are specified in the Agreement; and (b) interest on the unpaid principal amount of each Electric System Loan which is a Taxable Loan bearing interest with respect to a BSBY Index Rate (or, if applicable, the Default Rate, the Maximum Lawful Rate or rate determined in accordance with Section 2.05(e) of the Agreement) made by the Lender, from the date of each such Taxable Loan related to the Electric System until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Agreement, in lawful money of the United States of America, in federal or other immediately available funds, from the date hereof until this Note is paid in full, in like money and funds at such office.

The City promises to make all other payments owed by it under the Agreement. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Agreement.

This Note is subject to prepayment, and amounts prepaid prior to the last day of the Revolving Credit Period may be reborrowed, all pursuant to the terms and under the conditions of the Amended and Restated Revolving Credit Agreement dated as of February 1, 2022 (as amended, the "*Agreement*"), between the City and the Lender. Reference is made to the Agreement for provisions as to the prepayment hereof and for reborrowing. Reference is also made to the Agreement for provisions providing for additional interest and other amounts to be payable under certain circumstances. If the Noteholder enforces this Note upon default, the City shall reimburse the Noteholder for reasonable costs and expenses incurred by the Noteholder in collection, including reasonable attorneys' fees and expenses as set out in Section 2.06 and 9.03 of the Agreement. This Note shall be construed in accordance with and governed by the internal laws of the State of New York.

The parties hereto, including the undersigned maker and all guarantors, endorsers and pledgors that may exist at any time with respect hereto, hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note and assent to the extensions of the time of payment or forbearance or other indulgence without notice.

This Note, including the interest hereon, is payable solely from the Electric System Net Operating Revenues on a parity with all other Electric System Subordinate Obligations. This Note does not constitute a general obligation or indebtedness of the City within the meaning of any constitutional, charter, or statutory limitations or provisions (and the Noteholder hereof shall never have the right to require or compel the levy of ad valorem taxes for the payment of the principal of and interest on this Note). Further reference is made to the Agreement for the provisions relating to the security of this Note and the duties and obligations of the City.

It is hereby certified, recited and declared that all conditions, acts and things essential to the validity of this Note exist, have happened and have been done and that every requirement of law affecting the issuance hereof has been duly complied with.

This Amended and Restated Electric System Taxable Revolving Note replaces and supersedes that certain Electric System Taxable Revolving Note dated February 1, 2019, executed by City and payable to Lender in the maximum principal amount of Thirty-Five Million Dollars (\$35,000,000).

Made and executed at Riverside, California, as of the date and year first above written.

CITY OF RIVERSIDE

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

ATTEST:

By \_\_\_\_\_  
\_\_\_\_\_, City Clerk



## EXHIBIT D

### FORM OF AMENDED AND RESTATED WATER SYSTEM TAXABLE REVOLVING NOTE

#### CITY OF RIVERSIDE WATER SYSTEM TAXABLE REVOLVING NOTE TRANSFER OF THIS NOTE IS RESTRICTED AS SET FORTH IN THE AGREEMENT

Principal Amount

Dated Date

\$25,000,000

February 1, 2022

For value received, the CITY OF RIVERSIDE, a municipal corporation and chartered city of the State of California (the "*City*"), promises to pay, solely from the funds hereafter referred to, to U.S. Bank National Association (the "*Lender*"), at the address provided in the Agreement (hereinafter defined), (a) the principal sum of Twenty-Five Million Dollars (\$25,000,000) or, if less, the aggregate unpaid principal amount of all Water System Loans which are Taxable Loans bearing interest with respect to a BSBY Index Rate (or, if applicable, the Default Rate, the Maximum Lawful Rate or rate determined in accordance with Section 2.05(e) of the Agreement) made by the Lender to the City, payable at such times as are specified in the Agreement; and (b) interest on the unpaid principal amount of each Water System Loan which is a Taxable Loan bearing interest with respect to a BSBY Index Rate (or, if applicable, the Default Rate, the Maximum Lawful Rate or rate determined in accordance with Section 2.05(e) of the Agreement) made by the Lender, from the date of each such Taxable Loan related to the Water System until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Agreement, in lawful money of the United States of America, in federal or other immediately available funds, from the date hereof until this Note is paid in full, in like money and funds at such office.

The City promises to make all other payments owed by it under the Agreement. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Agreement.

This Note is subject to prepayment, and amounts prepaid prior to the last day of the Revolving Credit Period may be reborrowed, all pursuant to the terms and under the conditions of the Amended and Restated Revolving Credit Agreement dated as of February 1, 2022 (as amended, the "*Agreement*"), between the City and the Lender. Reference is made to the Agreement for provisions as to the prepayment hereof and for reborrowing. Reference is also made to the Agreement for provisions providing for additional interest and other amounts to be payable under certain circumstances. If the Noteholder enforces this Note upon default, the City shall reimburse the Noteholder for reasonable costs and expenses incurred by the Noteholder in collection, including reasonable attorneys' fees and expenses as set out in Section 2.06 and 9.03 of the Agreement. This Note shall be construed in accordance with and governed by the internal laws of the State of New York.

The parties hereto, including the undersigned maker and all guarantors, endorsers and pledgors that may exist at any time with respect hereto, hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note and assent to the extensions of the time of payment or forbearance or other indulgence without notice.

This Note, including the interest hereon, is payable solely from Water System Net Operating Revenues on a parity with all other Water System Subordinate Obligations. This Note does not constitute a general obligation or indebtedness of the City within the meaning of any constitutional, charter, or statutory limitations or provisions (and the Noteholder hereof shall never have the right to require or compel the levy of ad valorem taxes for the payment of the principal of and interest on this Note). Further reference is made to the Agreement for the provisions relating to the security of this Note and the duties and obligations of the City.

It is hereby certified, recited and declared that all conditions, acts and things essential to the validity of this Note exist, have happened and have been done and that every requirement of law affecting the issuance hereof has been duly complied with.

This Amended and Restated Water System Taxable Revolving Note replaces and supersedes that certain Water System Taxable Revolving Note dated February 1, 2019, executed by City and payable to Lender in the maximum principal amount of Twenty-Five Million Dollars (\$25,000,000).

Made and executed at Riverside, California, as of the date and year first above written.

CITY OF RIVERSIDE

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

ATTEST:

By \_\_\_\_\_  
\_\_\_\_\_, City Clerk

## EXHIBIT E

### FORM OF AMENDED AND RESTATED ELECTRIC SYSTEM TAX-EXEMPT REVOLVING NOTE

#### CITY OF RIVERSIDE

#### ELECTRIC SYSTEM TAX-EXEMPT REVOLVING NOTE

#### TRANSFER OF THIS NOTE IS RESTRICTED AS SET FORTH IN THE AGREEMENT

Principal Amount

Dated Date

\$35,000,000

February 1, 2022

For value received, the CITY OF RIVERSIDE, a municipal corporation and chartered city of the State of California (the "*City*"), promises to pay, solely from the funds hereafter referred to, to U.S. Bank National Association (the "*Lender*"), at the address provided in the Agreement (hereinafter defined), (a) the principal sum of Thirty-Five Million Dollars (\$35,000,000) or, if less, the aggregate unpaid principal amount of all Electric System Loans which are Tax-Exempt Loans bearing interest with respect to a BSBY Index Rate (or, if applicable, the Taxable Rate, the Default Rate, the Maximum Lawful Rate or rate determined in accordance with Section 2.05(e) of the Agreement) made by the Lender to the City, payable at such times as are specified in the Agreement; and (b) interest on the unpaid principal amount of each Electric System Loan which is a Tax-Exempt Loan bearing interest with respect to a BSBY Index Rate (or, if applicable, the Taxable Rate, the Default Rate, the Maximum Lawful Rate or rate determined in accordance with Section 2.05(e) of the Agreement) made by the Lender, from the date of each such Tax-Exempt Loan related to the Electric System until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Agreement, in lawful money of the United States of America, in federal or other immediately available funds, from the date hereof until this Note is paid in full, in like money and funds at such office.

The City promises to make all other payments owed by it under the Agreement. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Agreement.

This Note is subject to prepayment, and amounts prepaid prior to the last day of the Revolving Credit Period may be reborrowed, all pursuant to the terms and under the conditions of the Amended and Restated Revolving Credit Agreement dated as of February 1, 2022 (as amended, the "*Agreement*"), between the City and the Lender. Reference is made to the Agreement for provisions as to the prepayment hereof and for reborrowing. Reference is also made to the Agreement for provisions providing for additional interest and other amounts to be payable under certain circumstances. If the Noteholder enforces this Note upon default, the City shall reimburse the Noteholder for reasonable costs and expenses incurred by the Noteholder in collection, including reasonable attorneys' fees and expenses as set out in Section 2.06 and 9.03 of the Agreement. This Note shall be construed in accordance with and governed by the internal laws of the State of New York.

The parties hereto, including the undersigned maker and all guarantors, endorsers and pledgors that may exist at any time with respect hereto, hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note and assent to the extensions of the time of payment or forbearance or other indulgence without notice.

This Note, including the interest hereon, is payable solely from Electric System Net Operating Revenues on a parity with all other Electric System Subordinate Obligations. This Note does not constitute a general obligation or indebtedness of the City within the meaning of any constitutional, charter, or statutory limitations or provisions (and the Noteholder hereof shall never have the right to require or compel the levy of ad valorem taxes for the payment of the principal of and interest on this Note). Further reference is made to the Agreement for the provisions relating to the security of this Note and the duties and obligations of the City.

It is hereby certified, recited and declared that all conditions, acts and things essential to the validity of this Note exist, have happened and have been done and that every requirement of law affecting the issuance hereof has been duly complied with.

This Amended and Restated Electric System Tax-Exempt Revolving Note replaces and supersedes that certain Electric System Tax-Exempt Revolving Note dated February 1, 2019, executed by City and payable to Lender in the maximum principal amount of Thirty-Five Million Dollars (\$35,000,000).

Made and executed at Riverside, California, as of the date and year first above written.

CITY OF RIVERSIDE

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

ATTEST:

By \_\_\_\_\_  
\_\_\_\_\_, City Clerk

## **EXHIBIT F**

### **FORM OF AMENDED AND RESTATED WATER SYSTEM TAX-EXEMPT REVOLVING NOTE**

#### **CITY OF RIVERSIDE WATER SYSTEM TAX-EXEMPT REVOLVING NOTE TRANSFER OF THIS NOTE IS RESTRICTED AS SET FORTH IN THE AGREEMENT**

Principal Amount

Dated Date

\$25,000,000

February 1, 2022

For value received, the CITY OF RIVERSIDE, a municipal corporation and chartered city of the State of California (the "*City*"), promises to pay, solely from the funds hereafter referred to, to U.S. Bank National Association (the "*Lender*"), at the address provided in the Agreement (hereinafter defined), (a) the principal sum of Twenty-Five Million Dollars (\$25,000,000) or, if less, the aggregate unpaid principal amount of all the Water System Loans which are Tax-Exempt Loans bearing interest with respect to a BSBY Index Rate (or, if applicable, the Taxable Rate, the Default Rate, the Maximum Lawful Rate or rate determined in accordance with Section 2.05(e) of the Agreement) made by the Lender to the City, payable at such times as are specified in the Agreement; and (b) interest on the unpaid principal amount of each Water System Loan which is a Tax-Exempt Loan bearing interest with respect to a BSBY Index Rate (or, if applicable, the Taxable Rate, the Default Rate, the Maximum Lawful Rate or rate determined in accordance with Section 2.05(e) of the Agreement) made by the Lender, from the date of each such Tax-Exempt Loan related to the Water System until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Agreement, in lawful money of the United States of America, in federal or other immediately available funds, from the date hereof until this Note is paid in full, in like money and funds at such office.

The City promises to make all other payments owed by it under the Agreement. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Agreement.

This Note is subject to prepayment, and amounts prepaid prior to the last day of the Revolving Credit Period may be reborrowed, all pursuant to the terms and under the conditions of the Amended and Restated Revolving Credit Agreement dated as of February 1, 2022 (as amended, the "*Agreement*"), between the City and the Lender. Reference is made to the Agreement for provisions as to the prepayment hereof and for reborrowing. Reference is also made to the Agreement for provisions providing for additional interest and other amounts to be payable under certain circumstances. If the Noteholder enforces this Note upon default, the City shall reimburse the Noteholder for reasonable costs and expenses incurred by the Noteholder in collection, including reasonable attorneys' fees and expenses as set out in Section 2.06 and 9.03 of the Agreement. This Note shall be construed in accordance with and governed by the internal laws of the State of New York.

The parties hereto, including the undersigned maker and all guarantors, endorsers and pledgors that may exist at any time with respect hereto, hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note and assent to the extensions of the time of payment or forbearance or other indulgence without notice.

This Note, including the interest hereon, is payable solely from Water System Net Operating Revenues on a parity with all other Water System Subordinate Obligations. This Note does not constitute a general obligation or indebtedness of the City within the meaning of any constitutional, charter, or statutory limitations or provisions (and the Noteholder hereof shall never have the right to require or compel the levy of ad valorem taxes for the payment of the principal of and interest on this Note). Further reference is made to the Agreement for the provisions relating to the security of this Note and the duties and obligations of the City.

It is hereby certified, recited and declared that all conditions, acts and things essential to the validity of this Note exist, have happened and have been done and that every requirement of law affecting the issuance hereof has been duly complied with.

This Amended and Restated Water System Tax-Exempt Revolving Note replaces and supersedes that certain Water System Tax-Exempt Revolving Note dated February 1, 2019, executed by City and payable to Lender in the maximum principal amount of Twenty-Five Million Dollars (\$25,000,000).



Made and executed at Riverside, California, as of the date and year first above written.

CITY OF RIVERSIDE

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

ATTEST:

By \_\_\_\_\_  
\_\_\_\_\_, City Clerk

## EXHIBIT G

### FORM OF AMENDED AND RESTATED ELECTRIC SYSTEM TAXABLE TERM NOTE

#### CITY OF RIVERSIDE ELECTRIC SYSTEM TAXABLE TERM NOTE TRANSFER OF THIS NOTE IS RESTRICTED AS SET FORTH IN THE AGREEMENT

Principal Amount

Dated Date

\$35,000,000

February 1, 2022

For value received, the CITY OF RIVERSIDE, a municipal corporation and chartered city of the State of California (the "*City*"), promises to pay, solely from the funds hereafter referred to, to U.S. Bank National Association (the "*Lender*"), at the address provided in the Agreement (hereinafter defined), (a) the principal sum of Thirty-Five Million Dollars (\$35,000,000) or, if less, the aggregate unpaid principal amount of the Term Loan that is a Taxable Loan that refunded the Electric System Loans made by the Lender to the City, payable at such times as are specified in the Agreement; and (b) interest on the unpaid principal amount of the Term Loan that is a Taxable Loan that refunded the Electric System Loans made by the Lender, from the date of such Term Loan related to the Electric System until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Agreement, in lawful money of the United States of America, in federal or other immediately available funds, from the date hereof until this Note is paid in full, in like money and funds at such office.

The City promises to make all other payments owed by it under the Agreement. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Agreement.

This Note is subject to prepayment, all pursuant to the terms and under the conditions of the Amended and Restated Revolving Credit Agreement dated as of February 1, 2022 (as amended, the "*Agreement*"), between the City and the Lender. Reference is made to the Agreement for provisions as to the prepayment hereof. Reference is also made to the Agreement for provisions providing for additional interest and other amounts to be payable under certain circumstances. If the Noteholder enforces this Note upon default, the City shall reimburse the Noteholder for reasonable costs and expenses incurred by the Noteholder in collection, including reasonable attorneys' fees and expenses as set out in Section 2.06 and 9.03 of the Agreement. This Note shall be construed in accordance with and governed by the internal laws of the State of New York.

The parties hereto, including the undersigned maker and all guarantors, endorsers and pledgors that may exist at any time with respect hereto, hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note and assent to the extensions of the time of payment or forbearance or other indulgence without notice.

This Note, including the interest hereon, is payable solely from Electric System Net Operating Revenues on a parity with all other Electric System Subordinate Obligations. This Note does not constitute a general obligation or indebtedness of the City within the meaning of any constitutional, charter, or statutory limitations or provisions (and the Noteholder hereof shall never have the right to require or compel the levy of ad valorem taxes for the payment of the principal of and interest on this Note). Further reference is made to the Agreement for the provisions relating to the security of this Note and the duties and obligations of the City.

It is hereby certified, recited and declared that all conditions, acts and things essential to the validity of this Note exist, have happened and have been done and that every requirement of law affecting the issuance hereof has been duly complied with.

This Amended and Restated Electric System Taxable Term Note replaces and supersedes that certain Electric System Taxable Term Note dated February 1, 2019, executed by City and payable to Lender in the maximum principal amount of Thirty-Five Million Dollars (\$35,000,000).

Made and executed at Riverside, California, as of the date and year first above written.

CITY OF RIVERSIDE

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

ATTEST:

By \_\_\_\_\_  
\_\_\_\_\_, City Clerk

## EXHIBIT H

### FORM OF AMENDED AND RESTATED WATER SYSTEM TAXABLE TERM NOTE

#### CITY OF RIVERSIDE

#### WATER SYSTEM TAXABLE TERM NOTE

#### TRANSFER OF THIS NOTE IS RESTRICTED AS SET FORTH IN THE AGREEMENT

Principal Amount

Dated Date

\$25,000,000

February 1, 2022

For value received, the CITY OF RIVERSIDE, a municipal corporation and chartered city of the State of California (the "*City*"), promises to pay, solely from the funds hereafter referred to, to U.S. Bank National Association (the "*Lender*"), at the address provided in the Agreement (hereinafter defined), (a) the principal sum of Twenty-Five Million Dollars (\$25,000,000) or, if less, the aggregate unpaid principal amount of the Term Loan that is a Taxable Loan that refunded the Water System Loans made by the Lender to the City, payable at such times as are specified in the Agreement; and (b) interest on the unpaid principal amount of the Term Loan that is a Taxable Loan that refunded the Water System Loans made by the Lender, from the date of such Term Loan related to the Water System until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Agreement, in lawful money of the United States of America, in federal or other immediately available funds, from the date hereof until this Note is paid in full, in like money and funds at such office.

The City promises to make all other payments owed by it under the Agreement. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Agreement.

This Note is subject to prepayment, all pursuant to the terms and under the conditions of the Amended and Restated Revolving Credit Agreement dated as of February 1, 2022 (as amended, the "*Agreement*"), between the City and the Lender. Reference is made to the Agreement for provisions as to the prepayment hereof. Reference is also made to the Agreement for provisions providing for additional interest and other amounts to be payable under certain circumstances. If the Noteholder enforces this Note upon default, the City shall reimburse the Noteholder for reasonable costs and expenses incurred by the Noteholder in collection, including reasonable attorneys' fees and expenses as set out in Section 2.06 and 9.03 of the Agreement. This Note shall be construed in accordance with and governed by the internal laws of the State of New York.

The parties hereto, including the undersigned maker and all guarantors, endorsers and pledgors that may exist at any time with respect hereto, hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note and assent to the extensions of the time of payment or forbearance or other indulgence without notice.

This Note, including the interest hereon, is payable solely from Water System Net Operating Revenues on a parity with all other Water System Subordinate Obligations. This Note

does not constitute a general obligation or indebtedness of the City within the meaning of any constitutional, charter, or statutory limitations or provisions (and the Noteholder hereof shall never have the right to require or compel the levy of ad valorem taxes for the payment of the principal of and interest on this Note). Further reference is made to the Agreement for the provisions relating to the security of this Note and the duties and obligations of the City.

It is hereby certified, recited and declared that all conditions, acts and things essential to the validity of this Note exist, have happened and have been done and that every requirement of law affecting the issuance hereof has been duly complied with.

This Amended and Restated Water System Taxable Term Note replaces and supersedes that certain Water System Taxable Term Note dated February 1, 2019, executed by City and payable to Lender in the maximum principal amount of Twenty-Five Million Dollars (\$25,000,000).

Made and executed at Riverside, California, as of the date and year first above written.

CITY OF RIVERSIDE

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

ATTEST:

By \_\_\_\_\_  
\_\_\_\_\_, City Clerk

## EXHIBIT I

### FORM OF AMENDED AND RESTATED ELECTRIC SYSTEM TAX-EXEMPT TERM NOTE

#### CITY OF RIVERSIDE ELECTRIC SYSTEM TAX-EXEMPT TERM NOTE TRANSFER OF THIS NOTE IS RESTRICTED AS SET FORTH IN THE AGREEMENT

Principal Amount

Dated Date

\$35,000,000

February 1, 2022

For value received, the CITY OF RIVERSIDE, a municipal corporation and chartered city of the State of California (the "*City*"), promises to pay, solely from the funds hereafter referred to, to U.S. Bank National Association (the "*Lender*"), at the address provided in the Agreement (hereinafter defined), (a) the principal sum of Thirty-Five Million Dollars (\$35,000,000) or, if less, the aggregate unpaid principal amount of the Term Loan that is a Tax-Exempt Loan that refunded the Electric System Loans made by the Lender to the City, payable at such times as are specified in the Agreement; and (b) interest on the unpaid principal amount of the Term Loan that is a Tax-Exempt Loan that refunded the Electric System Loans made by the Lender, from the date of such Term Loan related to the Electric System until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Agreement, in lawful money of the United States of America, in federal or other immediately available funds, from the date hereof until this Note is paid in full, in like money and funds at such office.

The City promises to make all other payments owed by it under the Agreement. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Agreement.

This Note is subject to prepayment, all pursuant to the terms and under the conditions of the Amended and Restated Revolving Credit Agreement dated as of February 1, 2022 (as amended, the "*Agreement*"), between the City and the Lender. Reference is made to the Agreement for provisions as to the prepayment hereof. Reference is also made to the Agreement for provisions providing for additional interest and other amounts to be payable under certain circumstances. If the Noteholder enforces this Note upon default, the City shall reimburse the Noteholder for reasonable costs and expenses incurred by the Noteholder in collection, including reasonable attorneys' fees and expenses as set out in Section 2.06 and 9.03 of the Agreement. This Note shall be construed in accordance with and governed by the internal laws of the State of New York.

The parties hereto, including the undersigned maker and all guarantors, endorsers and pledgors that may exist at any time with respect hereto, hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note and assent to the extensions of the time of payment or forbearance or other indulgence without notice.



This Note, including the interest hereon, is payable solely from the Electric System Net Operating Revenues on a parity with all other Electric System Subordinate Obligations. This Note does not constitute a general obligation or indebtedness of the City within the meaning of any constitutional, charter, or statutory limitations or provisions (and the Notcholder hereof shall never have the right to require or compel the levy of ad valorem taxes for the payment of the principal of and interest on this Note). Further reference is made to the Agreement for the provisions relating to the security of this Note and the duties and obligations of the City.

It is hereby certified, recited and declared that all conditions, acts and things essential to the validity of this Note exist, have happened and have been done and that every requirement of law affecting the issuance hereof has been duly complied with.

This Amended and Restated Electric System Tax-Exempt Term Note replaces and supersedes that certain Electric System Tax-Exempt Term Note dated February 1, 2019, executed by City and payable to Lender in the maximum principal amount of Thirty-Five Million Dollars (\$35,000,000).

Made and executed at Riverside, California, as of the date and year first above written.

CITY OF RIVERSIDE

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

ATTEST:

By \_\_\_\_\_  
\_\_\_\_\_, City Clerk

## EXHIBIT J

### FORM OF AMENDED AND RESTATED WATER SYSTEM TAX-EXEMPT TERM NOTE

#### CITY OF RIVERSIDE WATER SYSTEM TAX-EXEMPT TERM NOTE TRANSFER OF THIS NOTE IS RESTRICTED AS SET FORTH IN THE AGREEMENT

Principal Amount

Dated Date

\$25,000,000

February 1, 2022

For value received, the CITY OF RIVERSIDE, a municipal corporation and chartered city of the State of California (the "*City*"), promises to pay, solely from the funds hereafter referred to, to U.S. Bank National Association (the "*Lender*"), at the address provided in the Agreement (hereinafter defined), (a) the principal sum of Twenty-Five Million Dollars (\$25,000,000) or, if less, the aggregate unpaid principal amount of the Term Loan that is a Tax-Exempt Loan that refunded the Water System Loans made by the Lender to the City, payable at such times as are specified in the Agreement; and (b) interest on the unpaid principal amount of the Term Loan that is a Tax-Exempt Loan that refunded the Water System Loans made by the Lender, from the date of such Term Loan related to the Water System until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Agreement, in lawful money of the United States of America, in federal or other immediately available funds, from the date hereof until this Note is paid in full, in like money and funds at such office.

The City promises to make all other payments owed by it under the Agreement. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Agreement.

This Note is subject to prepayment, all pursuant to the terms and under the conditions of the Amended and Restated Revolving Credit Agreement dated as of February 1, 2022 (as amended, the "*Agreement*"), between the City and the Lender. Reference is made to the Agreement for provisions as to the prepayment hereof. Reference is also made to the Agreement for provisions providing for additional interest and other amounts to be payable under certain circumstances. If the Noteholder enforces this Note upon default, the City shall reimburse the Noteholder for reasonable costs and expenses incurred by the Noteholder in collection, including reasonable attorneys' fees and expenses as set out in Section 2.06 and 9.03 of the Agreement. This Note shall be construed in accordance with and governed by the internal laws of the State of New York.

The parties hereto, including the undersigned maker and all guarantors, endorsers and pledgors that may exist at any time with respect hereto, hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note and assent to the extensions of the time of payment or forbearance or other indulgence without notice.

This Note, including the interest hereon, is payable solely from Water System Net Operating Revenues on a parity with all other Water System Subordinate Obligations. This Note does not constitute a general obligation or indebtedness of the City within the meaning of any constitutional, charter, or statutory limitations or provisions (and the Noteholder hereof shall never have the right to require or compel the levy of ad valorem taxes for the payment of the principal of and interest on this Note). Further reference is made to the Agreement for the provisions relating to the security of this Note and the duties and obligations of the City.

It is hereby certified, recited and declared that all conditions, acts and things essential to the validity of this Note exist, have happened and have been done and that every requirement of law affecting the issuance hereof has been duly complied with.

This Amended and Restated Water System Tax-Exempt Term Note replaces and supersedes that certain Water System Tax-Exempt Term Note dated February 1, 2019, executed by City and payable to Lender in the maximum principal amount of Twenty-Five Million Dollars (\$25,000,000).

Made and executed at Riverside, California, as of the date and year first above written.

CITY OF RIVERSIDE

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

ATTEST:

By \_\_\_\_\_  
\_\_\_\_\_, City Clerk