

ORDINANCE NO. 1635-24-10-08

**SIXTH SUPPLEMENTAL ORDINANCE TO THE
MASTER ORDINANCE ESTABLISHING THE
CITY OF PFLUGERVILLE, TEXAS
UTILITY SYSTEM REVENUE FINANCING PROGRAM
AUTHORIZING THE ISSUANCE OF THE
CITY'S UTILITY SYSTEM REVENUE BOND
(CITY OF PFLUGERVILLE MASTER PROGRAM –
WATER AND WASTEWATER CIP TRANCHE 1)**

Adopted October 8, 2024

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**THE STATE OF TEXAS §
COUNTIES OF TRAVIS AND WILLIAMSON §
CITY OF PFLUGERVILLE §**

WHEREAS, on September 14, 2021, the City Council of the City of Pflugerville, Texas (the “City”), adopted a “Master Ordinance Establishing the City of Pflugerville, Texas Utility System Revenue Financing Program” (referred to herein as the “Master Ordinance”);

WHEREAS, in order to enable the City to provide for the financing of the utility system projects authorized by Chapter 1502, Texas Government Code, as amended, and any other applicable provisions of State law, the Master Ordinance establishes a revenue financing program pursuant to which the City can issue and enter into obligations, including bonds and other types of obligations, secured by and payable from a pledge of and lien on all or part of the Security (as defined herein);

WHEREAS, for such purposes, the City deems it necessary to issue Parity Debt (as defined herein) pursuant to this “Sixth Supplemental Ordinance to the Master Ordinance establishing the City of Pflugerville, Texas Utility System Revenue Financing Program” (this “Sixth Supplement”);

WHEREAS, the City has requested that the United States Environmental Protection Agency, an agency of the United States of America, acting by and through the Administrator of the Environmental Protection Agency (the “WIFIA Lender”), make the WIFIA Loan (as defined herein) in a principal amount not to exceed \$156,528,628 (the “WIFIA Loan”) to be used to pay a portion of the Eligible Project Costs (as defined herein) related to the Project (as defined in the WIFIA Loan Agreement);

WHEREAS, the WIFIA Lender proposes to approve WIFIA financial assistance for the Project in the form of a direct loan in an aggregate principal amount not to exceed \$156,528,628;

WHEREAS, the WIFIA Lender proposes to extend credit upon the terms and conditions contained in the WIFIA Loan Agreement (as defined herein) and the WIFIA Master Agreement (as defined herein);

WHEREAS, the City agrees to repay any amount due pursuant to the WIFIA Loan Agreement and the WIFIA Bond (as defined herein) in accordance with the terms and provisions of the WIFIA Loan Agreement and the WIFIA Bond;

WHEREAS, the City desires to adopt this Sixth Supplement to set forth the terms of the City's obligations to the WIFIA Lender relating to the issuance by the City of the WIFIA Bond authorized herein which is being issued to evidence any advances to be made by the WIFIA Lender under the WIFIA Loan Agreement, a contract allowing for the construction of Utility System facilities pursuant to Section 1502.002(b) of the Texas Government Code, as amended, and a contract in connection with providing funds for the construction of Utility System facilities pursuant to Section 1502.051(c) of the Texas Government Code, as amended;

WHEREAS, as contemplated by the Master Ordinance, including Section 7 thereof, this Sixth Supplement relates to the execution, issuance and delivery of the WIFIA Bond as Parity Debt as provided herein;

WHEREAS, the City further finds and determines that all terms and conditions for the issuance of the obligations herein authorized as Parity Debt have been or can be met and satisfied;

WHEREAS, the City held a public hearing on October 8, 2024 prior to the adoption of this Sixth Supplement in accordance with the City Charter; and

WHEREAS, the obligations authorized by this Sixth Supplement are to be issued and delivered pursuant to the Enabling Act (as defined herein) and other applicable State laws, including Chapter 1371, Texas Government Code, as amended (collectively, the “Acts”).

NOW THEREFORE, BE IT ORDAINED BY THE CITY OF PFLUGERVILLE, TEXAS THAT:

ARTICLE I
BONDS ISSUED UNDER UTILITY SYSTEM
REVENUE FINANCING PROGRAM

Section 1.01. DEFINITIONS. (a) Definitions. The capitalized terms used herein and not otherwise defined shall have the meanings given in the Master Ordinance or in Exhibit “A” to this Sixth Supplement. The recitals to this Sixth Supplement and the exhibits hereto are incorporated herein and made a part hereof for all purposes.

(b) Construction of Terms. If appropriate in the context of this Sixth Supplement, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, words of the masculine, feminine, or neuter gender shall be considered to include the other genders, and words importing persons shall include firms, associations, and corporations.

Section 1.02. ESTABLISHMENT OF FINANCING PROGRAM AND ISSUANCE OF PARITY DEBT. (a) Sixth Supplement. By adoption of the Master Ordinance, the City has established the City of Pflugerville, Texas Utility System Revenue Financing Program for the

purpose of enabling the City to provide for the financing of utility system projects authorized by the Enabling Act and any other applicable provisions of State law pursuant to which the City may issue and enter into obligations, including bonds and other types of obligations, secured by and payable from a pledge of and lien on all or part of the Security. This Sixth Supplement provides for the authorization, form, characteristics, provisions of payment and redemption, and security of the WIFIA Loan Agreement and the WIFIA Bond. This Sixth Supplement is subject to the terms of the Master Ordinance and the terms of the Master Ordinance are incorporated herein by reference and as such are made a part hereof for all purposes.

(b) Parity Debt. As required by Section 7 of the Master Ordinance governing the issuance of Parity Debt such as the WIFIA Bond, the City hereby finds that, upon the issuance of the WIFIA Bond, the Security will be sufficient to meet the financial obligations relating to the Financing Program, including Security in amounts sufficient to satisfy the Annual Debt Service Requirements of the Financing Program. The WIFIA Bond is hereby declared to be Parity Debt under the Master Ordinance.

(c) Security. In order to ensure that the Administrator is and shall be in compliance with the provisions of 40 C.F.R. § 35.10045, the City shall not pledge any grants, donations or income received or to be received from the United States Government as security for the WIFIA Loan Agreement and the WIFIA Bond. Any attempted or purported pledge of any such amounts which results in a pledge of any such amounts as security for the WIFIA Loan Agreement and the WIFIA Bond in violation of the provisions of 40 C.F.R. § 35.10045 shall be null and void and otherwise ineffective.

Section 1.03. SIXTH SUPPLEMENT TO CONSTITUTE A CONTRACT; EQUAL SECURITY. In consideration of the execution of the WIFIA Loan Agreement by the WIFIA Lender and the acceptance of the WIFIA Bond by the WIFIA Lender and by those who shall hold the same from time to time in the future, this Sixth Supplement shall be deemed to be and shall constitute a contract between the City and the WIFIA Lender, as well as with any future Owner, and the pledge made in this Sixth Supplement by the City and the covenants and agreements set forth in this Sixth Supplement to be performed by the City shall be for the equal and proportionate benefit, security, and protection of all Owners from time to time, without preference, priority, or distinction as to security or otherwise by reason of time of issuance, sale, or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Sixth Supplement and the Master Ordinance.

Section 1.04. LIMITATION OF BENEFITS WITH RESPECT TO THIS SIXTH SUPPLEMENT. With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Sixth Supplement, the WIFIA Loan Agreement, the WIFIA Master Agreement or the WIFIA Bond is intended or should be construed to confer upon or give to any person other than the City, the Owner, and the Paying Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason of or in respect to this Sixth Supplement or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Sixth Supplement and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the

sole and exclusive benefit of the City, the Owner, and the Paying Agent/Registrar as herein and therein provided.

ARTICLE II
WIFIA LOAN AGREEMENT, WIFIA MASTER AGREEMENT AND WIFIA BOND
AUTHORIZATION

Section 2.01. AUTHORIZATION. (a) The WIFIA Loan Agreement, a substantially final draft of which is attached hereto as Exhibit “B”, and the WIFIA Master Agreement, a substantially final draft of which is attached hereto as Exhibit “E”, constitute contracts allowing for the construction of Utility System facilities pursuant to Section 1502.002(b) of the Texas Government Code, as amended, and contracts in connection with providing funds for the construction of Utility System facilities pursuant to Section 1502.051(c) of the Texas Government Code, as amended. The WIFIA Loan Agreement and the WIFIA Bond evidencing amounts due under the WIFIA Loan Agreement are hereby authorized in the maximum aggregate principal amount not to exceed \$156,528,628 to be used to provide funds for paying a portion of the Eligible Project Costs related to the Project.

(b) The authority for an Authorized Representative to execute the Award Certificate for the WIFIA Bond and the WIFIA Loan Agreement shall expire at 5:00 p.m. Central Time on October 8, 2025. So long as the Award Certificate is executed on or before such date and time, the WIFIA Bond, the WIFIA Loan Agreement and the WIFIA Master Agreement may be executed and delivered to the WIFIA Lender after such date. The WIFIA Loan Agreement, the WIFIA Master Agreement, together with the WIFIA Bond, are authorized pursuant to authority conferred by and in conformity with State law, particularly the provisions of the Acts, as applicable.

(c) In order to satisfy the requirements of the WIFIA Lender in connection with the delivery of the WIFIA Bond and WIFIA Loan Agreement, the term sheet in connection therewith is hereby authorized to be executed and delivered by an Authorized Representative in substantially the form attached here to as attached here as Exhibit “C”.

Section 2.02. TERMS OF WIFIA BOND AND WIFIA LOAN AGREEMENT AND AWARD CERTIFICATE.

(a) Initially there shall be issued and delivered hereunder one bond, payable to the WIFIA Lender, in the principal amount not to exceed \$156,528,628. The WIFIA Bond shall be designated the “City of Pflugerville, Texas Utility System Revenue Bond (City of Pflugerville Master Program – Water and Wastewater CIP Tranche 1), Series 2024” and shall be numbered consecutively from R-1 upward. Advances made pursuant to the WIFIA Loan Agreement, which shall be evidenced by the WIFIA Bond, shall mature not later than 40 years from the date of the initial delivery of the WIFIA Bond, all as further set forth in the WIFIA Bond and the WIFIA Loan Agreement. All principal of the WIFIA Bond shall be payable as provided, and in the manner required or indicated, in the WIFIA Loan Agreement.

(b) As authorized by the Acts, each Authorized Representative is hereby authorized, appointed, and designated to act on behalf of the City delivering the WIFIA Loan Agreement, the

WIFIA Master Agreement and the WIFIA Bond and carrying out the other procedures specified in this Sixth Supplement, including determining and fixing the WIFIA Loan Agreement Effective Date, which shall be the delivery date of the WIFIA Bond, any additional or different designation or title by which the WIFIA Bond shall be known, the years in which the WIFIA Bond will mature, the principal amount to mature or otherwise be payable in each of such years, the aggregate principal amount of WIFIA Bond, the rate or rates of interest to be borne by any maturity, the interest payment periods, and all other matters relating to the issuance, sale, and delivery of the WIFIA Bond and the WIFIA Loan Agreement and WIFIA Master Agreement, all of which shall be specified in the Award Certificate; provided that the WIFIA Bond shall not bear interest at a rate greater than the Highest Lawful Rate. The Award Certificate, when executed and delivered, is hereby incorporated into and made a part of this Sixth Supplement.

It is further provided, however, that notwithstanding the foregoing provisions, the WIFIA Bond shall not be delivered unless, prior to delivery, the WIFIA Bond has been rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long term obligations, as required by Section 1371.001(5), Texas Government Code.

In satisfaction of Sections 1201.022(a)(3) and Section 1371.056(c), Texas Government Code, as applicable, the City hereby determines that the delegation of the authority to each Authorized Representative to approve the final terms and conditions of the WIFIA Loan Agreement, the WIFIA Master Agreement and the WIFIA Bond as set forth in this Sixth Supplement and the decisions made by each Authorized Representative pursuant to such delegated authority and incorporated in the Award Certificate will be, in the best interests and shall have the same force and effect, as if such determination were made by the City Council, and each Authorized Representative is hereby authorized to make and include in each Award Certificate an appropriate finding to that effect.

(c) The WIFIA Bond (i) may and shall be prepaid prior to the respective scheduled payment dates pursuant to the respective optional and mandatory prepayment requirements in the WIFIA Loan Agreement, (ii) may not be assigned or transferred except as provided in the WIFIA Bond and the WIFIA Loan Agreement, (iii) shall have the characteristics, (iv) shall be signed and sealed, and (v) shall be payable, as to the principal thereof and interest thereon, all as provided, and in the manner required or indicated, in the Master Ordinance, this Sixth Supplement, the WIFIA Bond and the WIFIA Loan Agreement.

Section 2.03. PAYMENT OF WIFIA BOND; PAYING AGENT/REGISTRAR.

(a) The City appoints UMB Bank, N.A. (the “Paying Agent/Registrar”) to act as the paying agent/registrar for the WIFIA Bond. By accepting the appointment as Paying Agent/Registrar, the Paying Agent/Registrar acknowledges receipt of copies of the Master Ordinance and this Sixth Supplement and is deemed to have agreed to the provisions thereof and hereof. The principal of, premium, if any, and the interest on the WIFIA Bond shall be payable, without exchange or collection charges to the Owner thereof, in any coin or currency of the United States of America that at the time of payment is legal tender for the payment of public and private debts.

(b) The Paying Agent/Registrar Agreement by and between the City and the Paying Agent/Registrar in substantially the form set forth in Exhibit “D” hereto is hereby approved, and the Mayor is hereby authorized to complete, amend, modify, execute and deliver such Paying Agent/Registrar Agreement.

(c) The City agrees and covenants to cause to be kept and maintained at the designated office of the Paying Agent/Registrar a Security Register, all as provided herein, in accordance with the terms and provisions of the Paying Agent/Registrar Agreement and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. In addition, to the extent required by law, the City covenants to cause to be kept and maintained the Security Register or a copy thereof in the State.

(d) The City expressly reserves the right to appoint one or more successor Paying Agent/Registrars, by filing with the Paying Agent/Registrar a certified copy of a resolution or ordinance of the City making such appointment. The City further expressly reserves the right to terminate the appointment of the Paying Agent/Registrar by filing a certified copy of a resolution of the City giving notice of the City's termination of the City's agreement with such Paying Agent/Registrar and appointing a successor. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the WIFIA Bond is paid and discharged, and any successor Paying Agent/Registrar shall be a bank, trust company, financial institution, or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the WIFIA Bond. If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Security Register (or a copy thereof) and all other pertinent books and records relating to the WIFIA Bond to the successor Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar, the City agrees promptly to cause a written notice thereof to be sent to the Owner of the WIFIA Bond by United States mail, first-class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

(e) The principal of, premium, if any, and interest on the WIFIA Bond due and payable by reason of maturity, redemption, or otherwise, shall be payable only to the Owner thereof appearing on the Security Register, and, to the extent permitted by law, neither the City nor the Paying Agent/Registrar, nor any agent of either, shall be affected by notice to the contrary.

(f) The WIFIA Bond and the WIFIA Loan Agreement shall not be issued in book-entry-only form.

(g) An authorized representative of the Paying Agent/Registrar shall, before the delivery of any WIFIA Bond issued in exchange for any WIFIA Bond Number R-1 or any other WIFIA Bond issued under this Sixth Supplement, date and manually sign the Paying Agent/Registrar's Authentication Certificate attached to such WIFIA Bond, and no such WIFIA Bond shall be deemed to be issued or outstanding under this Sixth Supplement unless such certificate is so authenticated. The Paying Agent/Registrar's Authentication Certificate shall be in the form set forth in the WIFIA Master Agreement. Notwithstanding the first sentence of this paragraph, WIFIA Bond Number R-1 shall not need an executed Trustee's Authentication

Certificate but shall be outstanding, when delivered, if an executed Registration Certificate of the Comptroller of Public Accounts of the State of Texas is attached thereto.

Section 2.04. FORM OF WIFIA BOND. The form of the WIFIA Bond shall be substantially as set forth in the WIFIA Master Agreement (including the form of the Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the WIFIA Bond Number R-1) with such appropriate variations, omissions, or insertions as are permitted or required by the WIFIA Loan Agreement and the Award Certificate. It is specifically provided that the provisions of the WIFIA Bond to be provided in the Award Certificate shall be incorporated into the form of the executed WIFIA Bond.

ARTICLE III PAYMENTS AND NO RESERVE ACCOUNT

Section 3.01. PAYMENTS. Semiannually on or before each principal or interest payment date while any of the WIFIA Bond is outstanding and unpaid, commencing on the first interest payment date for the WIFIA Bond, the City shall make available from the Interest and Sinking Account to the Paying Agent/Registrar, money sufficient to pay such interest on and such principal of the WIFIA Bond as will accrue or mature, or be subject to mandatory redemption prior to maturity, on such principal, redemption, or interest payment date. The Paying Agent/Registrar shall cancel all paid WIFIA Bonds and shall furnish the City with an appropriate certificate of cancellation.

Section 3.02. NO RESERVE ACCOUNT. In accordance with Section 3(e) of the Master Ordinance, no reserve account or subaccount is created for the purpose of paying or securing the Parity Debt authorized under this Sixth Supplement.

ARTICLE IV TAXABLE BOND

Section 4.01. TAXABLE BOND. It is the intention of the City that the WIFIA Bond and the WIFIA Loan Agreement not be obligations described in section 103 of the Internal Revenue Code of 1986 interest on which is excludable from the gross income of the holders and, in that regard, the City is not required to file a form 8038-G, or any comparable information return relating to tax-exempt obligations, with the Internal Revenue Service and hereby agrees not to make any such filing.

ARTICLE V MISCELLANEOUS

Section 5.01. CONSTRUCTION FUND. (a) There is hereby created, established and maintained on the books of the City, a separate fund to be entitled the "City of Pflugerville, Texas Series 2024 WIFIA Bond Construction Fund" (hereinafter called the "Construction Fund"). The Construction Fund shall constitute a sub-account of the Bond Proceeds Account.

(b) Proceeds of the WIFIA Bond deposited for credit to the Construction Fund shall be used by the City to reimburse a portion of the Eligible Project Costs related to the Project in accordance with the WIFIA Loan Agreement.

Section 5.02. MAILED NOTICES. Except as otherwise required herein, all notices required or authorized to be given to the City or the Paying Agent/Registrar pursuant to this Sixth Supplement shall be in writing and shall be sent by registered or certified mail, postage prepaid, to the following addresses or otherwise given in a manner deemed, in writing, acceptable to the party to receive the notice:

1. to the City:
City of Pflugerville, Texas
100 East Main Street, Suite 300
Pflugerville, Texas 78691-0589
Attn: City Manager
Telephone: (512) 990-6101
Facsimile: (512) 990-4364

2. to the Paying Agent/Registrar:
UMB Bank, N.A.
Corporate Trust and Escrow Group
6034 West Courtyard Drive, Suite 370
Austin, Texas 78730
Attn: Corporate Trust and Escrow Group
Telephone: (512) 582-5851
Facsimile: (512) 582-5855

Section 5.03. FURTHER PROCEDURES. Each Authorized Representative is hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Sixth Supplement, the WIFIA Loan Agreement, the WIFIA Master Agreement and the WIFIA Bond, the sale and delivery of the WIFIA Bond, and attending to all details in connection therewith, and the Paying Agent/Registrar Agreement, and the City Secretary is hereby authorized to provide any necessary attestation for any of the foregoing. In connection with the issuance and delivery of each the Bonds, the above-stated officers, with the advice of the City Attorney and Bond Counsel to the City, are hereby authorized to approve, subsequent to the date of the adoption of this Sixth Supplement, any amendments to the above named documents, and any technical amendments to this Sixth Supplement required by the State Attorney General's Office or any rating agency, and each Authorized Representative is hereby authorized to execute this Sixth Supplement to evidence approval of such changes.

Section 5.04. EFFECT OF SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS. Whenever this Sixth Supplement requires any action to be taken on a Saturday, Sunday, or legal

holiday, such action shall be taken on the first business day occurring thereafter. Whenever in this Sixth Supplement the time within which any action is required to be taken or within which any right will lapse or expire shall terminate on a Saturday, Sunday, or legal holiday, such time shall continue to run until midnight on the next succeeding business day.

Section 5.05. PARTIAL INVALIDITY. If any one or more of the covenants or agreements or portions thereof provided in this Sixth Supplement on the part of the City should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, or such agreement or agreements, or such portions thereof, shall be deemed severable from the remaining covenants and agreements or portions thereof provided in this Sixth Supplement and the invalidity thereof shall in no way affect the validity of the other provisions of this Sixth Supplement or of the Bonds, but the Owner of the WIFIA Bonds shall retain all the rights and benefits accorded to them hereunder and under any applicable provisions of law.

Section 5.06. NO RULE 15C2-12 CONTINUING DISCLOSURE UNDERTAKING. The sale of the WIFIA Bond is exempt from Rule 15c2-12. Consequently, the City makes no undertaking with respect to Rule 15c2-12 or with respect to the provision of on-going financial and operating data under Rule 15c2-12.

Section 5.07. SOVEREIGN IMMUNITY WAIVER. To the fullest extent permitted by applicable law and pursuant to Section 1371.059(c) of the Texas Government Code, as amended, with respect to its obligations arising under the WIFIA Bond which evidences amounts due under the WIFIA Loan Agreement, the City hereby waives sovereign immunity from suit and liability for the purpose of adjudicating a claim to enforce its duties and obligations under the WIFIA Bond or for damages for breach of the WIFIA Bond.

Section 5.08. DEFAULT AND REMEDIES. Each Master Program Event of Default and each Project Event of Default with respect to the Project is hereby declared to be an Event of Default under this Sixth Supplement and the Master Ordinance. Upon the occurrence of a Master Program Event of Default or a Project Event of Default with respect to the Project, the Owner may exercise any and all remedies set forth in and in accordance with the Master Ordinance and the WIFIA Loan Agreement.

Section 5.09. DISCLOSURE OF FINANCIAL OBLIGATIONS. The execution and delivery of the WIFIA Loan Agreement and the issuance and delivery of the WIFIA Bond will constitute the incurrence of a “financial obligation” by the City pursuant to existing continuing disclosure undertakings of the City under Rule 15c2-12. Accordingly, the City's Finance Director as the City's appointed disclosure officer is hereby authorized and directed to file or cause to be filed the executed WIFIA Loan Agreement, WIFIA Master Agreement and any other appropriate notice or description of the financial obligation thereunder on the Electronic Municipal Market Access system, which is the prescribed electronic format for disclosures established and maintained by the Municipal Securities Rulemaking Board and can be accessed at www.emma.msrb.org, no more than ten business days after the WIFIA Loan Agreement Effective Date.

Section 5.10. RULES OF INTERPRETATION. For purposes of this Sixth Supplement, except as otherwise expressly provided or the context otherwise requires:

(a) The words “herein,” “hereof” and “hereunder” and other similar words refer to this Sixth Supplement as a whole and not to any particular Article, Section, or other subsection.

(b) The definitions in an Article are applicable whether the terms defined are used in the singular or the plural.

(c) All accounting terms that are not defined in this Sixth Supplement have the meanings assigned to them in accordance with then applicable accounting principles.

(d) Any pronouns used in this Sixth Supplement include both the singular and the plural and cover both genders.

(e) Any terms defined elsewhere in this Sixth Supplement have the meanings attributed to them where defined.

(f) The captions or headings are for convenience only and in no way define, limit or describe the scope or intent, or control or affect the meaning or construction, of any provisions or sections hereof.

(g) Any references to Section numbers are to Sections of this Sixth Supplement unless stated otherwise.

Section 5.11. INDIVIDUALS NOT LIABLE. All covenants, stipulations, obligations, and agreements of the City contained in this Sixth Supplement shall be deemed to be covenants, stipulations, obligations, and agreements of the Financing Program, the Utility System and the City to the full extent authorized or permitted by State law. No covenant, stipulation, obligation, or agreement herein contained shall be deemed to be a covenant, stipulation, obligation, or agreement of any member of the City Council or agent or employee of the City in his or her individual capacity and neither the members of the City Council, nor any officer, employee, or agent of the City shall be liable personally on the WIFIA Bond, the WIFIA Loan Agreement or the WIFA Master Agreement when issued and/or delivered, or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 5.12. PAYMENT OF ATTORNEY GENERAL FEE. The City hereby authorizes the disbursement of a fee equal to the lesser of (i) one-tenth of one percent of the principal amount of the WIFIA Bond or (ii) \$9,500, provided that such fee shall not be less than \$750, to the Attorney General of Texas Public Finance Division for payment of the examination fee charged by the State of Texas for the Attorney General's review and approval of public securities and credit agreements, as required by Section 1202.004 of the Texas Government Code. The Authorized Representative is hereby instructed to take the necessary measures to make this payment. The City is also authorized to reimburse the appropriate City funds for such payment from proceeds of the WIFIA Bond as a cost of issuance thereof.

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FINALLY PASSED, APPROVED AND EFFECTIVE on first and final reading in accordance with Section 1201.028, Texas Government Code, on this October 8, 2024.

Mayor,
City of Pflugerville, Texas

ATTEST:

City Secretary,
City of Pflugerville, Texas

APPROVED AS TO FORM:

City Attorney

[Signature Page]

The City has caused this Sixth Supplement to be executed by an Authorized Representative.

CITY OF PFLUGERVILLE, TEXAS

By: _____
Authorized Representative

[Signature Page]

EXHIBIT A

DEFINITIONS

As used in this Sixth Supplement, the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

“Acts” – As defined in the recitals hereto.

“Administrator” – As defined in the recitals hereto.

“Authorized Representative” - Means the Mayor, City Manager, any Assistant City Manager, Chief Financial Officer or such other individuals so designated by the City to perform the duties of an Authorized Representative under this Sixth Supplement.

“Award Certificate” – The certificate to be executed and delivered by an Authorize Representative pursuant to Sections 2.01 and 2.02 of this Sixth Supplement in connection with the WIFIA Bond and the WIFIA Loan Agreement.

“Chief Financial Officer” - Means the Finance Director or such other officer or employee of the City or such other individual so designated by the City to perform the duties of Chief Financial Officer under this Sixth Supplement.

“Construction Fund” – The sub-account of the Bond Proceeds Account created pursuant to Section 5.01(a) hereof.

“Eligible Project Costs” - As defined in the WIFIA Loan Agreement.

“Highest Lawful Rate” – The maximum net effective interest rate permitted by law to be paid on obligations issued or incurred by the City in the exercise of its borrowing powers (prescribed by Chapter 1204, Texas Government Code, or any successor provisions).

“Master Ordinance” - The “Master Ordinance Establishing the Utility System Revenue Financing Program,” adopted by the City on September 14, 2021, as may be amended or supplemented from time to time.

“Master Program Event of Default” - as defined and as set forth in the WIFIA Master Agreement.

“Owner” – As applicable, the registered owner of the WIFIA Bond as shown on the Security Register and the WIFIA Lender acting under the WIFIA Loan Agreement or any successor thereto as permitted under such agreement.

“Paying Agent” - The agent selected and appointed by the City for purposes of paying the principal of, premium, if any, and interest on the WIFIA Bond to the Owner thereof, as identified in Section 2.03 hereof and any successor to such agent.

“Paying Agent/Registrar” - Collectively, the Paying Agent and the Registrar designated in Section 2.03 hereof or any successor to such agent.

“Paying Agent/Registrar Agreement” - The agreement having such name executed by and between the City and the Paying Agent/Registrar.

“Project” – As defined in the WIFIA Loan Agreement.

“Project Event of Default” - as defined and as set forth in the WIFIA Master Agreement.

“Registrar” - The agent selected and appointed by the City for purposes of keeping and maintaining books and records relating to the registration, transfer, exchange, and payment of the WIFIA Bond and interest thereon, as identified in Section 2.03 hereof and any successor to such agent.

“Rule 15c2-12” - Securities and Exchange Commission Rule 15c2-12.

“Section” - Unless the context clearly requires otherwise, refers to a Section of this Sixth Supplement.

“Security” – As defined in the Master Ordinance, subject to the provisions of Section 1.02(c) of this Sixth Supplement.

“Security Register” - The books and records kept and maintained by the Registrar relating to the registration, transfer, exchange, and payment of the Bonds and the interest thereon.

“Sixth Supplement” - This Sixth Supplemental Ordinance, which was adopted pursuant to authority reserved by the City under the Master Ordinance.

“WIFIA Bond” - The bond authorized by this Sixth Supplement relating to the WIFIA Loan Agreement.

“WIFIA Lender” - As defined in the recitals hereto.

“WIFIA Loan” - As defined in the recitals hereto.

“WIFIA Loan Agreement” – The WIFIA Loan Agreement between the WIFIA Lender and the City executed and delivered in connection with the WIFIA Bond.

“WIFIA Loan Agreement Effective Date” – The date on which the WIFIA Bond is first delivered to the WIFIA Lender.

“WIFIA Master Agreement” – The WIFIA Master Agreement between the WIFIA Lender and the City pursuant to which the parties thereto have set forth certain common terms and conditions applicable to the WIFIA Loan and the Project.

EXHIBIT B
WIFIA LOAN AGREEMENT

**UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY**

WIFIA LOAN AGREEMENT

for up to \$156,528,628

With

CITY OF PFLUGERVILLE, TEXAS

For the

**CITY OF PFLUGERVILLE MASTER PROGRAM –
WATER AND WASTEWATER CIP**

**TRANCHE 1
(WIFIA Project No. – N22118TX)**

Dated as of October 15, 2024

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WIFIA LOAN AGREEMENT

THIS WIFIA LOAN AGREEMENT (this “**Agreement**”), dated as of October 15, 2024, is by and between the **CITY OF PFLUGERVILLE, TEXAS**, a municipal body politic and corporate created under the laws of the State of Texas (the “**State**”), with an address at 100 E. Main Street, Pflugerville, TX 78660 (the “**Borrower**”), and the **UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**, an agency of the United States of America, acting by and through the Administrator of the Environmental Protection Agency (the “**Administrator**”), with an address at 1200 Pennsylvania Avenue NW, Washington, DC 20460 (the “**WIFIA Lender**”).

RECITALS:

WHEREAS, the Congress of the United States of America enacted the Water Infrastructure Finance and Innovation Act, as amended by Section 1445 of the Fixing America’s Surface Transportation Act of 2015, as further amended by Section 5008 of the Water Infrastructure Improvements For the Nation Act of 2016 and by Section 4201 of America’s Water Infrastructure Act of 2018, (collectively, as the same may be amended from time to time, the “**Act**” or “**WIFIA**”), which is codified as 33 U.S.C. §§ 3901-3915;

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

WHEREAS, the Borrower and the WIFIA Lender entered into that certain WIFIA Master Agreement, dated as of October 15, 2024 (the “**WIFIA Master Agreement**”), pursuant to which the parties thereto have set forth certain common terms and conditions applicable to each WIFIA Loan and Project under the Master Program, as such terms are defined in the WIFIA Master Agreement;

WHEREAS, pursuant to the WIFIA Master Agreement, the Borrower has requested that the WIFIA Lender make the WIFIA Loan (as defined below) in a principal amount not to exceed \$156,528,628 to be used to pay a portion of the Eligible Project Costs related to the Project (as defined below);

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

WHEREAS, based on the Application, the WIFIA Master Agreement and the representations, warranties and covenants set forth herein and therein, the WIFIA Lender proposes to make funding available to the Borrower through the purchase of the WIFIA Bond (as defined below) to be issued by the Borrower, upon the terms and conditions set forth herein and in the WIFIA Master Agreement;

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

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

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

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1. Definitions. Each capitalized term used in this Agreement (including in the recitals hereto) and not otherwise defined herein shall have the meaning assigned to such term in the WIFIA Master Agreement. Any term used in this Agreement (including in the recitals hereto) that is defined by reference to any other agreement shall continue to have the meaning specified in such agreement, whether or not such agreement remains in effect. In addition, as used in this Agreement (including in the recitals hereto), the following terms have the following meanings:

“**Act**” means the Act as defined in the recitals hereto.

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

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

“**Construction Schedule**” means (a) the initial schedule or schedules on which the construction timetables for the Project are set forth, attached as Schedule II (*Construction Schedule*), and (b) any updates thereto included in the periodic reports submitted to the WIFIA Lender pursuant to Section 16(d) (*Reporting Requirements – Construction Reporting*) of the WIFIA Master Agreement most recently approved by the WIFIA Lender.

“**Debt Service Payment Commencement Date**” means the Interest Payment Date immediately following the date of receipt by the Borrower of the initial requisition of funds pursuant to this Agreement.

“**Development Default Date**” means June 30, 2029.

“**Final Maturity Date**” means the earlier of (a) August 1, 2055 (or such earlier date as is set forth in an updated Loan Amortization Schedule pursuant to Section 8(e) (*Payment of Principal and Interest – Adjustments to Loan Amortization Schedule*) of the WIFIA Master Agreement); and (b) the Payment Date immediately preceding the date that is thirty-five (35) years following the Substantial Completion Date.

“**Interest Payment Date**” means each February 1 and August 1, commencing on the Debt Service Payment Commencement Date.

“**Loan Amortization Schedule**” means the Loan Amortization Schedule reflected in the applicable column of Exhibit A (*WIFIA Debt Service*), as amended from time to time in accordance with Section 8(e) (*Payment of Principal and Interest – Adjustments to Loan Amortization Schedule*) of the WIFIA Master Agreement.

“**Maximum Principal Amount**” has the meaning provided in Section 3 (*WIFIA Loan Amount*).

“**NEPA Determination**” means the Finding of No Significant Impact for the Project issued by the EPA on August 29, 2024, in accordance with NEPA.

“**Principal Payment Date**” means each August 1, commencing on August 1, 2027.

“**Project**” means construction of three components, the new Weiss/Pecan Water Line, the new Secondary Colorado River Raw Water Line, and the Central Water Treatment Plant (WTP) Expansion. All components of the Project are located in the cities of Pflugerville and Austin in Travis County, Texas, as described in further detail in Schedule III (*Project*).

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

“**Projected Substantial Completion Date**” means June 30, 2027, as such date may be adjusted in accordance with Section 16(d) (*Reporting Requirements – Construction Reporting*) of the WIFIA Master Agreement.

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

“**WIFIA Bond**” means the Bond delivered by the Borrower in substantially the form of Exhibit A (*Form of WIFIA Bond*) to the WIFIA Master Agreement.

“**WIFIA Loan**” means the secured loan made by the WIFIA Lender to the Borrower on the terms and conditions set forth herein, in the WIFIA Master Agreement and in the WIFIA Bond, pursuant to the Act, in a principal amount not to exceed \$156,528,628, to be used in respect of Eligible Project Costs paid or incurred by the Borrower.

“**WIFIA Loan Agreement Effective Date**” means the date of this Agreement as provided on the cover page.

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

Section 2. Interpretation.

(a) Except as otherwise expressly provided herein, the rules of interpretation set forth in Section 2 (*Interpretation*) of the WIFIA Master Agreement shall apply herein as if set

out in this Agreement in full (making all necessary changes to give such provisions effect hereunder, including as if each reference therein to “this Agreement” were a reference to this Agreement, and each reference to any “WIFIA Loan” or any “WIFIA Bond” were a reference, respectively, to the WIFIA Loan or the WIFIA Bond as such terms are defined in this Agreement).

(b) This Agreement is one of the WIFIA Loan Agreements referenced in the WIFIA Master Agreement.

ARTICLE II

THE WIFIA LOAN

Section 3. WIFIA Loan Amount. The principal amount of the WIFIA Loan shall not exceed \$156,528,628 (the “**Maximum Principal Amount**”). WIFIA Loan proceeds available to be drawn shall be disbursed from time to time in accordance with Section 4 (Disbursement Conditions) hereof and Section 11(c) (Conditions Precedent – Conditions Precedent to All Disbursements) of the WIFIA Master Agreement.

Section 4. Disbursement Conditions. The WIFIA Loan shall be disbursed in accordance with Section 4 (Disbursement Conditions) of the WIFIA Master Agreement. The WIFIA Lender will make an initial disbursement of the WIFIA Loan to the Borrower in an amount equal to eight hundred seventy-seven thousand six hundred ninety-one dollars and twenty cents (\$877,691.20) within five (5) Business Days after the WIFIA Loan Agreement Effective Date (or as soon thereafter as is possible in the event that the WIFIA Lender is prevented from making such disbursement within the time period described above for reasons beyond its control), otherwise subject to the terms and conditions in Section 4 (Disbursement Conditions) of the WIFIA Master Agreement.

Section 5. [Reserved]

Section 6. Interest Rate. The interest rate with respect to the Outstanding WIFIA Loan Balance for the WIFIA Loan shall be [_____] and [_____] hundredths percent ([_____]%) per annum. Interest will accrue and be computed on the Outstanding WIFIA Loan Balance from time to time pursuant to, and otherwise in accordance with, with Section 6 (Interest Rate) of the WIFIA Master Agreement.

Section 7. [Reserved]

Section 8. Payment of Principal and Interest.

(a) Payment of WIFIA Debt Service. Payments of WIFIA Debt Service shall be made by the Borrower on each Payment Date occurring on and after the Debt Service Payment Commencement Date as provided in Section 8(a) (Payment of Principal and Interest – Payment of WIFIA Debt Service) of the WIFIA Master Agreement.

(b) WIFIA Bond. As evidence of the Borrower’s obligation to repay the WIFIA Loan, the Borrower shall issue and deliver to the WIFIA Lender, on or prior to the WIFIA Loan Agreement Effective Date, the WIFIA Bond substantially in the form of Exhibit A (Form of WIFIA

Bond) to the Master Agreement, having a principal amount equal to the Maximum Principal Amount.

(c) Manner of Payment. Payments to the WIFIA Lender as the owner of the WIFIA Bond shall be made in accordance with Section 8 (*Payment of Principal and Interest*) of the WIFIA Master Agreement in accordance with payment instructions set forth in Schedule IV-A (*WIFIA Loan Payment Instructions*), as may be modified in writing from time to time by the WIFIA Lender. Payments by the Borrower under this Agreement, including but not limited to, payments to be made pursuant to Section 10 (*Fees and Expenses*), other than payments required to be made with respect to principal of and interest on the WIFIA Bond, shall be made in accordance with Section 8 (*Payment of Principal and Interest*) of the WIFIA Master Agreement in accordance with the payment instructions set forth in Schedule IV-B (*WIFIA Fee Payment Instructions*), as may be modified in writing from time to time by the WIFIA Lender.

(d) Adjustments to Loan Amortization Schedule. The Borrower shall have the right to propose modifications to the Loan Amortization Schedule for the WIFIA Loan as provided in Section 8(e) (*Payment of Principal and Interest – Adjustments to Loan Amortization Schedule*) of the WIFIA Master Agreement. For purposes of Section 8(e) (*Payment of Principal and Interest – Adjustments to Loan Amortization Schedule*) of the WIFIA Master Agreement, the Weighted Average Life of the WIFIA Loan shall not exceed twenty-eight (28) years measured as of the initial disbursement date of the WIFIA Loan.

Section 9. Prepayment. The Borrower may prepay the WIFIA Loan in accordance with Section 9(a) (*Prepayment – Optional Prepayments*) of the WIFIA Master Agreement.

Section 10. Fees and Expenses. To the extent allowed by law and subject to annual appropriation, the Borrower shall pay to the WIFIA Lender, in each case pursuant to and in accordance with Section 10 (*Fees and Expenses*) of the WIFIA Master Agreement:

- (a) a one-time Servicing Set-Up Fee equal to \$19,060.00;
- (b) an annual Construction Period Servicing Fee equal to \$19,060.00 per annum; provided that the initial Construction Period Servicing Fee shall be in a pro-rated amount equal to \$17,470.00 in accordance with Section 10(a)(ii) (*Fees and Expenses – Fees*) of the WIFIA Master Agreement;
- (c) an Operating Period Servicing Fee equal to \$9,530.00 per annum; and
- (d) any other applicable fees, costs, charges and expenses pursuant to, and otherwise in accordance with, Section 10 (*Fees and Expenses*) of the WIFIA Master Agreement.

ARTICLE III

CONDITIONS PRECEDENT

Section 11. Conditions Precedent.

(a) Conditions Precedent to Effectiveness. The effectiveness of this Agreement is subject to the satisfaction, or the WIFIA Lender's written waiver, as determined by the WIFIA Lender in its sole discretion, of each of the conditions precedent to the effectiveness of this Agreement set forth in Section 11(b) (*Conditions Precedent – Conditions Precedent to Effectiveness of Each WIFIA Loan Agreement*) of the WIFIA Master Agreement, each of which is incorporated by reference herein as if set out in this Agreement in full (making all necessary changes to give such provisions effect hereunder, including as if each reference therein to any "Project," any "WIFIA Loan," any "WIFIA Bond," or any "WIFIA Loan Agreement" were a reference, respectively, to the Project, the WIFIA Loan, the WIFIA Bond, or this Agreement (as such terms are defined in this Agreement)).

(b) Conditions Precedent to Disbursements. Notwithstanding anything in this Agreement to the contrary, the WIFIA Lender's obligation to make any Disbursement of the WIFIA Loan to the Borrower (including the initial Disbursement hereunder) is subject to the satisfaction or the WIFIA Lender's written waiver, as determined by the WIFIA Lender in its sole discretion, of each of the conditions precedent to disbursements set forth in Section 11(c) (*Conditions Precedent – Conditions Precedent to Disbursements*) of the WIFIA Master Agreement, each of which is incorporated by reference herein as if set out in this Agreement in full (making all necessary changes to give such provisions effect hereunder, including as if each reference therein to any "Project," "Project Budget," "WIFIA Loan" or any "WIFIA Loan Agreement" were a reference, respectively, to the Project, the Project Budget, the WIFIA Loan or this Agreement (as such terms are defined in this Agreement)).

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 12. Representations and Warranties of Borrower. In accordance with Section 12(y) (*Representations and Warranties of Borrower – Representations and Warranties of Borrower for each WIFIA Loan Agreement and Disbursements*) of the WIFIA Master Agreement, the Borrower hereby affirms or reaffirms, as applicable, all representations and warranties set out in Section 12 (*Representations and Warranties of Borrower*) of the WIFIA Master Agreement as of the WIFIA Loan Agreement Effective Date and the Borrower shall reaffirm such representations and warranties as of each date on which any Disbursement of the WIFIA Loan is requested or made, in each case, except as otherwise expressly provided in Section 12(y) (*Representations and Warranties of Borrower – Representations and Warranties of Borrower for each WIFIA Loan Agreement and Disbursements*) of the WIFIA Master Agreement. Each such representation and warranty is incorporated by reference herein for the benefit of the WIFIA Lender as if set out in this Agreement in full (making all necessary changes to give such provisions effect hereunder, including as if each reference therein to "this Agreement" were a reference to this Agreement and as if each reference therein to (a) any "Project," (b) any "WIFIA Loan" or (c) any "WIFIA Bond"

were a reference, respectively, to (i) the Project, (ii) the WIFIA Loan or (iii) the WIFIA Bond (as such terms are defined in this Agreement)). The Borrower acknowledges that it makes such representations and warranties with the intention of inducing the WIFIA Lender to enter into this Agreement and the other WIFIA Loan Documents and to advance the WIFIA Loan to the Borrower, and that the WIFIA Lender has entered into this Agreement and the other WIFIA Loan Documents on the basis of, and in full reliance on, each such representation and warranty.

Section 13. Representations and Warranties of WIFIA Lender. The representations and warranties set out in Section 13 (Representations and Warranties of WIFIA Lender) of the WIFIA Master Agreement shall be made on the WIFIA Loan Agreement Effective Date for the benefit of the Borrower as if set out in this Agreement in full (making all necessary changes to give such provisions effect hereunder, including as if each reference therein to any “WIFIA Loan” were a reference to the WIFIA Loan (as such term is defined in this Agreement)).

ARTICLE V

COVENANTS

Section 14. Covenants. The Borrower covenants and agrees, until the date the WIFIA Loan and all of the obligations of the Borrower under the WIFIA Loan Documents with respect to the WIFIA Loan or the Project (other than contingent indemnity obligations) have been irrevocably paid in full in immediately available funds and the WIFIA Lender no longer has any commitment to make Disbursements under this Agreement to the Borrower, unless the WIFIA Lender waives compliance in writing, to comply with each of the covenants set forth in the WIFIA Master Agreement, including Section 14 (Affirmative Covenants), Section 15 (Negative Covenants), and Section 16 (Reporting Requirements) of the WIFIA Master Agreement, which covenants are incorporated by reference herein as if fully set forth herein (making all necessary changes to give such provisions effect hereunder, including as if each reference therein to “this Agreement” were a reference to this Agreement and as if each reference therein to (a) any “Project,” (b) any “WIFIA Loan” or (c) any “WIFIA Bond” were a reference, respectively, to (i) the Project, (ii) the WIFIA Loan or (iii) the WIFIA Bond (as such terms are defined in this Agreement)).

Section 15. [Reserved]

Section 16. [Reserved]

ARTICLE VI

EVENTS OF DEFAULT

Section 17. Events of Default and Remedies.

(a) Each Master Program Event of Default set out in Section 17 (Master Program Events of Default and Remedies) of the WIFIA Master Agreement and each Project Event of Default with respect to the Project set out in Section 18 (Project Events of Default and Remedies) shall constitute a Master Program Event of Default or Project Event of Default, as applicable, under this Agreement, except as otherwise expressly provided in Section 17 (Master

Program Events of Default and Remedies) or Section 18 (*Project Events of Default and Remedies*) of the WIFIA Master Agreement.

(b) Upon the occurrence and during the continuation of any Master Program Event of Default or Project Event of Default hereunder, the WIFIA Lender shall have each of the rights and remedies to which it is entitled as provided in and with the same effect as described in Section 17 (*Master Program Events of Default and Remedies*) and Section 18 (*Project Events of Default and Remedies*) of the WIFIA Master Agreement.

ARTICLE VII

MISCELLANEOUS

Section 18. Governing Law. This Agreement shall be governed by the federal laws of the United States of America, if and to the extent such federal laws are applicable, and the internal laws of the State, if and to the extent such federal laws are not applicable.

Section 19. Effectiveness. This Agreement shall be effective on the WIFIA Loan Agreement Effective Date.

Section 20. Termination and Survival. This Agreement shall terminate upon the irrevocable payment in full in immediately available funds by the Borrower of the Outstanding WIFIA Loan Balance, together with all accrued interest, fees and expenses with respect thereto; provided that the indemnification requirements of Section 33 (*Indemnification*) of the Master WIFIA Agreement, as incorporated herein, the reporting and record keeping requirements of Section 14(q) (*Affirmative Covenants – Access; Records*) of the WIFIA Master Agreement, as incorporated herein, and the payment requirements of Section 10 (Fees and Expenses) shall survive the termination of this Agreement as provided in such sections.

Section 21. Miscellaneous. Sections 33 (*Indemnification*), 34 (*Sale of WIFIA Loans*), 19 (*Disclaimer of Warranty*), 20 (*No Personal Recourse*), 21 (*No Third Party Rights*), 22 (*Borrower's Authorized Representative*), 23 (*WIFIA Lender's Authorized Representative*), 24 (*Servicer*), 25 (*Amendments and Waivers*), 27 (*Severability*), 28 (*Successors and Assigns*), 29 (*Remedies Not Exclusive*), 30 (*Delay or Omission Not Waiver*), 31 (*Counterparts and Electronic Signature*), 32 (*Notices*) and 38 (*Integration*) of the WIFIA Master Agreement shall be incorporated in this Agreement as if set out in this Agreement in full (making all necessary changes to give such provisions effect hereunder, including as if each reference therein to “this Agreement” were a reference to this Agreement and as if each reference therein to (a) any “Project,” (b) any “WIFIA Loan” or (c) any “WIFIA Bond” were a reference, respectively, to (i) the Project, (ii) the WIFIA Loan or (iii) the WIFIA Bond (as such terms are defined in this Agreement)).

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

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

CITY OF PFLUGERVILLE, TEXAS,
by its authorized representative

By: _____
Name: Victor Gonzales
Title: Mayor

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

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

SCHEDULE I
PROJECT BUDGET

SOURCES OF FUNDS	AMOUNT (\$ USD)	PERCENTAGE (%)
WIFIA Loan – Master Agreement -Tranche 1	\$ 156,528,628	37%
2022 WIFIA Loan Agreement	\$ 52,049,683	12%
State Revolving Fund Loans	\$ 76,930,032	18%
Certificates of Obligation	\$ 140,161,680	33%
Total Sources of Funds	\$ 425,670,022	100%
USES OF FUNDS	AMOUNT (\$ USD)	PERCENTAGE (%)
Construction	\$ 347,691,622	82%
Project Management	\$ 5,382,217	1%
Other	\$ 5,326,788	1%
Planning	\$ 1,546,112	0%
Design	\$ 23,194,595	5%
Contingency	\$ 38,314,133	9%
Financing Costs	\$ 4,214,555	1%
Total Uses of Funds	\$ 425,670,022	100%
Total Eligible Project Costs	\$ 425,670,022	100%
Total Project Costs	\$ 425,670,022	100%

SCHEDULE II

CONSTRUCTION SCHEDULE

Projected Substantial Completion Date: June 30, 2027

PROJECT ELEMENT	DESIGN COMPLETION	CONSTRUCTION START	CONSTRUCTION END
Water Treatment Plant, HSPS and Lake PS Expansion to 30.0 MGD	6/30/2022	1/1/2023	3/31/2027
36"/42" Weiss Lane/Pecan Street Water Line	12/31/2023	7/1/2024	9/30/2026
Pump Station Expansion and 42" Raw Water Line	12/31/2023	4/1/2024	6/30/2027

SCHEDULE III

PROJECT

The WIFIA project includes planning, design, and construction of three drinking water project components that are part of the City of Pflugerville's Master Program – Water and Wastewater Capital Improvement Plan (CIP), located in the cities of Pflugerville and Austin in Travis County, Texas. The drinking water project components include the new Weiss/Pecan Water Line, the new Secondary Colorado River Raw Water Line, and the Central Water Treatment Plant (WTP) Expansion. The WIFIA project addresses system resiliency to ensure drinking water demands can be met for the service area without interruption. The WIFIA project also meets treatment needs to ensure drinking water quality standards are met.

SCHEDULE IV-A

WIFIA LOAN PAYMENT INSTRUCTIONS

HOW TO MAKE A LOAN PAYMENT TO EPA WIFIA PROGRAM

Please select one of the acceptable payment methods and follow the instructions provided below for sending WIFIA payments to EPA.

For questions about payments to EPA please contact EPA's Office of the Controller:

Phone: 202-564-7593. Voicemails can be left when calling outside business hours

Email: OCFO-OC-ACAD-WIFIA@epa.gov

For questions about the WIFIA program:

Email: wifia@epa.gov

ACCEPTABLE METHODS FOR WIFIA PAYMENTS TO EPA

Option 1 PAY.GOV

Use of Pay.gov to make payments to EPA is the preferred electronic payment method. In Pay.gov, users can track their payments to EPA and schedule recurring or automatic payments. Although it is not mandatory to register for a user id to access and use Pay.Gov, registration is recommended to have access to all Pay.gov system functionality.

1. Remove Debit Block - Before submitting payments through Pay.gov, users should contact their financial institution to remove any debit blocks and add EPA to the list of payees. In addition, the financial institution will need to add EPA's company ID (6801123303) for WIFIA fees. Once the financial institution removes the debit block and sets up the company ID, users can set up Pay.gov to submit payments.
2. Access the Pay.gov system by going to <https://www.pay.gov> and search for WIFIA or click on the following hyperlink to directly launch the [WIFIA Loan Collection & Fees Form](#).
3. Provide the following information on your payment to ensure proper credit:
 - Remitter's contact phone number
 - Company/Organization Name as it appears on EPA document
 - Complete address, including city, state, zip code
 - Project Name
 - Loan Number: this is EPA WIFIA Loan number, NOT the remitter's number
 - From the "Payment Type" drop down menu select "**Loan Payment**"
4. Follow the remaining on-screen instructions to successfully process the payment to EPA.
5. Send an email to OCFO-OC-ACAD-WIFIA@epa.gov and wifia_portfolio@epa.gov informing that a payment has been made.

Option 2 Fedwire

Users must work within the processing guidelines established by their bank, which may include processing cutoffs, transaction fees, and other bank requirements. Banks that do not maintain an account at the Federal Reserve Bank (FRB) must use the services of correspondent banks that do have an FRB account.

FEDWIRE

To process a payment using FedWire please:

1. Send FedWire deposits as early as possible and no later than 5PM ET on the desired EPA receipt date.
2. Review the FedWire form Instructions provided in Attachment 1 and complete the form. It is very important that all relevant details identified in the instructions are accurate.
3. Send an email to OCFO-OC-ACAD-WIFIA@epa.gov and wifia_portfolio@epa.gov informing that a payment has been made.

Attachment 1 – FedWire Payment Form and Instructions

Please provide the following instructions to your Financial Institution for the remittance of Fedwire payments to the United States Environmental Protection Agency.

Fedwire Field Tag	Fedwire Field Name	Required Information
{1510}	Type/Subtype	1000
{2000}	Amount	\$
{3400}	Receiver ABA routing number *	021030004
{3400}	Receiver ABA short name	TREAS NYC
{3600}	Business Function Code	CTR (or CTP)
{4200}	Beneficiary Identifier (account number)	868010099000
{4200}	Beneficiary Name	US EPA
{5000}	Originator	
{6000}	Originator to Beneficiary Information – Line 1	FEE TYPE – WIFIA Application Fee (WIFIA Loan Number)
{6000}	Originator to Beneficiary Information – Line 2	
{6000}	Originator to Beneficiary Information – Line 3	
{6000}	Originator to Beneficiary Information – Line 4	

* The financial institution address for Treasury’s routing number: 33 Liberty Street, New York, NY 10045

Agency Contact:

Collections Inquiry Mailbox
 US Environmental Protection Agency
 Office of the Controller
 Fees and Collections Branch
Collections_Inquiry_Mailbox@epa.gov

SCHEDULE IV-B

WIFIA FEE PAYMENT INSTRUCTIONS

HOW TO MAKE A FEE PAYMENT TO EPA WIFIA PROGRAM

Please select one of the acceptable payment methods and follow the instructions provided below for sending WIFIA payments to EPA.

For questions about payments to EPA please contact EPA's Office of the Controller:

Phone: 202-564-7593. Voicemails can be left when calling outside business hours

Email: OCFO-OC-ACAD-WIFIA@epa.gov

For questions about the WIFIA program:

Email: wifia@epa.gov

ACCEPTABLE METHODS FOR WIFIA PAYMENTS TO EPA

Option 1 PAY.GOV

Use of Pay.gov to make payments to EPA is the preferred electronic payment method. In Pay.gov, users can track their payments to EPA and schedule recurring or automatic payments. Although it is not mandatory to register for a user id to access and use Pay.Gov, registration is recommended to have access to all Pay.gov system functionality.

1. Remove Debit Block - Before submitting payments through Pay.gov, users should contact their financial institution to remove any debit blocks and add EPA to the list of payees. In addition, the financial institution will need to add EPA's company ID (6801123303) for WIFIA fees. Once the financial institution removes the debit block and sets up the company ID, users can set up Pay.gov to submit payments.
1. Access the Pay.gov system by going to <https://www.pay.gov> and search for WIFIA or click on the following hyperlink to directly launch the [WIFIA Loan Collection & Fees Form](#).
2. Provide the following information on your payment to ensure proper credit:
 - Remitter's contact phone number
 - Company/Organization Name as it appears on EPA document
 - Complete address, including city, state, zip code
 - Project Name
 - Loan Number: this is EPA WIFIA Loan number, NOT the remitter's number
 - From the "Payment Type" drop down menu select the type from the Fee Notice letter
 - Other Description: please note the reference number from the Fee Notice letter
3. Follow the remaining on-screen instructions to successfully process the payment to EPA.

- Send an email to OCFO-OC-ACAD-WIFIA@epa.gov and wifia_portfolio@epa.gov informing that a payment has been made.

Option 2 Credit Gateway: Fedwire and ACH

Depending on preferences, Credit Gateway allows users to submit payment either via FedWire (electronic interbank transfers) or ACH (direct deposit). The primary differences are:

	FedWire	ACH (Automated Clearing House)
Fees	Charges fees	Less expensive than FedWire
Transaction Speed	Faster transfers	May take up to a few days
Security	Less secure	More secure
International Capabilities	Can be sent internationally	U.S.-only network
Processing time	Within 24 hours	A few hours to several days

Users must work within the processing guidelines established by their bank, which may include processing cutoffs, transaction fees, and other bank requirements. Banks that do not maintain an account at the Federal Reserve Bank (FRB) must use the services of correspondent banks that do have an FRB account.

FEDWIRE

To process a payment using FedWire please:

- Send FedWire deposits as early as possible and no later than 5PM ET on the desired EPA receipt date.
- Review the FedWire form Instructions provided in Attachment 1 and complete the form. It is very important that all relevant details identified in the instructions are accurate.
- Send an email to OCFO-OC-ACAD-WIFIA@epa.gov and wifia_portfolio@epa.gov informing that a payment has been made.

Automated Clearing house (ach)

To process payments using ACH please:

- Send ACH payments as early as possible and no later than 3 business days before the desired EPA receipt date.
- Review the ACH form Instructions provided in Attachment 2 and complete the form. It is important that all relevant details identified in the instructions are accurate.
- Send an email to OCFO-OC-ACAD-WIFIA@epa.gov and wifia_portfolio@epa.gov informing that the payment has been made.

Option 3 CHECK PAYMENTS

UNAVAILABLE DUE TO COVID19 PANDEMIC. EPA CANNOT PROCESS CHECKS AT THIS TIME.

Attachment 1 – FedWire Payment Form and Instructions

Please provide the following instructions to your Financial Institution for the remittance of Fedwire payments to the United States Environmental Protection Agency.

Fedwire Field Tag	Fedwire Field Name	Required Information
{1510}	Type/Subtype	1000
{2000}	Amount	
{3400}	Receiver ABA routing number *	021030004
{3400}	Receiver ABA short name	TREAS NYC
{3600}	Business Function Code	CTR (or <i>CTP</i>)
{4200}	Beneficiary Identifier (account number)	868010099000
{4200}	Beneficiary Name	US EPA
{5000}	Originator	
{6000}	Originator to Beneficiary Information – Line 1	FEE TYPE – WIFIA Application Fee (WIFIA Loan Number)
{6000}	Originator to Beneficiary Information – Line 2	
{6000}	Originator to Beneficiary Information – Line 3	
{6000}	Originator to Beneficiary Information – Line 4	

* The financial institution address for Treasury’s routing number is 33 Liberty Street, New York, NY 10045

Agency Contact:

Collections Inquiry Mailbox
 US Environmental Protection Agency
 Office of the Controller
 Fees and Collections Branch
Collections_Inquiry_Mailbox@epa.gov

Attachment 2 - ACH Credit Gateway Form and Instructions

Please provide the following instructions to your Financial Institution for the remittance of Automated Clearing House (ACH) credits to the United States Environmental Protection Agency.

NACHA Record Type Code	NACHA Field	NACHA Data Element Name	Required Information
5	3	Company Name	
5	6	Standard Entry Class Code	CCD
5	9	Effective Entry Date	
6	2	Transaction Code*	22
6	3 & 4	Receiving DFI Identification (ABA routing #) @	051036706
6	5	DFI Account Number	868010099000
6	6	Amount	<i>(enter payment amount)</i>
6	8	Receiving Company Name	US EPA FEE TYPE – WIFIA (Loan Number-Fee Type)

ACH bank information:

Name: Credit Gateway – ACH Receiver
 Address: 33 Livingston Ave. St. Paul, MN 55107
 Phone number: 1-877-815-1206

Agency Contact:

Collections Inquiry Mailbox
 Fees and Collections Branch
 Office of the Controller
 US Environmental Protection Agency
 Collections_Inquiry_Mailbox@epa.gov

[EPA W-9 to be inserted]

SCHEDULE 12(n)

EXISTING CONSTRUCTION CONTRACTS

Contract Name	Effective Date	Amount	Parties	Description
City of Pflugerville Standard Capital Improvement Project (CIP) Construction Agreement between City and Contractor	November 8, 2022	\$146,256,682.52	PLW Waterworks, LLC and City of Pflugerville	City of Pflugerville Water Treatment Plant Expansion

EXHIBIT A
WIFIA DEBT SERVICE

[See attached]

EXHIBIT C
TERM SHEET

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

October 15, 2024

City of Pflugerville, Texas
100 E. Main Street
Pflugerville, TX 78660

RE: WIFIA Term Sheet for the City of Pflugerville Master Program – Water and Wastewater CIP – Tranche 1 (WIFIA Project No. N22118TX)

Ladies and Gentlemen:

This WIFIA Term Sheet (this “**Term Sheet**”) constitutes (a) the approval of the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (hereinafter, the “**USEPA**”), of the application for credit assistance of the Borrower (as defined below) received on November 9, 2023 and deemed complete on December 4, 2023 (the “**Application**”) and (b) the agreement of USEPA to provide financing for the above-referenced project (as further described below, the “**Project**”) in the form of a secured loan (the “**WIFIA Loan**”), pursuant to the Water Infrastructure Finance and Innovation Act (“**WIFIA**”), § 5021 *et seq.* of Public Law 113-121 (as amended, and as may be further amended from time to time, the “**Act**”), codified as 33 U.S.C. §§ 3901-3915, subject in all respects to (i) the terms and conditions contained herein; (ii) the terms and conditions contained in that certain WIFIA Master Agreement to be entered into on the date hereof, by and between the WIFIA Lender (as defined below) and the Borrower (the “**WIFIA Master Agreement**”); and (iii) the execution and delivery of the WIFIA loan agreement with respect to the Project to be entered into on the date hereof (the “**WIFIA Loan Agreement**”) on the terms and conditions acceptable to the USEPA contained therein. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the WIFIA Loan Agreement, or if not defined therein, the WIFIA Master Agreement (and if not defined therein, shall have the meanings ascribed to such terms in the Master Ordinance).

By executing this Term Sheet, the Borrower confirms its agreement to reimburse USEPA for any and all fees and expenses that USEPA incurs for legal counsel, financial advice, and other consultants in connection with the evaluation of the Project and the negotiation and preparation of the WIFIA Loan Agreement and related documents, whether or not such agreement is ultimately executed.

This Term Sheet shall be governed by the federal laws of the United States of America if and to the extent such federal laws are applicable, and the internal laws of the State of Texas, if and to the extent such federal laws are not applicable. This Term Sheet, and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Electronic delivery of an executed counterpart of a signature page shall be effective as delivery of an original executed counterpart.

INDICATIVE TERMS OF THE WIFIA LOAN

WIFIA LENDER	United States Environmental Protection Agency, an agency of the United States of America, acting by and through the Administrator of the Environmental Protection Agency (the “ WIFIA Lender ”).
BORROWER	City of Pflugerville, Texas, a municipal body politic and corporate organized and existing under the laws of the State of Texas (the “ Borrower ”).
PROJECT	The project, which is the first tranche under the WIFIA Master Agreement, includes construction of three components in the City of Pflugerville Master Program – Water and Wastewater CIP (the “ Project ”), as described in further detail in the WIFIA Loan Agreement. All three components, the new Weiss/Pecan Water Line, the new Secondary Colorado River Raw Water Line, and the Central Water Treatment Plant (WTP) Expansion, are water projects. All components of the Project are located in the cities of Pflugerville and Austin in Travis County, Texas.
WIFIA LOAN AMOUNT	A maximum principal amount (sum of disbursements) not to exceed \$156,528,628; provided that (a) the maximum principal amount of the WIFIA Loan, together with the amount of any other credit assistance provided under the Act, shall not exceed forty-nine percent (49%) of reasonably anticipated Eligible Project Costs, and (b) the total federal assistance for the Project, including but not limited to the maximum principal amount of the WIFIA Loan and all federal direct and indirect grants, shall not exceed eighty percent (80%) of Total Project Costs.
INTEREST RATE	<p>The WIFIA Loan shall bear interest at a fixed rate, calculated by adding one basis point (0.01%) to the rate of securities of a similar maturity (based on the weighted-average life of the WIFIA Loan) as published, on the execution date of the WIFIA Loan Agreement, in the United States Treasury Bureau of Public Debt’s daily rate table for State and Local Government Series (SLGS) securities, currently located on the Internet at https://www.treasurydirect.gov/GA-SL/SLGS/selectSLGSDate.htm.</p> <p>Interest shall accrue and be computed on the basis of a 360-day year of twelve (12) thirty (30) day months.</p> <p>The WIFIA Loan shall also bear default interest at a rate of 200 basis points above the otherwise applicable interest rate, at such</p>

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	times and upon such terms as are provided in the WIFIA Loan Agreement.
PAYMENT DATES	Principal of the WIFIA Loan shall be repaid in annual installments on August 1 of each year, beginning on August 1, 2027. Interest shall be paid in arrears on February 1 and August 1 of each year, commencing on the Debt Service Payment Commencement Date. The Debt Service Payment Commencement Date shall in no event be later than five (5) years after the Substantial Completion Date of the Project.
FINAL MATURITY DATE	The earliest of (a) August 1, 2055 (or such earlier date as is set forth in an updated Exhibit A (WIFIA Debt Service) pursuant to Section 8(e) (<i>Payment of Principal and Interest – Adjustments to Loan Amortization Schedule</i>)); and (b) the Payment Date immediately preceding the date that is thirty-five (35) years following the Substantial Completion Date.
PROJECTED SUBSTANTIAL COMPLETION DATE	June 30, 2027.
DEDICATED SOURCE OF REPAYMENT	The dedicated source of repayment for the WIFIA Loan shall be the Gross Revenues. “ Gross Revenues ” means all revenues, income and receipts of every nature derived or received by the Borrower from the operation and ownership of the Utility System including any lawfully available impact fees and the interest income from investment or deposit of money in any account or subaccount created by the Master Ordinance or maintained by the Borrower in connection with the Utility System (except any account or subaccount not pledged as Security under the Master Ordinance or any Supplement) and any other revenues hereafter pledged to the payment of all Parity Debt. Any interest income related to any reserve account shall operate as provided in the applicable Supplement.
SECURITY AND LIEN PRIORITY	The WIFIA Bond shall be secured by the Liens on the Security on a parity with the Parity Debt and senior to all Subordinated Debt. “ Security ” means, subject to the provisions of Section 1.02(c) of the WIFIA Supplement, all of the interests of the Borrower in (a) the Pledged Revenues; (b) all amounts in the System Account (subject to the payment of Maintenance and Operating Expenses as provided in Section 4 of the Master

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	<p>Ordinance) and the Interest and Sinking Account; (c) any additional account or subaccount that is subsequently established and so designated as being included within the Security pursuant to Section 3(f) of the Master Ordinance; (d) all of the proceeds of the foregoing, including, without limitation, investments thereof; (e) any applicable Credit Agreement to the extent set forth in such Credit Agreement; and (f) with respect to any applicable series of Parity Debt, all amounts in any reserve account or subaccount applicable to such Parity Debt pursuant to Section 3(e) of the Master Ordinance, including any reserve fund surety policy or other Credit Agreement entered into for the benefit of such account or subaccount.</p> <p>“Pledged Revenues” means (1) the Net Revenues plus (2) any additional revenues, income, receipts, or other resources, including, without limitation, any grants, donations or income received or to be received from the United States Government, or any other public or private source, whether pursuant to an agreement or otherwise, which hereafter are pledged by the Borrower to the payment of the Parity Debt, and excluding those revenues excluded from Gross Revenues.</p> <p>The debt obligation of the Borrower under the WIFIA Loan shall be evidenced through the issuance by the Borrower of the WIFIA Bond.</p> <p>The Borrower has agreed and covenanted in the Master Ordinance that all Gross Revenues shall be deposited into the System Account immediately upon receipt by the Borrower and applied in accordance with the requirements specified in Section 4 of the Master Ordinance. For avoidance of doubt, moneys on deposit in the System Account not required to make any of the payments required above or expended by the Borrower at any time for any lawful purpose authorized pursuant to the Enabling Act and other State law shall remain in the System Account and remain subject to the pledge and lien provided in the WIFIA Loan Agreement.</p>
<p>PREPAYMENT</p>	<p>The Borrower may prepay the WIFIA Loan in whole on any date or in part on any Payment Date (and, if in part, the amounts thereof to be prepaid shall be determined by the Borrower; provided, that such prepayments shall be in principal amounts of \$500,000 or any integral multiple of \$1.00 in excess thereof), from time to time but not more than once annually from the Borrower’s excess revenues (after payment of debt service then</p>

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	due on the Borrower’s Project Obligations, including any reserve fund requirements, if applicable), and otherwise in accordance with the WIFIA Loan Agreement.
RATE COVENANT	As set forth in further detail in the Master Ordinance and WIFIA Loan Agreement, the Borrower has agreed and covenanted with the Owners of the Parity Debt that so long as any Parity Debt, or any interest thereon, remain Outstanding and unpaid, to establish and maintain rates and charges for facilities and services afforded by the Utility System that are reasonably expected, on the basis of available information and experience and with due allowance for contingencies, to produce Gross Revenues in each Fiscal Year to satisfy the requirements specified in Section 5 of the Master Ordinance, a copy of which is attached hereto as Attachment A (<i>Rate Covenant</i>).
ADDITIONAL INDEBTEDNESS	As set forth in further detail in the Master Ordinance and the WIFIA Loan Agreement, the Borrower shall not issue or incur any Debt unless the conditions described below and in Section 15(a) of the WIFIA Loan Agreement are satisfied: <ul style="list-style-type: none"> (i) Except for Permitted Debt, the Borrower shall not without the prior written consent of the WIFIA Lender issue or incur any Debt. (ii) The Borrower shall not create, incur or suffer to exist (A) any Debt the payments of which are senior or prior in right to the payment by the Borrower of the Parity Debt, or (B) any Additional Parity Debt Project Obligations that are secured by a Lien on any assets or property of the Borrower other than the Security. (iii) The Borrower shall not issue or incur any Parity Debt or Subordinated Debt except in accordance with all requirements and conditions set forth in Section 7 of the Master Ordinance, a copy of which is attached hereto as Attachment B (<i>Additional Debt Test</i>).
HEDGING	The Borrower shall not enter into any swap or hedging transaction with respect to or payable from all or part of the Security, including inflation indexed swap transactions, “cap” or “collar” transactions, futures, or any other hedging transaction, for any speculative purpose. For the avoidance of doubt, the Borrower is permitted to enter into a swap or hedging transaction with respect to or payable from all or part of the Security, including inflation indexed swap transactions, “cap” or “collar”

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	transactions, futures, or any other hedging transaction with respect to or payable from all or part of the Security with respect to Parity Debt that bears interest at a variable interest rate so long as the Borrower's obligations to pay any termination payments with respect thereto are made junior and subordinate in all respects to Parity Debt.
WIFIA LOAN DOCUMENTATION	The WIFIA Loan shall be subject to the preparation, execution and delivery of the WIFIA Master Agreement, the WIFIA Loan Agreement, the WIFIA Bond and any other loan documentation required by the WIFIA Lender in connection therewith, in each case acceptable to the WIFIA Lender and the Borrower, which will contain certain conditions precedent, representations and warranties, affirmative and negative covenants, events of default, and other provisions as agreed between the WIFIA Lender and the Borrower.
GOVERNING LAW	Federal laws of the United States of America, if and to the extent such federal laws are applicable, and the internal laws of the State of Texas, if and to the extent such federal laws are not applicable.
COUNTERPARTS	This Term Sheet, and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. Electronic delivery of an executed counterpart of a signature page shall be effective as delivery of an original executed counterpart.

[Signature pages follow]

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

Sincerely,

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

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

ACKNOWLEDGED AND AGREED:

CITY OF PFLUGERVILLE, TEXAS,
by its authorized representative

By: _____
Name: Victor Gonzales
Title: Mayor

ATTACHMENT A

RATE COVENANT

All terms used in this Attachment A shall have the meaning assigned to such terms as provided in the Master Ordinance. All section references used in this Attachment A shall be references to the appropriate section in the Master Ordinance. All references to "herein" or "hereof" in this Attachment A shall be references to the Master Ordinance. The following is intended to copy (without change) the provisions of Section 5 of the Master Ordinance as of the WIFIA Loan Agreement Effective Date.

Section 5. RATE COVENANT. The City covenants and agrees with the Owners of the Parity Debt that so long as any Parity Debt, or any interest thereon, remain Outstanding and unpaid, to establish and maintain rates and charges for facilities and services afforded by the Utility System that are reasonably expected, on the basis of available information and experience and with due allowance for contingencies, to produce Gross Revenues in each Fiscal Year reasonably anticipated to be sufficient to:

- (a) pay Maintenance and Operating Expenses;
- (b) produce Pledged Revenues at least equal to the greater of 1.25 times the average Annual Debt Service Requirements or 1.10 times the maximum Annual Debt Service Requirements;
- (c) produce Pledged Revenues in amounts sufficient to enable the City to make the deposits and credits, if any, from Pledged Revenues to the accounts and subaccounts required by this Master Ordinance and any Supplement including to fund or restore any reserve account required by a Supplement, including the payment of any Reserve Account Obligation then due;
- (d) produce Pledged Revenues, together with any other lawfully available funds (including the proceeds of Debt which the City expects will be utilized to pay all or part of the principal of and/or interest on any obligations) sufficient to meet all financial obligations for Subordinated Debt issued by the City; and
- (e) pay any other Debt payable from the Pledged Revenues and/or secured by a lien on the Security.

Should the annual audit report reflect that the Security for the Fiscal Year covered thereby is less than necessary to meet the requirements of this Section, the City Council will review the operations of the Utility System and the rates and charges for services provided, and the City Council will make the necessary adjustments or revisions, if any, in order that the Security for the succeeding year will be sufficient to satisfy the foregoing coverage requirements.

ATTACHMENT B

ADDITIONAL DEBT TEST

All terms used in this Attachment B shall have the meaning assigned to such terms as provided in the Master Ordinance. All section references used in this Attachment B shall be references to the appropriate section in the Master Ordinance. All references to "herein" or "hereof" in this Attachment B shall be references to the Master Ordinance. The following is intended to copy (without change) the provisions of Section 7 of the Master Ordinance as of the WIFIA Loan Agreement Effective Date.

Section 7. ISSUANCE OF PARITY DEBT.

(a) General. The City reserves and shall have the right and power to issue or incur Parity Debt for any purpose authorized by State law, including the refunding of Parity Debt, Subordinated Debt, or other obligations of the City issued to finance the costs of a project authorized to be financed under the Financing Program, pursuant to the provisions of this Master Ordinance and Supplements to be hereafter authorized. The City hereby covenants and agrees to comply with all constitutional and statutory requirements of State law and, to the extent applicable, federal law governing the issuance of Parity Debt.

(b) Parity Debt. Provided that the City is in compliance with the requirements of any then applicable provisions of State law, the City may from time to time incur, assume, guarantee, or otherwise become liable in respect of Parity Debt if, in the applicable Supplement, the City finds that, upon the issuance of such Parity Debt, the Security will be sufficient to meet the financial obligations relating to the Financing Program, including Security in amounts sufficient to satisfy the Annual Debt Service Requirements of the Financing Program. In addition, the City shall not issue or incur such Parity Debt unless (i) an Authorized Representative shall deliver to the City an Officer's Certificate stating that, to the best of his or her knowledge, the City, has not failed to comply with the covenants contained in this Master Ordinance and any Supplement, to any material extent, and are not in default, to any material extent, in the performance and observance of any of the terms, provisions, and conditions hereof, thereof or under any Credit Agreement that constitutes Parity Debt and (ii) the Chief Financial Officer signs and delivers to the City a written certificate to the effect that, during either the next preceding Fiscal Year, or any twelve consecutive calendar month period ending not more than ninety (90) days prior to the date of the then proposed Parity Debt, the Net Earnings were, in the opinion thereof, at least equal to the sum of 1.25 times the average Annual Debt Service Requirements (computed on a Fiscal Year basis) of the Parity Debt to be outstanding after the issuance of the then proposed Parity Debt and 1.10 times the average Annual Debt Service Requirements (computed in the same manner as for Parity Debt) of the Subordinated Debt to be outstanding after the issuance of the then proposed Parity Debt.

In making a determination of Net Earnings for any of the purposes described in this Section, the Chief Financial Officer may take into consideration a change in the rates and charges for services and facilities afforded by the Utility System that became effective at least sixty (60) days prior to the last day of the period for which Net Earnings are determined and, for purposes of satisfying the Net Earnings tests described above, make a pro forma determination of the Net Earnings of the Utility System for the period of time covered by said Chief Financial Officer's

certification or opinion based on such change in rates and charges being in effect for the entire period covered by the Chief Financial Officer's certificate or opinion.

As used in this Section, the term “**Net Earnings**” shall mean the Gross Revenues of the Utility System after deducting the Maintenance and Operating Expenses of the Utility System but not expenditures which, under standard accounting practice, should be charged to capital expenditures.

(c) Credit Agreements. To the extent permitted by law, the City may execute and deliver one or more Credit Agreements (i) upon the delivery to the City of the Chief Financial Officer's Certificate to the effect that the Credit Agreement is in the best interest of the City and (ii) compliance with the requirements of subsection (b) or (c) of this section, as the case may be, if the Credit Agreement is to constitute Parity Debt. Each Credit Agreement shall be approved by the City, to the extent required by law, either pursuant to a Supplement or by other action. Credit Agreements and the obligations thereunder may, pursuant to their terms, constitute (i) Parity Debt secured by a pledge of the Security on parity with other Parity Debt, (ii) Subordinated Debt secured by a pledge of the Security subordinate to Parity Debt, or (iii) partially Parity Debt and partially Subordinated Debt.

(d) Non-Recourse Debt and Subordinated Debt. Non-Recourse Debt and Subordinated Debt may be incurred by the City in accordance with State law.

EXHIBIT D
PAYING AGENT/REGISTRAR AGREEMENT

PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT entered into as of October 15, 2024 (this "Agreement"), by and between the City of Pflugerville, Texas (the "Issuer"), municipal corporation and political subdivision of the State of Texas, and UMB Bank, N.A., a banking corporation duly organized and existing under the laws of the United States of America (the "Bank").

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its Utility System Revenue Bond (City of Pflugerville Master Program – Water and Wastewater CIP Tranche 1), Series 2024 in a principal amount of \$156,528,628 (the "Obligations"), such Obligations to be issued in fully registered form only as to the payment of principal and interest thereon; and

WHEREAS, the Obligations are scheduled to be delivered to the initial purchaser thereof on or about October 15, 2024; and

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of, premium, if any, and interest on the Obligations and with respect to the registration, transfer and exchange thereof by the registered owners thereof; and

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Obligations;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01. Appointment.

The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Obligations. As Paying Agent for the Obligations, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Obligations as the same become due and payable to the registered owners thereof, all in accordance with this Agreement and the "Ordinance" (hereinafter defined).

The Issuer hereby appoints the Bank as Registrar with respect to the Obligations. As Registrar for the Obligations, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of the Obligations and with respect to the transfer and exchange thereof as provided herein and in the "Ordinance."

The Bank hereby accepts its appointment and agrees to serve as the Paying Agent and Registrar for the Obligations.

Section 1.02. Compensation.

As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Schedule A attached hereto for the first year of this Agreement and thereafter the fees and amounts set forth in the Bank's current fee schedule then in effect for services as Paying Agent/Registrar for political subdivisions, which shall be supplied to the Issuer on or before 90 days prior to the close of the Fiscal Year of the Issuer, and shall be effective upon the first day of the following Fiscal Year.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

**ARTICLE TWO
DEFINITIONS**

Section 2.01. Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

"Bank Office" means the designated office for payment of the Bank as indicated in Section 6.03 hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

"Fiscal Year" means the fiscal year of the Issuer, ending September 30.

"Holder" means the Person in whose name an Obligation is registered in the Security Register.

"Legal Holiday" means a day on which the Bank is required or authorized to be closed.

"Ordinance" means the orders, ordinances or resolutions of the governing body of the Issuer pursuant to which the Obligations are issued, certified by the City Secretary of the Issuer or any other officer of the Issuer and delivered to the Bank.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

"Predecessor Obligations" of any particular Obligation means every previous Obligation evidencing all or a portion of the same obligation as that evidenced by such particular Obligation (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Obligation for which a replacement Obligation has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Ordinance).

"Responsible Officer" when used with respect to the Bank means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to any particular matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Security Register" means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfer of the Obligations.

"Stated Maturity" means the date specified in the Ordinance on which the principal of an Obligation is scheduled to be due and payable.

Section 2.02. Other Definitions.

The terms "Bank," "Issuer," and "Obligations (Obligation)" have the meanings assigned to them in the recital paragraphs of this Agreement.

The term "Paying Agent/Registrar" refers to the Bank in the performance of the duties and functions of this Agreement.

Any other terms not defined herein, shall have the meaning given to them in the Ordinance, unless the context otherwise requires.

ARTICLE THREE PAYING AGENT

Section 3.01. Duties of Paying Agent.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the principal of each Obligation at its Stated Maturity or Redemption Date to the Holder upon surrender of the Obligation to the Bank at the Bank Office.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Obligation when due, by computing the amount of interest to be paid each Holder and preparing and sending checks by United States Mail, first-class postage prepaid, on each payment date, to the Holders of the Obligations (or their Predecessor Obligations) on the respective Record Date, to the address appearing on the Obligation Register or by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder's risk and expense.

Section 3.02. Payment Dates.

The Issuer hereby instructs the Bank to pay the principal of and interest on the Obligations on the dates specified in the Ordinance.

Section 3.03. Reporting Requirements.

To the extent required by the Internal Revenue Code of 1986, as amended, or the Treasury Regulations, the Bank shall report to or cause to be reported to the Holders and the Internal Revenue Service the amount of interest paid or the amount treated as interest accrued on the Obligations which is required to be reported by the Holders on their returns of federal income tax.

**ARTICLE FOUR
REGISTRAR**

Section 4.01. Security Register - Transfers and Exchanges.

The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the "Security Register"), and, if the Bank Office is located outside the State of Texas, a copy of such books and records shall be kept in the State of Texas, for recording the names and addresses of the Holders of the Obligations, the transfer, exchange and replacement of the Obligations and the payment of the principal of and interest on the Obligations to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. The Bank also agrees to keep a copy of the Security Register within the State of Texas. All transfers, exchanges and replacement of Obligations shall be noted in the Security Register.

Every Obligation surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the Financial Industry Regulatory Authority, in form satisfactory to the Bank, duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer or exchange of the Obligations.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Obligations, the exchange or transfer by the Holders thereof will be completed and new Obligations delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Obligations to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02. Form of Security Register.

The Bank, as Registrar, will maintain the Security Register relating to the registration,

payment, transfer and exchange of the Obligations in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.03. List of Holders.

The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order or other notice of a legal proceeding and prior to the release or disclosure of any of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the same or such release or disclosure of the contents of the Security Register.

Section 4.04. Return of Cancelled Certificates.

The Bank will, at such reasonable intervals as it determines, surrender to the Issuer, Obligations in lieu of which or in exchange for which other Obligations have been issued, or which have been paid.

Section 4.05. Mutilated, Destroyed, Lost or Stolen Obligations.

The Issuer hereby instructs the Bank, subject to the applicable provisions of the Ordinance, to deliver and issue Obligations certificates in exchange for or in lieu of mutilated, destroyed, lost, or stolen Obligations certificates.

In case any Obligation shall be mutilated, or destroyed, lost or stolen, the Bank, in its discretion, may execute and deliver a replacement Obligation of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Obligation, or in lieu of and in substitution for such destroyed lost or stolen Obligation, only after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss or theft of such Obligation, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Obligation shall be borne by the Holder of the Obligation mutilated, or destroyed, lost or stolen.

Section 4.06. Transaction Information to Issuer.

The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Obligations certificates it has paid pursuant to Section 3.01, Obligations certificates it has delivered upon the transfer or exchange of any Obligations certificates pursuant to Section 4.01, and Obligations certificates it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Obligations certificates pursuant to Section 4.06.

**ARTICLE FIVE
THE BANK**

Section 5.01. Duties of Bank.

The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Obligations in the manner disclosed in the closing memorandum approved by the Issuer as prepared by the Issuer's financial advisor or other agent. The Bank may act on a facsimile transmission of the closing memorandum to be followed by an original of the closing memorandum signed by the financial advisor or the Issuer.

Section 5.02. Reliance on Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank by the Issuer.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proven that the Bank was grossly negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Obligations, but is protected in acting upon receipt of Obligations certificates containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution,

certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document supplied by the Issuer.

(e) The Bank may consult with legal counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon, provided that any such written advice or opinion is supplied to the Issuer by the Bank.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

Section 5.03. Recitals of Issuer.

The recitals contained herein with respect to the Issuer and in the Obligations shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Obligation, or any other Person for any amount due on any Obligation from its own funds.

Section 5.04. May Hold Obligations.

The Bank, in its individual or any other capacity, may become the owner or pledgee of Obligations and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05. Moneys Held by Bank.

If the Bank is not the sole holder of all of the Obligations, the Bank shall deposit any moneys received from the Issuer into a segregated account to be held by the Bank solely for the benefit of the owners of the Obligations to be used solely for the payment of the Obligations, with such moneys in the account that exceed the deposit insurance available to the Issuer by the Federal Deposit Insurance Corporation, to be fully collateralized with Obligations or obligations that are eligible under the laws of the State of Texas to secure and be pledged as collateral for such accounts until the principal and interest on such Obligations have been presented for payment and paid to the owner thereof. Payments made from such account shall be made by check drawn on such account unless the owner of such Obligations shall, at its own expense and risk, request such other medium of payment.

Subject to the Unclaimed Property Law of the State of Texas, any money deposited with the Bank for the payment of the principal, premium (if any), or interest on any Obligation and remaining unclaimed for three years after the final maturity of the Obligation has become due and payable will be paid by the Bank to the Issuer if the Issuer so elects, and the Holder of such Obligation shall hereafter look only to the Issuer for payment thereof, and all liability of the Bank with respect to such monies shall thereupon cease. If the Issuer does not elect, the Bank is directed to report and dispose of the funds in compliance with Title Six of the Texas Property Code, as amended.

Section 5.06. Indemnification.

To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on the Bank's part, arising out of or in connection with the Bank's acceptance or administration of its duties hereunder, including the cost and expense incurred by the Bank in defending against any claim or from liability imposed on the Bank in connection with the Bank's exercise or performance of any of its powers or duties under this Agreement.

Section 5.07. Interpleader.

The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the State of Texas and County where either the Bank Office or the administrative offices of the Issuer are located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

**ARTICLE SIX
MISCELLANEOUS PROVISIONS**

Section 6.01. Amendment.

This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02. Assignment.

This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03. Notices.

Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses set forth below:

Issuer

City of Pflugerville, Texas
100 East Main Street
Pflugerville, Texas 78691
Attn: Chief Financial Officer

Paying Agent/Registrar

UMB Bank, N.A.
Corporate Trust and Escrow Group
6034 West Courtyard Drive, Suite 370
Austin, Texas 78730

Attn: Corporate Trust and Escrow Group

Section 6.04. Effect of Headings.

The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 6.05. Successors and Assigns.

All covenants and agreements herein by the Issuer and the Bank shall bind their respective successors and assigns, whether so expressed or not.

Section 6.06. Severability.

In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07. Benefits of Agreement.

Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.08. Entire Agreement.

This Agreement and the Ordinance constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Ordinance, the Ordinance shall govern.

Section 6.09. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.10. Termination.

This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Obligations to the Holders thereof or (ii) may be earlier terminated by either party upon thirty (30) days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer

and such appointment accepted and (b) notice has been given to the Holders of the Obligations of the appointment of a successor Paying Agent/Registrar. Furthermore, the Bank and Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Obligations.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with other pertinent books and records relating to the Obligations, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02, 5.02, 5.03 and 5.06 of this Agreement shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.11. Governing Law.

This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

Section 6.12. Verifications of Statutory Representations and Covenants.

The Bank makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Bank within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

(a) Not a Sanctioned Company. The Bank represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Bank and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Bank hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Bank hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade

association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Bank hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.


Section 6.13. Interested Parties Form Exemption.

The Bank represents and warrants that it is exempt from the requirements of Section 2252.908 of the Texas Government Code, as amended, pursuant to subsection (c)(4) thereof, and, accordingly, the Bank is not required to file a Certificate of Interested Parties Form 1295 otherwise prescribed thereunder.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

UMB BANK, N.A.

By: 
Title: Vice President

Mailing Address:

UMB Bank, N.A.
Corporate Trust and Escrow Group
6034 West Courtyard Drive, Suite 370
Austin, Texas 78730

CITY OF PFLUGERVILLE, TEXAS

By _____

Mayor

100 East Main Street
Pflugerville, Texas 78691

SCHEDULE A

Paying Agent/Registrar Fee Schedule



FEEES AND EXPENSES

FOR:

**City of Pflugerville, Texas
Master Program – Water and Wastewater CIP Tranche I
Series 2024**

Fees for services are as follows:

Acceptance Fee:	WAIVED
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A one-time fee payable at closing to cover the review of governing documents, communication with financing team, set-up of account records and customary duties and responsibilities relating to the closing.

Annual Paying Agent/Registrar Fee:	\$400.00
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Annual fee to cover the duties and responsibilities of the Paying Agent/Registrar related to the administration of the transaction including the maintenance of account records on various systems, the monitoring of required compliance items, payment of debt services and all routine duties as contemplated by the governing documents.

- First year annual fee is payable in advance on the closing date and annually thereafter until termination.
- A \$300 fee will be billed for Optional Redemptions at the time of service.

Transactional Fees:	\$400 Per Installment Drawdown
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Extraordinary Services/ Miscellaneous Fees:
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The fees, charges and expenses specified herein are for the typical and customary services as Bond Registrar and Paying Agent. UMB may also charge for typical out-of-pocket expenses and other expenses connected with paying agent and registrar services for bond issues of similar size and type such as: postage, supplies, bond redemptions, courier and wire transfer charges. Fees for additional or extraordinary services not now part of the customary services provided, such as special services during defaults, additional government reporting requirements, or document amendments will be charged at the then current rates for such services. Extraordinary expenses, such as legal fees and travel expenses, shall be invoiced to the client based upon the actual out of pocket cost to the Agent/Trustee. UMB reserves the right to renegotiate its current fee schedule to correspond with changing economic conditions, inflation, and changing requirements relating to the day to day service delivery. Final acceptance of the appointment is subject to approval of authorized officers of UMB Bank, N.A. and full review and execution of all documentation related hereto. Fees paid in advance are not subject to proration. Execution of the governing documents constitutes agreement to the fee schedule noted above.

EXHIBIT E
WIFIA MASTER AGREEMENT

**UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY**

WIFIA MASTER AGREEMENT

With

CITY OF PFLUGERVILLE, TEXAS

For the

**CITY OF PFLUGERVILLE MASTER PROGRAM –
WATER AND WASTEWATER CIP**

Dated as of October 15, 2024

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WIFIA MASTER AGREEMENT

THIS WIFIA MASTER AGREEMENT (this “**Agreement**”), dated as of October 15, 2024, is by and between the **CITY OF PFLUGERVILLE, TEXAS**, a municipal body politic and corporate created under the laws of the State of Texas (the “**State**”), with an address at 100 E. Main Street, Pflugerville, TX 78660 (the “**Borrower**”), and the **UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**, an agency of the United States of America, acting by and through the Administrator of the Environmental Protection Agency (the “**Administrator**”), with an address at 1200 Pennsylvania Avenue NW, Washington, DC 20460 (the “**WIFIA Lender**”).

RECITALS:

WHEREAS, the Congress of the United States of America enacted the Water Infrastructure Finance and Innovation Act, as amended by Section 1445 of the Fixing America’s Surface Transportation Act of 2015, as further amended by Section 5008 of the Water Infrastructure Improvements For the Nation Act of 2016 and by Section 4201 of America’s Water Infrastructure Act of 2018, (collectively, as the same may be amended from time to time, the “**Act**” or “**WIFIA**”), which is codified as 33 U.S.C. §§ 3901-3915;

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

WHEREAS, pursuant to the Application (as defined herein), the Borrower has proposed the development and construction of multiple Projects (as defined herein) with respect to the Master Program (as defined herein), and desires to obtain WIFIA financial assistance for each Project;

WHEREAS, the Borrower and the WIFIA Lender are entering into this Agreement to set forth certain common terms and conditions applicable to each prospective WIFIA financing;

WHEREAS, the Borrower may request, from time to time, that the WIFIA Lender make a WIFIA Loan (as defined herein) to be used to pay a portion of the Eligible Project Costs (as defined herein) for a Project in accordance with the terms and conditions set forth herein and in the associated WIFIA Loan Agreement (as defined herein);

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

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

NOW, THEREFORE, the premises being as stated above, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged to be adequate, and intending

to be legally bound hereby, it is hereby mutually agreed by and between the Borrower and the WIFIA Lender as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1. Definitions.

Unless the context otherwise requires, capitalized terms used in this Agreement shall have the meanings set forth below in this Section 1 or as otherwise defined in this Agreement. Any term used in this Agreement that is defined by reference to any other agreement shall continue to have the meaning specified in such agreement, whether or not such agreement remains in effect.

“**Act**” means the Act as defined in the recitals hereto.

“**Additional Construction Contracts**” means, for each Project, each Construction Contract entered into after the applicable WIFIA Loan Agreement Effective Date for the applicable WIFIA Loan.

“**Additional Debt**” means Additional Parity Debt and Additional Subordinated Debt.

“**Additional Parity Debt**” means any Parity Debt permitted under Section 15(a) (*Negative Covenants – Indebtedness*) and under the Master Ordinance, which Parity Debt is issued or incurred on or after the Effective Date.

“**Additional Parity Debt Project Obligations**” means any Parity Debt of the Borrower issued or incurred on or after the Effective Date to fund any portion of Total Project Costs.

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

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

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

“**Anticipated WIFIA Loan Disbursement Schedule**” has, for each WIFIA Loan, the meaning provided in Section 1 (*Definitions*) of the corresponding WIFIA Loan Agreement.

“**Application**” means the Borrower’s application for WIFIA financial assistance received by the WIFIA Lender on November 9, 2023 and deemed complete on December 4, 2023.

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

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

“Base Case Financial Model” means a financial model prepared by the Borrower forecasting the capital costs of the Utility System (including the Master Program) and the rates, revenues, operating expenses and major maintenance requirements of the Utility System for the time periods through the Final Maturity Date of the last outstanding WIFIA Loan and based upon assumptions and methodology provided by the Borrower and acceptable to the WIFIA Lender as of the applicable WIFIA Loan Agreement Effective Date, which model shall be provided to the WIFIA Lender as a fully functional Microsoft Excel – based financial model or such other format requested by the WIFIA Lender.

“Bondholder” means (i) when used with respect to a WIFIA Bond, the WIFIA Lender (and any subsequent holder of such WIFIA Bond), (ii) when used with respect to any other Parity Debt, the registered owner of such Parity Debt, and (iii) when used with respect to any Subordinated Debt, the registered owner of such Subordinated Debt.

“Bond Proceeds Account” has the meaning provided in Section 3(d) of the Master Ordinance.

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

“**Borrower Fiscal Year**” means (a) as of the Effective Date, a fiscal year of the Borrower commencing on October 1 of any calendar year and ending on September 30 of the immediately succeeding calendar year or (b) such other fiscal year as the Borrower may hereafter adopt after giving thirty (30) days’ prior written notice to the WIFIA Lender in accordance with Section 15(f) (*Negative Covenants – Fiscal Year*).

“**Borrower’s Authorized Representative**” means any Person who shall be designated as such pursuant to Section 22 (*Borrower’s Authorized Representative*).

“**Business Day**” means any day other than a Saturday, a Sunday or a day on which offices of the Government or the State are authorized to be closed or on which commercial banks are authorized or required by law, regulation or executive order to be closed in New York, New York, or Pflugerville, Texas or the city and state in which the principal office of the Paying Agent/Registrar is located as provided in writing by the Paying Agent/Registrar to the Borrower from time to time as provided in the Paying Agent/Registrar Agreement.

“**City Council**” means the City Council of the City of Pflugerville, Texas.

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

“**Code**” means the Internal Revenue Code of 1986, or any successor tax code, as amended from time to time, and the applicable regulations proposed or promulgated thereunder.

“**Congress**” means the Congress of the United States of America.

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

“**Construction Contractor**” means any Person (other than the Borrower) party to a Construction Contract.

“**Construction Period**” means, with respect to each WIFIA Loan Agreement, the period from the applicable WIFIA Loan Agreement Effective Date through the applicable Substantial Completion Date.

“**Construction Period Servicing Fee**” has the meaning set forth in Section 10(a)(ii) (*Fees and Expenses – Fees*), and, for each WIFIA Loan, shall be in the amount specified in Section 10(a)(ii) (*Fees and Expenses*) of the corresponding WIFIA Loan Agreement and paid in accordance with Section 10 (*Fees and Expenses*) hereof.

“**Construction Schedule**” means (a) the initial schedule or schedules on which the construction timetables for the applicable Project are set forth, attached as **Schedule II** (*Construction Schedule*) of each WIFIA Loan Agreement, and (b) any updates thereto included in the periodic reports submitted to the WIFIA Lender pursuant to Section 16(d) (*Reporting Requirements – Construction Reporting*) most recently approved by the WIFIA Lender.

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

“**Credit Agreement**” has the meaning provided in the Master Ordinance.

“**Debt**” means all indebtedness of the Borrower payable from all or part of the Security that is also:

(1) indebtedness incurred or assumed by the Borrower for borrowed money (including all obligations arising under Credit Agreements) and all other financial obligations of the Borrower that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet;

(2) all other indebtedness (other than indebtedness otherwise treated as Debt hereunder) for borrowed money or for the acquisition, construction, or improvement of property or capitalized lease obligations that is guaranteed, directly or indirectly, in any manner by the Borrower, or that is in effect guaranteed, directly or indirectly, by the Borrower through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise; and

(3) all indebtedness secured by any mortgage, lien, charge, encumbrance, pledge, or other security interest upon property owned by the Borrower whether or not the Borrower has assumed or become liable for the payment thereof.

For the purpose of determining the “Debt” of the Borrower, only outstanding Debt shall be included. No item shall be considered Debt unless such item constitutes indebtedness under generally accepted accounting principles applied on a basis consistent with the financial statements of the Borrower in prior Borrower Fiscal Years.

“**Debt Service Payment Commencement Date**” has, for each WIFIA Loan, the meaning provided in Section 1 (*Definitions*) of the corresponding WIFIA Loan Agreement.

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

“**Default Rate**” means, with respect to each WIFIA Loan, an interest rate equal to the sum of (a) the corresponding WIFIA Interest Rate plus (b) two hundred (200) basis points.

“Development Default” means, with respect to any Project, (a) the Borrower abandons work or fails, in the reasonable judgment of the WIFIA Lender, to diligently prosecute the work related to such Project or (b) the Borrower fails to achieve Substantial Completion of such Project by the applicable Development Default Date.

“Development Default Date” has, for each Project, the meaning provided in Section 1 (*Definitions*) of the corresponding WIFIA Loan Agreement and shall be the calendar date that, as of the applicable WIFIA Loan Agreement Effective Date for the applicable WIFIA Loan, is twenty-four (24) months following the Projected Substantial Completion Date set forth in such WIFIA Loan Agreement.

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

“Disbursement Date” means, for each WIFIA Loan, any date on which the WIFIA Lender makes a Disbursement pursuant to Section 4 (*Disbursement Conditions*) hereof and the corresponding WIFIA Loan Agreement.

“Dollars” and **“\$”** means the lawful currency of the United States of America.

“Effective Date” means the date of this Agreement as provided on the cover page.

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

- (a) development-phase activities, including planning, feasibility analysis (including any related analysis necessary to carry out an eligible project), revenue forecasting, environmental review, permitting, preliminary engineering and design work and other preconstruction activities;
- (b) construction, reconstruction, rehabilitation, and replacement activities;
- (c) the acquisition of real property or an interest in real property (including water rights, land relating to the Project and improvements to land), environmental mitigation (including acquisitions pursuant to Section 3905(8) of Title 33 of the United States Code), construction contingencies, and acquisition of equipment; or
- (d) capitalized interest (with respect to Debt other than the WIFIA Loan) necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses, and other carrying costs during construction;

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

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

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

“**Enabling Act**” has the meaning provided in the Master Ordinance.

“**Environmental Laws**” means collectively all laws applicable to the Utility System (including the Project) relating to (i) air emissions, (ii) discharges to surface water or ground water, (iii) noise emissions, (iv) solid or liquid waste disposal, (v) the use, generation, storage, transportation or disposal of toxic or hazardous substances or wastes, (vi) biological resources (such as threatened and endangered species), and (vii) other environmental, health or safety matters, including all laws applicable to the Utility System (including the Project).

“**EPA**” means the United States Environmental Protection Agency.

“**Event of Default**” means any Master Program Event of Default and Project Event of Default as further described in Section 17(a) (*Master Program Events of Default and Remedies*) and Section 18(a) (*Project Events of Default and Remedies*).

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

“**Existing Construction Contract**” means, with respect to each Project, each Construction Contract existing as of the applicable WIFIA Loan Agreement Effective Date for the applicable WIFIA Loan, as set forth in Part A of **Schedule 12(o)** (*Existing Construction Contracts*) to the corresponding WIFIA Loan Agreement.

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

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

“**Final Disbursement Date**” means, with respect to each WIFIA Loan, the earliest of (a) the date on which such WIFIA Loan has been disbursed in full; (b) the last anticipated date of

disbursement set forth in the then-current Anticipated WIFIA Loan Disbursement Schedule; (c) the date on which the Borrower has certified to the WIFIA Lender that it will not request any further Disbursements under such WIFIA Loan; (d) the date on which the WIFIA Lender terminates its obligations relating to disbursements of any undisbursed amounts of such WIFIA Loan in accordance with Section 17 (*Master Program Events of Default and Remedies*) or Section 18 (*Project Events of Default and Remedies*); and (e) the date that is one (1) year after the Substantial Completion Date of the Project relating to such WIFIA Loan.

“**Final Maturity Date**” has, for each WIFIA Loan, the meaning provided in Section 1 (Definitions) of the corresponding WIFIA Loan Agreement. In no event shall the Final Maturity Date for any WIFIA Loan extend beyond the longest maturity date permitted by the Act or by State law, including specifically Chapter 1502, Texas Government Code, as amended.

“**Financial Statements**” has the meaning provided in Section 12(t) (*Representations and Warranties of Borrower – Financial Statements*).

“**Financing Program**” means the “City of Pflugerville, Texas Utility System Revenue Financing Program”, of which each WIFIA Loan is a part.

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

“**Government**” means the United States of America and its departments and agencies.

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

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

“**Gross Revenues**” has the meaning provided in the Master Ordinance, which definition is hereby incorporated herein and such definition, as of the Effective Date, is set forth in **Schedule IV** (*Defined Terms from Master Ordinance*).

“**Indemnitee**” has the meaning provided in Section 33 (*Indemnification*).

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

“**Interest Payment Date**” means each February 1 and August 1, commencing on the Debt Service Payment Commencement Date for the applicable WIFIA Loan.

“**Interest and Sinking Account**” has the meaning provided in Section 3(c) of the Master Ordinance.

“**Investment Grade Rating**” means a public rating no lower than ‘BBB-’, ‘Baa3’, ‘bbb-’, ‘BBB (low)’, or higher, from a Nationally Recognized Rating Agency.

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

“**Loan Amortization Schedule**” has, for each WIFIA Loan, the meaning provided in Section 1 (*Definitions*) of the corresponding WIFIA Loan Agreement.

“**Maintenance and Operating Expenses**” has the meaning provided in the Master Ordinance, which definition is hereby incorporated herein and such definition, as of the Effective Date, is set forth in **Schedule IV** (*Defined Terms from Master Ordinance*).

“**Master Availability Period**” means the period from the Effective Date until the date that is five (5) years following the Effective Date.

“**Master Ordinance**” means Ordinance No. 1512-21-09-14 adopted by the City Council on September 14, 2021, establishing a master financing program under which Parity Debt of the Financing Program can be incurred, as amended from time to time, including as amended by each WIFIA Supplement, as the foregoing may be further supplemented or amended from time to time as authorized by the Borrower and the Master Ordinance; provided that if the consent of the WIFIA Lender is required under this Agreement as a condition of such amendment, only if such approval has been granted.

“**Master Program**” means the Borrower’s anticipated improvements to the Utility System through the development and construction of each Project, which shall be within the scope described in **Part A of Schedule I** (*Master Program*) and specifically defined in the corresponding WIFIA Loan Agreement.

“**Master Program Amount**” means \$438,202,066.

“**Master Program Budget**” means the total estimated aggregate budget for each Project attached to this Agreement as **Part A of Schedule I** (*Master Program*), as updated from time to time to reflect updated Project Budgets as provided in Section 11(b)(vi) (*Conditions Precedent – Conditions Precedent to Effectiveness of Each WIFIA Loan Agreement*), or as otherwise amended from time to time with approval of the WIFIA Lender in its sole discretion.

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

“**Material Adverse Effect**” means a material adverse effect on (a) the Utility System, the Projects or the Gross Revenues, (b) the business, operations, properties, condition (financial or otherwise) or prospects of the Borrower relating to the Utility System, (c) the legality, validity or enforceability of any material provision of any Ordinance Document or WIFIA Loan Document, (d) the ability of the Borrower to enter into, perform or comply with any of its material obligations under any Ordinance Document or WIFIA Loan Document, (e) the validity, enforceability or priority of the Liens provided under the Ordinance Documents on the Security in favor of the Parity Debt Bondholders or (f) the WIFIA Lender’s rights or remedies available under any WIFIA Loan Document.

“**Maximum Principal Amount**” means, for each WIFIA Loan, the maximum amount of Disbursements that may be made by the WIFIA Lender with respect to such WIFIA Loan, as specified in the corresponding WIFIA Loan Agreement.

“**Nationally Recognized Rating Agency**” means any nationally recognized statistical rating organization identified as such by the Securities and Exchange Commission.

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

“**NEPA Determination**” means, with respect to each Project, the final NEPA decision issued for such Project issued by the EPA in accordance with NEPA, as further described in each WIFIA Loan Agreement.

“**Net Revenues**” has the meaning provided in the Master Ordinance, which definition is hereby incorporated herein and such definition, as of the Effective Date, is set forth in **Schedule IV** (*Defined Terms from Master Ordinance*).

“**Operating Period Servicing Fee**” has the meaning set forth in Section 10(a)(iii) (*Fees and Expenses – Fees*).

“**Ordinance Documents**” means the Master Ordinance, each Supplement, including the WIFIA Supplements and each other agreement, instrument and document executed and delivered pursuant to or in connection with any of the foregoing.

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

“Outstanding” means: (a) with respect to Parity Debt (other than any WIFIA Bond), Parity Debt that has not been cancelled or legally defeased or discharged pursuant to the Master Ordinance and the applicable Supplement, (b) with respect to Subordinated Debt, Subordinated Debt has not been cancelled or legally defeased or discharged pursuant to the instrument evidencing or authorizing such Subordinated Debt, and (c) with respect to any WIFIA Loan and the corresponding WIFIA Bond, the (i) entire amount available to be drawn under the corresponding WIFIA Loan Agreement (including amounts drawn and amounts that remain available to be drawn), less (ii) any amount that has been irrevocably determined will not be drawn under such WIFIA Loan Agreement, less (iii) the aggregate principal amount of the corresponding WIFIA Bond that has been repaid.

“Outstanding WIFIA Loan Balance” means, with respect to each WIFIA Loan, the sum of (i) the aggregate principal amount of such WIFIA Loan drawn by the Borrower minus (ii) the aggregate principal amount of such WIFIA Loan repaid by the Borrower, as determined in accordance with Section 8(e) (*Payment of Principal and Interest – Adjustments to Loan Amortization Schedule*).

“Parity Debt” means all Debt of the Borrower permitted under Section 15(a) (*Negative Covenants – Indebtedness*) which may be issued or assumed in accordance with the terms of the Master Ordinance and a Supplement, secured by a lien on and pledge of the Security, and that ranks *pari passu* in right of payment and right of security with each WIFIA Bond.

“Paying Agent/Registrar” means, collectively, for each WIFIA Bond, the paying agent/registrar and any successor thereto appointed by the City pursuant to each WIFIA Supplement.

“Paying Agent/Registrar Agreement” means, collectively, for each WIFIA Loan and WIFIA Bond, the paying agent/registrar agreement, by and between the Borrower and the Paying Agent/Registrar.

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

“Payment Default” has the meaning provided in Section 17(a)(i) (*Master Program Events of Default and Remedies – Payment Default*).

“Payment Period” means, with respect to each WIFIA Loan, (i) the period beginning on the date the first Requisition of funds under the corresponding WIFIA Loan Agreement for such WIFIA Loan is received by the Borrower and ending on the day immediately preceding the following Interest Payment Date for such WIFIA Loan, and each succeeding six (6) month period beginning on a February 1 and ending on the following July 31, and beginning on an August 1 and ending on the following January 31, as applicable.

“Permitted Debt” means:

- (a) Existing Indebtedness;
- (b) the WIFIA Bonds and any additional payments authorized under this Agreement and each WIFIA Loan Agreement;

(c) Additional Parity Debt issued or incurred in accordance with all requirements and conditions set forth in Section 7 of the Master Ordinance; and

(d) Additional Subordinated Debt issued or incurred in accordance with all requirements and conditions set forth in Section 7 of the Master Ordinance.

“Permitted Liens” means:

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

(b) Liens imposed on all or part of the Security, pursuant to the Master Ordinance;

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

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

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

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

(g) judgment Liens in respect of judgments that do not constitute an Event of Default under Section 17(a)(v) (*Master Program Events of Default and Remedies – Material Adverse Judgment*); and

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

“Person” means and includes an individual, a general or limited partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization, and any Governmental Authority.

“Pledged Revenues” has the meaning provided in the Master Ordinance, which definition is hereby incorporated herein and such definition, as of the Effective Date, is set forth in **Schedule IV** (*Defined Terms from Master Ordinance*).

“**Principal Payment Date**” has, for each WIFIA Loan, the meaning provided in Section 1 (*Definitions*) of the corresponding WIFIA Loan Agreement.

“**Project**” has, for each WIFIA Loan Agreement, the meaning provided in Section 1 (*Definitions*) of such WIFIA Loan Agreement.

“**Project Budget**” has, for each WIFIA Loan Agreement, the meaning provided in Section 1 (*Definitions*) of such WIFIA Loan Agreement.

“**Project Closing Certificate**” has the meaning provided in Section 11(b)(vii) (*Conditions Precedent – Conditions Precedent to Effectiveness of Each WIFIA Loan Agreement*).

“**Project Event of Default**” has the meaning provided in Section 18 (*Project Events of Default and Remedies*).

“**Project Obligations**” means any indebtedness of the Borrower issued or incurred to fund any portion of Total Project Costs.

“**Projected Substantial Completion Date**” has, for each WIFIA Loan Agreement, the meaning provided in Section 1 (*Definitions*) of such WIFIA Loan Agreement.

“**Public Benefits Report**” means the report, in the form attached hereto as **Exhibit E** (*Form of Public Benefits Report*), with respect to a Project.

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

“**Rate Covenant**” has the meaning set forth in Section 14(a) (*Affirmative Covenants – Rate Covenant*).

“**Related Documents**” means the Ordinance Documents and the WIFIA Loan Documents.

“**Requisition**” has the meaning provided in Section 4(a) (*Disbursement Conditions*).

“**Reserve Account**” means a reserve account established pursuant to the Master Ordinance and Supplement.

“**Revenue Account**” has the meaning provided in the Master Ordinance.

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

“**Security**” has the meaning provided in the Master Ordinance and the WIFIA Supplements, subject to the provisions of Section 1.02(c) of the WIFIA Supplements, which definition is hereby incorporated herein and such definition, as of the Effective Date, is set forth in **Schedule IV** (*Defined Terms from Master Ordinance*).

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

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

“**Servicing Set-Up Fee**” has the meaning set forth in Section 10(a)(i) (*Fees and Expenses – Fees*) and, for each WIFIA Loan, shall be in the amount provided in Section 10(a)(i) (*Fees and Expenses*), of the corresponding WIFIA Loan Agreement and paid in accordance with Section 10 (*Fees and Expenses*) hereof.

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

“**Subject to Appropriation Obligation**” means any obligation under this Agreement which is expressly subject to annual appropriation pursuant to the terms of this Agreement.

“**Subordinated Debt**” means any Debt that expressly provides that all payments thereon shall be subordinated to the timely payment of all Parity Debt then outstanding or subsequently issued.

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

“**Substantial Completion Date**” means, with respect to each Project, the date on which the Borrower certifies to the WIFIA Lender, with evidence satisfactory to the WIFIA Lender, that Substantial Completion for such Project has occurred.

“**Supplement**” means a resolution supplemental to, and authorized and executed pursuant to the terms of, the Master Ordinance as may be supplemented or amended from time to time as authorized by the Borrower and such Supplement.

“**System Account**” has the meaning assigned to that term in Section 3(b) of the Master Ordinance.

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

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

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

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

“**Utility System**” has the meaning provided in the Master Ordinance, which definition is hereby incorporated herein and such definition, as of the Effective Date, is set forth in **Schedule IV** (*Defined Terms from Master Ordinance*).

“**Utility System Accounts**” means all funds, accounts and subaccounts holding Gross Revenues or Net Revenues, including the System Account and the Interest and Sinking Account and such additional funds, accounts or subaccounts that may be established in connection with the Utility System for Gross Revenues or Net Revenues.

“**Weighted Average Life**” means, with respect to each WIFIA Loan, as of any date, the number of years (rounded to the nearest one-twelfth) obtained by dividing: (a) the product obtained by multiplying (i) the amount of such WIFIA Loan principal payable as of each Principal Payment Date by (ii) the number of years that will elapse between such date and the making of such payment of principal; by (b) the applicable Outstanding WIFIA Loan Balance for such WIFIA Loan as of such date.

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

“**WIFIA Bond**” means, for each WIFIA Loan, the Bond delivered by the Borrower in substantially the form of **Exhibit A** (*Form of WIFIA Bond*) and issued pursuant to the applicable WIFIA Supplement and corresponding WIFIA Loan Agreement. Each WIFIA Bond shall be Parity Debt under the Master Ordinance.

“**WIFIA CUSIP Number**” has the meaning provided in Section 11(b)(vii)(7) (*Conditions Precedent – Conditions Precedent to Effectiveness of Each WIFIA Loan Agreement*).

“**WIFIA Debt Service**” means, with respect to each WIFIA Loan (and the corresponding WIFIA Bond), for any Payment Date occurring on or after the Debt Service Payment

Commencement Date for such WIFIA Loan (and the corresponding WIFIA Bond), the principal portion of the Outstanding WIFIA Loan Balance and any interest payable thereon (including interest accruing after the date of any filing by the Borrower of any petition in bankruptcy or the commencement of any bankruptcy, insolvency or similar proceeding with respect to the Borrower), in each case, (a) as set forth on **Exhibit A** (*WIFIA Debt Service*) to the corresponding WIFIA Loan Agreement and (b) due and payable on such Payment Date in accordance with the provisions of Section 8(a) (*Payment of Principal and Interest – Payment of WIFIA Debt Service*).

“**WIFIA Interest Rate**” means, for each WIFIA Loan (and the corresponding WIFIA Bond), the rate specified in Section 6 (*Interest Rate*) of the corresponding WIFIA Loan Agreement, which shall be computed in accordance with Section 6 (*Interest Rate*) hereof.

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

“**WIFIA Lender’s Authorized Representative**” means the Administrator and any other Person who shall be designated as such pursuant to Section 23 (*WIFIA Lender’s Authorized Representative*).

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

“**WIFIA Loan Agreement**” means a loan agreement substantially in the form attached hereto as Exhibit K (Form of WIFIA Loan Agreement) entered into by and between the Borrower and the WIFIA Lender in respect of the applicable Project, and each of the WIFIA Loan Agreements in effect are referred to herein collectively as the “**WIFIA Loan Agreements**.”

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

“**WIFIA Loan Documents**” means this Agreement, the WIFIA Loan Agreements, the WIFIA Bonds, the WIFIA Supplements, and the other Ordinance Documents.

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

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

“**WIFIA Supplement**” means, collectively, (a) Ordinance No. 1635-24-10-08, enacted by the City Council on October 8, 2024, authorizing the execution and delivery of this Agreement, the execution and delivery of the initial WIFIA Loan Agreement, the issuance of the initial WIFIA Bond, and certain related actions by the Borrower in connection therewith, and (b) for each subsequent WIFIA Loan and subsequent WIFIA Bond issued after the initial WIFIA Loan and initial WIFIA Bond, an ordinance substantially in the form attached hereto as **Exhibit L** (*Form of WIFIA Supplement*) enacted by the City Council authorizing the execution and delivery of a WIFIA Loan Agreement, the issuance of such WIFIA Bond, confirming the incorporation by

reference of the terms of this Agreement into such WIFIA Loan Agreement and certain related actions by the Borrower in connection with the issuance of such WIFIA Loan.

Section 2. Interpretation.

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

(b) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders and vice versa.

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

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

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

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

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

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

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

(j) Every request, order, demand, application, appointment, notice, statement, certificate, consent or similar communication or action hereunder by any party shall, unless otherwise specifically provided, be delivered in writing in accordance with Section 32 (Notices) and signed by a duly authorized representative of such party.

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

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

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

ARTICLE II

THE WIFIA LOAN

Section 3. WIFIA Loans for the Master Program.

(a) Subject to the terms and conditions set forth in this Agreement and, with respect to each WIFIA Loan requested pursuant to the terms hereof, the terms and conditions set forth in the corresponding WIFIA Loan Agreement, the Borrower may request a WIFIA Loan for a Project under the Master Program to be entered into through the execution of a WIFIA Loan Agreement and the related WIFIA Loan Documents during the Master Availability Period in accordance with this Section. The minimum Project size for any such WIFIA Loan shall be \$20,000,000, as reflected in the applicable Project Budget. The aggregate of the Maximum Principal Amount of all WIFIA Loans shall not at any time exceed the Master Program Amount. With respect to each WIFIA Loan, (i) the Maximum Principal Amount of such WIFIA Loan, together with the amount of any other credit assistance provided under the Act, shall not exceed forty-nine percent (49%) of reasonably anticipated Eligible Project Costs of the applicable Project and (ii) the total federal assistance for such Project, including but not limited to the Maximum Principal Amount of such WIFIA Loan and all federal grants, shall not exceed eighty percent (80%) of Total Project Costs of such Project.

(b) The number of WIFIA Loans permitted under this Agreement shall be limited to five (5); provided that additional WIFIA Loans may be permitted if requested by the Borrower, subject to the limits set by the Master Program Amount, and further subject to the approval of the WIFIA Lender, which approval shall be in the WIFIA Lender's sole discretion.

(c) With respect to each WIFIA Loan and Project (other than the first WIFIA Loan, which shall be entered into concurrently with the execution and delivery of this Agreement, subject to Section 11(b) (*Conditions Precedent – Conditions Precedent to Effectiveness of each WIFIA Loan Agreement*)), the Borrower may, from time to time after the Effective Date but in any event (x) not more than once every sixty (60) days and (y) no later than one hundred eighty (180) days prior to the end of the Master Availability Period, request that the WIFIA Lender enter into a WIFIA Loan Agreement and related WIFIA Loan Documents in respect of such Project by delivering to the WIFIA Lender a written request in the form of **Exhibit F** (*Form of WIFIA Loan Request*) (a "**WIFIA Loan Request**"), which shall specify the Project to which such WIFIA Loan Request relates, together with (i) a description of the Project, (ii) an estimated Project budget, (iii) the most recent Financial Plan delivered to the WIFIA Lender in accordance with Section 16(a)

(*Reporting Requirements – Annual Budget; Financial Plan*), and (iv) such additional information relating to the Project as may be requested by the WIFIA Lender. For each WIFIA Loan Request submitted in accordance herewith, the WIFIA Lender and the Borrower shall, subject to the terms and conditions set forth herein, promptly and in good faith, negotiate, finalize and enter into the WIFIA Project Term Sheet, WIFIA Loan Agreement and the other WIFIA Loan Documents for the requested WIFIA Loan, subject to the applicable required approvals by the City Council and the State Attorney General.

(d) As of the Effective Date of this Agreement, the WIFIA Lender has administratively reserved sufficient budget authority to make available the Master Program Amount. Notwithstanding the foregoing, the availability of any WIFIA Loan for a Project under the Master Program shall be subject to (i) there being sufficient availability of budgetary authority at the time the WIFIA Loan Request for such WIFIA Loan is made and (ii) final eligibility and approval of such Project and WIFIA Loan, in each case as determined by the WIFIA Lender in accordance with the Act and applicable law.

Section 4. Disbursement Conditions.

(a) WIFIA Loan proceeds shall be disbursed pursuant to a WIFIA Loan Agreement solely in respect of Eligible Project Costs paid or incurred and approved for payment by or on behalf of the Borrower in connection with the applicable Project. Each Disbursement of a WIFIA Loan other than the initial disbursement of such WIFIA Loan described in Section 4(b) below, shall be made in accordance with the procedures of **Schedule III** (*Requisition Procedures*) and subject to the requirements of this Section 4 and the conditions set forth in Section 11(c) (*Conditions Precedent – Conditions Precedent to Disbursements*); provided, that no Disbursement of any WIFIA Loan shall be made after the Final Disbursement Date with respect to such WIFIA Loan.

(b) The WIFIA Lender shall make an initial disbursement of a WIFIA Loan to the Borrower pursuant to a WIFIA Loan Agreement in an amount set forth in such WIFIA Loan Agreement within five (5) Business Days after the applicable WIFIA Loan Agreement Effective Date (or as soon thereafter as is possible in the event that the WIFIA Lender is prevented from making such disbursement within the time period described above for reasons beyond its control), subject to the following terms and conditions: (i) the Borrower shall have delivered a completed and executed Requisition dated the applicable WIFIA Loan Agreement Effective Date in accordance with Section 4(a) (*Disbursement Conditions*), together with written invoices evidencing incurrence of the Eligible Project Costs to be reimbursed in connection with the applicable Project, to the WIFIA Lender no later than three (3) Business Days prior to the applicable WIFIA Loan Agreement Effective Date and the WIFIA Lender shall have accepted and approved such Requisition, provided that the timing requirements for Requisitions set forth in this Section 4 and in **Schedule III** (*Requisition Procedures*) shall not apply to such initial disbursement; (ii) no Material Adverse Effect, or any event or condition that could reasonably be expected to have a Material Adverse Effect, has occurred or arisen since (x) November 9, 2023, with respect to the initial WIFIA Loan Agreement entered into concurrently with the execution and delivery of this Agreement or (y) the previous WIFIA Loan Agreement Effective Date with respect to all subsequent WIFIA Loan Agreements, in each case, that has not been disclosed by the Borrower to the WIFIA Lender; and (iii) other than the conditions precedent in Section 11(c)

(*Conditions Precedent – Conditions Precedent to Disbursements*) that are expressly addressed in the initial Requisition, no other conditions precedent set forth in Section 11(c) (*Conditions Precedent – Conditions Precedent to Disbursements*) shall apply to such initial disbursement.

(c) Subject to this Section 4, with respect to each WIFIA Loan (and the corresponding WIFIA Bond), any scheduled Disbursement (as reflected in the applicable Anticipated WIFIA Loan Disbursement Schedule for such WIFIA Loan) that remains undrawn as of its scheduled date shall automatically be available for the next scheduled Disbursement Date for such WIFIA Loan, up to the applicable Final Disbursement Date for such WIFIA Loan, with the effect of automatically updating the applicable Anticipated WIFIA Loan Disbursement Schedule (and the applicable Loan Amortization Schedule) for such WIFIA Loan without need for the WIFIA Lender's approval. For each WIFIA Loan (and the corresponding WIFIA Bond), the Borrower may also amend the applicable Anticipated WIFIA Loan Disbursement Schedule for such WIFIA Loan by submitting a revised version thereof to the WIFIA Lender no later than thirty (30) days prior to the proposed effective date of such amendment, together with a detailed explanation of the reasons for such revisions. Such revised Anticipated WIFIA Loan Disbursement Schedule for such WIFIA Loan shall become effective upon the WIFIA Lender's approval thereof, which approval shall be granted in the WIFIA Lender's sole discretion.

Section 5. Term. The term of each WIFIA Loan shall extend from the applicable WIFIA Loan Agreement Effective Date for such WIFIA Loan to the Final Maturity Date for such WIFIA Loan (and the corresponding WIFIA Bond) or to such earlier date as all amounts due or to become due to the WIFIA Lender under such WIFIA Loan Agreement and under such WIFIA Bond have been irrevocably paid in full in immediately available funds. Notwithstanding expiration of the term, the provisions that expressly survive termination of this Agreement that are set forth in Section 36 shall survive the end of the term.

Section 6. Interest Rate. Each WIFIA Loan (and the corresponding WIFIA Bond) shall bear interest with respect to the applicable Outstanding WIFIA Loan Balance for such WIFIA Loan at a fixed rate, calculated on the applicable WIFIA Loan Agreement Effective Date for such WIFIA Loan by adding one basis point (0.01%) to the rate of securities of a similar maturity (based on the weighted-average life of such WIFIA Loan) as published, on the execution date of the corresponding WIFIA Loan Agreement, in the United States Treasury Bureau of the Fiscal Service's daily rate table for State and Local Government Series (SLGS) securities. For each WIFIA Loan (and the corresponding WIFIA Bond), commencing on the date on which the WIFIA Lender makes the first Disbursement of such WIFIA Loan pursuant to Section 4 (*Disbursement Conditions*) hereof and the corresponding WIFIA Loan Agreement, interest will accrue and be computed on the applicable Outstanding WIFIA Loan Balance for such WIFIA Loan (as well as on any past due interest to the extent permitted under State law, including specifically Chapter 1204, Texas Government Code, as amended) from time to time on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months; provided, that, upon the occurrence of any Event of Default under this Agreement and the corresponding WIFIA Loan Agreement, the Borrower shall pay interest on the applicable Outstanding WIFIA Loan Balance for such WIFIA Loan at the Default Rate: (a) in the case of any Payment Default, from (and including) its due date to (but excluding) the date of actual payment of the overdue amount of principal of such WIFIA Loan and accrued interest thereon and (b) in the case of any other Event of Default, from (and including) the date of such occurrence to (but excluding) the earlier of the date on which (i) such

Event of Default has been cured (if applicable) in accordance with the terms of this Agreement and the corresponding WIFIA Loan Agreement and (ii) the applicable Outstanding WIFIA Loan Balance for such WIFIA Loan has been irrevocably paid in full in immediately available funds. For the avoidance of doubt, interest on each WIFIA Loan (and the corresponding WIFIA Bond) shall accrue and be payable only on those amounts for which a Requisition has been submitted and funds (or such portion of funds as have been approved by the WIFIA Lender) have been disbursed to the Borrower for use on the applicable Project in accordance with Section 4 (*Disbursement Conditions*).

Section 7. Security and Priority; Flow of Funds.

(a) As security for each WIFIA Loan, and concurrently with the execution and delivery of the corresponding WIFIA Loan Agreement, the Borrower shall pledge, assign and grant to the WIFIA Lender for its benefit, Liens on the Security in accordance with the provisions of this Agreement, the corresponding WIFIA Loan Agreement, and the Ordinance Documents and shall deliver to the WIFIA Lender, as the registered owner, a WIFIA Bond. Each WIFIA Bond shall be secured by the Liens on the Security on a parity with the Parity Debt and senior to all Subordinated Debt. A Reserve Account will not be required as security for any of the WIFIA Bonds. Payment of the purchase price of each WIFIA Bond will be through disbursements to be made by the WIFIA Lender to the Borrower pursuant to the terms of this Agreement, the corresponding WIFIA Loan Agreement, and the Ordinance Documents. Each WIFIA Bond shall be in the form set forth in **Exhibit A** (*Form of WIFIA Bond*).

(b) Except (i) for Permitted Liens, or (ii) to the extent otherwise provided in Section 7(a), the Security will be free and clear of any pledge, Lien, charge or encumbrance thereon or with respect thereto, that is of equal rank with or senior to the pledge of the Borrower created under the Ordinance Documents for the benefit of the WIFIA Lender, and all organizational, regulatory or other necessary action on the part of the Borrower with respect to the foregoing has been duly and validly taken. All action necessary to perfect such security interest has been taken and no further filing or continuation filing is necessary to maintain such perfected security interest.

(c) The Borrower shall not use Gross Revenues to make any payments or satisfy any obligations other than in accordance with the provisions of Section 4 of the Master Ordinance and shall not apply any portion of the Gross Revenues in contravention of this Agreement, the WIFIA Loan Agreements or the Master Ordinance.

(d) Flow of Funds. The Borrower has agreed and covenanted in the Master Ordinance that all Gross Revenues shall be deposited into the System Account immediately upon receipt by the Borrower and applied in accordance with the requirements specified in Section 4 of the Master Ordinance, which requirements are hereby incorporated herein and a copy of such section, as of the Effective Date, is attached hereto as **Schedule V** (*Accounts; Flow of Funds*). For avoidance of doubt, moneys on deposit in the System Account not required to make any of the payments required above or expended by the Borrower at any time for any lawful purpose authorized pursuant to the Enabling Act and other State law shall remain in the System Account and remain subject to the pledge and lien provided in Section 7(a) (*Security and Priority; Flow of Funds*).

(e) Creation or Affirmation of Funds. The Borrower has agreed and covenanted in the Master Ordinance to establish and maintain certain funds and accounts, including the System Account and the Interest and Sinking Account, in accordance with the requirements specified in Section 3 of the Master Ordinance, which requirements are hereby incorporated herein and a copy of such section, as of the Effective Date, is attached hereto as **Schedule V** (*Accounts; Flow of Funds*).

(f) Notwithstanding anything in this Agreement or the corresponding WIFIA Loan Agreement to the contrary, all payment obligations of the Borrower under a WIFIA Bond constitute special obligations of the Borrower payable from the Security and the WIFIA Lender (including any of its permitted successors or assigns) shall never have the right to demand payment out of funds raised or to be raised by taxation, or from any source other than those specified in the Master Ordinance or the corresponding WIFIA Supplement.

Section 8. Payment of Principal and Interest.

(a) Payment of WIFIA Debt Service.

(i) For each WIFIA Loan (and the corresponding WIFIA Bond), on each Payment Date occurring on or after the applicable Debt Service Payment Commencement Date for such WIFIA Loan, the Borrower shall pay the applicable WIFIA Debt Service for such WIFIA Loan by making (A) semi-annual payments of interest, on each Interest Payment Date, (B) annual payments of principal, on each Principal Payment Date, and (C) payments of any other amounts on each other date on which payment thereof is required to be made under this Agreement and the corresponding WIFIA Loan Agreement (including the applicable Final Maturity Date for such WIFIA Loan and any other date on which a payment is due); provided, that if any such date is not a Business Day, payment shall be made on the next Business Day following such date. For each WIFIA Loan (and the corresponding WIFIA Bond), payments of WIFIA Debt Service for such WIFIA Loan shall be made on the Payment Dates and in the applicable amounts as set forth in the applicable Loan Amortization Schedule for such WIFIA Loan in the corresponding WIFIA Loan Agreement, as the same may be revised pursuant to Section 8(e) (*Payment of Principal and Interest – Adjustments to Loan Amortization Schedule*), and shall be calculated by the WIFIA Lender in such manner that each payment of WIFIA Debt Service for such WIFIA Loan is approximately equal, in order for the applicable Outstanding WIFIA Loan Balance for such WIFIA Loan to be reduced to zero Dollars (\$0) on the applicable Final Maturity Date for such WIFIA Loan.

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

(b) [Reserved]

(c) WIFIA Bond. For each WIFIA Loan, as evidence of the Borrower's obligation to repay such WIFIA Loan, the Borrower shall issue and deliver to the WIFIA Lender,

on or prior to the applicable WIFIA Loan Agreement Effective Date for such WIFIA Loan, a WIFIA Bond substantially in the form of **Exhibit A** (*Form of WIFIA Bond*), having the Maximum Principal Amount specified in the corresponding WIFIA Loan Agreement for such WIFIA Loan, bearing interest at the applicable WIFIA Interest Rate for such WIFIA Loan and having principal and interest payable on the same dates set forth in the applicable Loan Amortization Schedule for such WIFIA Loan set forth in the corresponding WIFIA Loan Agreement. Any payment in respect of a WIFIA Bond shall be treated as a payment in respect of the corresponding WIFIA Loan and any prepayment of principal in respect of a WIFIA Loan shall be treated as a redemption in respect of the corresponding WIFIA Bond.

(d) Manner of Payment. Payments to the WIFIA Lender as the owner of the WIFIA Bonds shall be made by wire transfer on or before each applicable Payment Date in Dollars and immediately available funds (without counterclaim, offset or deduction) in accordance with payment instructions provided by the WIFIA Lender in each applicable WIFIA Loan Agreement. In order to provide sufficient funds for such payment, the Borrower shall transfer to the Paying Agent/Registrar from funds then on deposit in the Interest and Sinking Account money sufficient to make any such payment or portion thereof required to be made with respect to principal of and interest on the WIFIA Bonds, and the Paying Agent/Registrar shall make such payment or portion thereof to the WIFIA Lender on behalf of the Borrower. Payments by the Borrower under this Agreement and the WIFIA Loan Agreements, including but not limited to, payments to be made pursuant to Section 10 (*Fees and Expenses*), other than payments required to be made with respect to principal of and interest on the WIFIA Bonds, shall be made on or before the applicable due date in Dollars and in immediately available funds (without counterclaim, offset or deduction) in accordance with the payment instructions provided by the WIFIA Lender in each WIFIA Loan Agreement prior to the relevant payment. Whenever any payment would otherwise fall on a day that is not a Business Day, the due date for payment shall be the immediately succeeding Business Day.

(e) Adjustments to Loan Amortization Schedule. (i) Pursuant to each WIFIA Loan (and the corresponding WIFIA Bond), the Borrower shall have the right to propose modifications to the applicable Loan Amortization Schedule for such WIFIA Loan set forth in the corresponding WIFIA Loan Agreement exercisable once on or prior to the date that is forty-five (45) days preceding the first Payment Date, such modifications to be submitted by the Borrower to the WIFIA Lender and the Paying Agent/Registrar in an updated **Exhibit A** (*WIFIA Debt Service*) of the corresponding WIFIA Loan Agreement with adjustments to the column titled “Principal Payment as a % of Aggregate Amount of All Disbursements”; provided that (x) the form of and any modification to the applicable Loan Amortization Schedule for such WIFIA Loan set forth in the corresponding WIFIA Loan Agreement shall be reasonably acceptable to the WIFIA Lender, (y) the Weighted Average Life of such WIFIA Loan shall not exceed the time period provided in such WIFIA Loan Agreement measured as of the initial disbursement date of such WIFIA Loan and (z) the applicable Loan Amortization Schedule for such WIFIA Loan set forth in the corresponding WIFIA Loan Agreement shall comply with all applicable requirements under this Agreement, the corresponding WIFIA Loan Agreement and law.

(ii) For each WIFIA Loan (and the corresponding WIFIA Bond), each applicable Outstanding WIFIA Loan Balance for such WIFIA Loan will be (A) increased on each occasion on which the WIFIA Lender disburses loan proceeds under the

corresponding WIFIA Loan Agreement (commencing with the date on which the WIFIA Lender makes the first Disbursement of such WIFIA Loan pursuant to Section 4 (*Disbursement Conditions*) hereof and the corresponding WIFIA Loan Agreement), by the amount of such Disbursement; and (B) decreased upon each payment or prepayment of the applicable Outstanding WIFIA Loan Balance for such WIFIA Loan, by the amount of principal or accrued interest so paid. For each WIFIA Loan (and the corresponding WIFIA Bond), the WIFIA Lender may in its discretion at any time and from time to time, or when so requested by the Borrower, advise the Borrower and the Paying Agent/Registrar by written notice of the amount of the applicable Outstanding WIFIA Loan Balance for such WIFIA Loan as of the date of such notice, and its determination of such amount in any such notice shall be deemed conclusive absent manifest error; provided, however, that no failure to give or delay in giving such notice shall affect any of the obligations of the Borrower hereunder or under the corresponding WIFIA Loan Agreement or any of the other WIFIA Loan Documents.

(iii) For each WIFIA Loan (and the corresponding WIFIA Bond), the WIFIA Lender is hereby authorized to modify the applicable Loan Amortization Schedule for such WIFIA Loan set forth in the corresponding WIFIA Loan Agreement from time to time, in accordance with the principles set forth below in this Section 8(e), to reflect (A) any change to the applicable Outstanding WIFIA Loan Balance for such WIFIA Loan, (B) any change to the date and amount of any principal or interest due and payable or to become due and payable by the Borrower under the corresponding WIFIA Loan Agreement, and (C) such other information as the WIFIA Lender may determine is necessary for administering such WIFIA Loan or the corresponding WIFIA Loan Agreement and this Agreement. Any calculations described above shall be rounded up to the nearest whole cent. For each WIFIA Loan (and the corresponding WIFIA Bond), any adjustments or revisions to the applicable Loan Amortization Schedule for such WIFIA Loan set forth in the corresponding WIFIA Loan Agreement as a result of changes in the Outstanding WIFIA Loan Balance for such WIFIA Loan shall be applied to reduce future payments due on such WIFIA Loan (and the corresponding WIFIA Bond) in inverse order of maturity, other than prepayments, which shall be applied in accordance with Section 9(b) (*Prepayment – General Prepayment Instructions*). Absent manifest error, the WIFIA Lender's determination of such matters as set forth on the applicable Loan Amortization Schedule for such WIFIA Loan shall be conclusive evidence thereof; provided, however, that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner the Borrower's obligations hereunder or under the corresponding WIFIA Loan Agreement or any other WIFIA Loan Document. The WIFIA Lender shall provide the Borrower and the Paying Agent/Registrar with a copy of the applicable Loan Amortization Schedule for such WIFIA Loan as revised, but no failure to provide or delay in providing the Borrower and the Paying Agent/Registrar with such copy shall affect any of the obligations of the Borrower under this Agreement, the corresponding WIFIA Loan Agreement or the other WIFIA Loan Documents.

Section 9. Prepayment.

(a) Optional Prepayments. For each WIFIA Loan (and the corresponding WIFIA Bond), the Borrower may prepay such WIFIA Loan (and the corresponding WIFIA Bond),

in whole on any date or in part on any applicable Payment Date (and, if in part, the amounts thereof to be prepaid shall be determined by the Borrower; provided, however, that such prepayments shall be in principal amounts of \$500,000 or any integral multiple of \$1.00 in excess thereof), from time to time but not more than once annually from the Borrower's excess revenues (after payment of debt service then due on the Borrower's Project Obligations for the applicable Project, including any reserve fund requirements, if applicable). The Borrower may make such prepayment, without penalty or premium, by paying to the WIFIA Lender such principal amount of such WIFIA Loan to be prepaid, together with the unpaid interest accrued on the amount of principal so prepaid to the date of such prepayment; provided, that, a prepayment in full of such WIFIA Loan may be made on any date. Each prepayment of a WIFIA Loan pursuant to this Section 9(a) shall be made on such date and in such principal amount as shall be specified by the Borrower in a written notice, signed by the Borrower's Authorized Representative and delivered to the WIFIA Lender not less than thirty (30) days prior to the requested date of prepayment, unless otherwise agreed by the WIFIA Lender. At any time between delivery of such written notice and the applicable optional prepayment, the Borrower may, without penalty or premium, rescind its announced optional prepayment by further written notice to the WIFIA Lender. Anything in this Section 9(a) to the contrary notwithstanding, the failure by the Borrower to make any optional prepayment shall not constitute a breach or default under this Agreement or the corresponding WIFIA Loan Agreement.

(b) General Prepayment Instructions. For each WIFIA Loan (and the corresponding WIFIA Bond), upon the WIFIA Lender's receipt of confirmation that payment in full in immediately available funds of the entire applicable Outstanding WIFIA Loan Balance for such WIFIA Loan (and the corresponding WIFIA Bond) and any unpaid interest, fees and expenses with respect thereto has occurred as a result of an optional prepayment, the WIFIA Lender shall surrender such WIFIA Bond to the Borrower or its representative at the principal office of the WIFIA Lender. If the Borrower prepays only part of the unpaid balance of principal of a WIFIA Loan, the WIFIA Lender may make a notation on the applicable Loan Amortization Schedule for such WIFIA Loan set forth in the corresponding WIFIA Loan Agreement indicating the amount of principal of and interest on such WIFIA Loan then being prepaid. Absent manifest error, the WIFIA Lender's determination of such matters as set forth on the applicable Loan Amortization Schedule for such WIFIA Loan set forth in the corresponding WIFIA Loan Agreement shall be conclusive evidence thereof; provided, however, that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner the Borrower's obligations hereunder or under the corresponding WIFIA Loan Agreement or any other WIFIA Loan Document. For each WIFIA Loan (and the corresponding WIFIA Bond), all partial prepayments of principal shall be applied to reduce future payments due on such WIFIA Loan (and the corresponding WIFIA Bond) in inverse order of maturity. For each WIFIA Loan (and the corresponding WIFIA Bond), if such funds have not been so paid on the prepayment date, such principal amount of such WIFIA Loan (and the corresponding WIFIA Bond) shall continue to bear interest until payment thereof at the rate provided for in the corresponding WIFIA Loan Agreement.

Section 10. Fees and Expenses.

(a) Fees. For each WIFIA Loan, to the extent allowed by law and subject to annual appropriation, the Borrower shall pay to the WIFIA Lender:

(i) a servicing set-up fee equal to the amount specified in clause (a) of Section 10 (*Fees and Expenses*) of the corresponding WIFIA Loan Agreement (the “**Servicing Set-Up Fee**”), which shall be due and payable within thirty (30) days after receipt of any invoice from the WIFIA Lender with respect thereto;

(ii) an annual construction period servicing fee equal to the amount specified in clause (b) of Section 10 (*Fees and Expenses*) of the corresponding WIFIA Loan Agreement (the “**Construction Period Servicing Fee**”), which shall accrue on the first Business Day of the then-current Federal Fiscal Year and shall be due and payable on or prior to each November 15 during the Construction Period for such WIFIA Loan under the corresponding WIFIA Loan Agreement (including the Federal Fiscal Year during which the Substantial Completion Date for such WIFIA Loan occurs); provided, that the initial Construction Period Servicing Fee shall be due and payable within thirty (30) days after receipt of an invoice from the WIFIA Lender with respect thereto, in an amount pro-rated from the applicable WIFIA Loan Agreement Effective Date for such WIFIA Loan through the last day of the then-applicable Federal Fiscal Year; and

(iii) an annual operating period servicing fee equal to the amount specified in clause (c) of Section 10 (*Fees and Expenses*) of the corresponding WIFIA Loan Agreement (the “**Operating Period Servicing Fee**”), which shall accrue on the first Business Day of the then-current Federal Fiscal Year and shall be due and payable on or prior to each November 15, beginning with the first November 15 following the end of the Federal Fiscal Year during which the applicable Substantial Completion Date for such WIFIA Loan occurs, until (and including) the applicable Final Maturity Date for such WIFIA Loan; provided, that any Operating Period Servicing Fee due and payable with respect to the Federal Fiscal Year during which such Final Maturity Date for such WIFIA Loan occurs shall be equal to the pro-rata monthly portion of the then applicable Operating Period Servicing Fee multiplied by the number of partial or whole months remaining between October 1 and such Final Maturity Date for such WIFIA Loan.

(b) The amount of each Construction Period Servicing Fee (other than the initial Construction Period Servicing Fee) and each Operating Period Servicing Fee shall be adjusted in proportion to the percentage change in CPI for the calendar year immediately preceding the calendar year during which such fee is due. The WIFIA Lender shall notify the Borrower of the amount of each such fee at least thirty (30) days before payment is due, which determination shall be conclusive absent manifest error.

(c) Expenses. To the extent allowed by law and subject to annual appropriation, the Borrower agrees, whether or not the transactions hereby contemplated shall be consummated, to reimburse the WIFIA Lender on demand from time to time and within thirty (30) days after receipt of any invoice from the WIFIA Lender, for any and all fees, costs, charges, and expenses incurred by it (including the fees, costs, and expenses of its legal counsel, financial advisors, auditors and other consultants and advisors) in connection with the negotiation, preparation, execution, delivery, and performance of this Agreement, the WIFIA Loan Agreements and the other WIFIA Loan Documents and the transactions hereby and thereby contemplated, including attorneys’, and engineers’ fees and professional costs, including all such fees, costs, and expenses incurred as a result of or in connection with:

(i) the review of each WIFIA Loan Request and the negotiation, preparation, execution, delivery, and performance of each WIFIA Project Term Sheet, each WIFIA Loan Agreement, and other WIFIA Loan Documents related to the applicable Project;

(ii) the enforcement of or attempt to enforce, or the protection or preservation of any right or claim under, the Security or any provision of this Agreement, any of the WIFIA Loan Agreements or any of the other WIFIA Loan Documents or the rights of the WIFIA Lender thereunder;

(iii) any amendment, modification, waiver, or consent with respect to this Agreement, any of the WIFIA Loan Agreements or any other Related Document; and

(iv) any work-out, restructuring, or similar arrangement of the obligations of the Borrower under this Agreement, the WIFIA Loan Agreements or the other WIFIA Loan Documents, including during the pendency of any Event of Default.

(d) To the extent allowed by law and subject to annual appropriation, the obligations of the Borrower under this Section 10 shall survive the payment or prepayment in full or transfer of any or all of the WIFIA Loans (and the corresponding WIFIA Bonds), the enforcement of any provision of this Agreement, the WIFIA Loan Agreements or the other WIFIA Loan Documents, any such amendments, waivers or consents, any Event of Default, and any such workout, restructuring, or similar arrangement.

ARTICLE III

CONDITIONS PRECEDENT

Section 11. Conditions Precedent.

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

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

(ii) The Borrower shall have delivered to the WIFIA Lender certified, complete, and fully executed copies of each WIFIA Loan Document, together with any amendments, supplements, waivers or modifications thereto, that has been entered into on or prior to the Effective Date, along with a certification in the Closing Certificate that each such document is complete, fully executed and in full force and effect, and that all conditions contained in such documents that are necessary to the closing of the WIFIA transactions contemplated hereby have been fulfilled.

(iii) The Borrower shall have delivered to the WIFIA Lender (A) a copy of the City Charter, as in effect on the Effective Date, along with a certification in the

Closing Certificate that such City Charter is in full force and effect, and (B) other than the corresponding WIFIA Supplement for this Agreement, all further instruments and documents (including any resolutions, ordinances, and supplements) as are necessary for the Borrower to execute and deliver, and to perform its obligations under, the WIFIA Loan Documents to which it is a party and to consummate and implement the transactions contemplated by the WIFIA Loan Documents, along with a certification in the Closing Certificate that each such document is complete, fully executed and in full force and effect.

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

(v) The Borrower shall have delivered to the WIFIA Lender a certificate, signed by the Borrower's Authorized Representative, substantially in the form attached hereto as **Exhibit H-1** (*Form of Closing Certificate*) (the "**Closing Certificate**") (A) designating the Borrower's Authorized Representative, (B) confirming such person's position and incumbency, and (C) certifying as to the satisfaction of the following conditions precedent:

(1) the aggregate of all funds committed to the development and construction of the Projects under the Master Program as set forth in the Base Case Financial Model and in the Master Program Budget is sufficient to carry out the Master Program, pay all Total Project Costs anticipated for the Master Program and achieve Substantial Completion for each Project component by its Projected Substantial Completion Date;

(2) the Borrower has developed, and identified adequate revenues to implement, a plan for operating, maintaining and repairing the Projects during their useful lives;

(3) the Borrower has (A) obtained a Federal Employer Identification Number (as evidenced by a signed W-9), (B) obtained a Unique Entity Identifier number, and (C) registered with, and obtained confirmation of active registration status from, the federal System for Award Management (www.SAM.gov) with no exclusions;

(4) the representations and warranties of the Borrower set forth in this Agreement and in each other Related Document to which the Borrower is a party are true, correct, and complete in all material respects as of the Effective Date, except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct as of such earlier date; and

(5) no Material Adverse Effect, or any event or condition that could reasonably be expected to have a Material Adverse Effect, has occurred or arisen since November 9, 2023.

(vi) The Borrower shall have delivered to the WIFIA Lender a certified Base Case Financial Model on or prior to the Effective Date, along with a certification in the Closing Certificate that such Base Case Financial Model (A) demonstrates that projected Net Revenues are sufficient to meet the initial Loan Amortization Schedule with respect to the Master Program Amount, and (B) demonstrates that the Borrower has developed, and identified adequate revenues in each Borrower Fiscal Year to implement a plan for operating, maintaining and repairing the Master Program over the useful life of the Master Program, in form and substance acceptable to the WIFIA Lender.

(vii) The Borrower shall have delivered to the WIFIA Lender the opinion of the State Attorney General approving the proceedings authorizing this Agreement.

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

(ix) The Borrower shall have delivered such other agreements, documents, instruments, opinions and other items required by the WIFIA Lender, all in form and substance satisfactory to the WIFIA Lender.

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

(i) The Borrower shall have duly executed and delivered to the WIFIA Lender (A) except with respect to the initial WIFIA Loan Agreement entered into concurrently with the execution and delivery of this Agreement, a WIFIA Loan Request that complies with the provisions of Section 3(c) (*WIFIA Loans for the Master Program*), (B) a WIFIA Project Term Sheet with respect to the applicable Project and such WIFIA Loan, and (C) such WIFIA Loan Agreement, the corresponding WIFIA Bond and the applicable WIFIA Supplement, each in form and substance satisfactory to the WIFIA Lender.

(ii) The Borrower shall have delivered to the WIFIA Lender certified, complete, and fully executed copies of each applicable WIFIA Loan Document for such WIFIA Loan, together with any amendments, supplements, waivers or modifications thereto, that has been entered into on or prior to the applicable WIFIA Loan Agreement Effective Date for such WIFIA Loan, along with a certification in the Project Closing Certificate that each such document is complete, fully executed and in full force and effect,

and that all conditions contained in such documents that are necessary to the closing of the WIFIA transactions contemplated hereby have been fulfilled.

(iii) The Borrower shall have delivered to the WIFIA Lender complete and fully executed copies of each Existing Construction Contract with respect to the applicable Project requested by the WIFIA Lender, together with any amendments, waivers or modifications thereto, along with a certification in the Project Closing Certificate that each such document is complete, fully executed and in full force and effect.

(iv) The Borrower shall have delivered to the WIFIA Lender (A) a copy of the City Charter, as in effect on the applicable WIFIA Loan Agreement Effective Date for such WIFIA Loan, along with a certification in the Project Closing Certificate that such City Charter is in full force and effect, and (B) other than the corresponding WIFIA Supplement for such WIFIA Loan, all further instruments and documents (including any resolutions, ordinances, and supplements) as are necessary for the Borrower to execute and deliver, and to perform its obligations under, the WIFIA Loan Documents to which it is a party and to consummate and implement the transactions contemplated by the WIFIA Loan Documents for such WIFIA Loan, along with a certification in the Project Closing Certificate that each such document is complete, fully executed and in full force and effect.

(v) Counsel to the Borrower shall have delivered to the WIFIA Lender legal opinions in the form set forth in **Exhibit G-1** (*Opinions Required from Counsel to Borrower*) and bond counsel to the Borrower shall have delivered to the WIFIA Lender legal opinions satisfactory to the WIFIA Lender in its sole discretion (including those opinions set forth in **Exhibit G-2** (*Opinions Required from Bond Counsel*)), in each case for such WIFIA Loan.

(vi) The Borrower shall have delivered to the WIFIA Lender (A) a Project Budget for the applicable Project and (B) a revised Master Program Budget reflecting such Project Budget.

(vii) The Borrower shall have delivered to the WIFIA Lender a Project Closing Certificate with respect to such WIFIA Loan, signed by the Borrower's Authorized Representative, substantially in the form attached hereto as **Exhibit H-2** (*Form of Project Closing Certificate*) (a "**Project Closing Certificate**") (A) confirming that the Borrower's Authorized Representative previously designated and such person's position and incumbency as previously provided to the WIFIA Lender remain unchanged and in full force and effect (or if changed, designating such new Borrower's Authorized Representative and confirming such person's position and incumbency, in form and substance satisfactory to the WIFIA Lender) and (B) certifying as to the satisfaction of the following conditions precedent:

(1) the aggregate of all funds committed to the development and construction of the applicable Project as set forth in the applicable Project Budget for such Project and the related revised Master Program Budget, as applicable, are sufficient to carry out such Project, pay all Total Project

Costs anticipated for such Project and achieve Substantial Completion for such Project by the Projected Substantial Completion Date for such Project;

(2) the Borrower has obtained all Governmental Approvals necessary (x) as of the applicable WIFIA Loan Agreement Effective Date in connection with the applicable Project and (y) to execute and deliver, and perform its obligations under the WIFIA Loan Documents, and all such Governmental Approvals are in full force and effect (and are not subject to any notice of violation, breach, or revocation);

(3) as of the applicable WIFIA Loan Agreement Effective Date for such WIFIA Loan, (x) the Maximum Principal Amount of such WIFIA Loan, together with the amount of any other credit assistance provided under the Act to the Borrower, does not exceed forty-nine percent (49%) of the reasonably anticipated Eligible Project Costs for the applicable Project and (y) the total federal assistance provided to the applicable Project, including the Maximum Principal Amount of the WIFIA Loan does not exceed eighty percent (80%) of Total Project Costs for such Project;

(4) the Borrower is in compliance with NEPA and, except as set forth in **Schedule 12(q)** (*Environmental Matters*) of such WIFIA Loan Agreement, any applicable federal, state or local environmental review and approval requirements with respect to the applicable Project, and, if requested by the WIFIA Lender, has provided evidence satisfactory to the WIFIA Lender of such compliance;

(5) the Borrower has developed, and identified adequate revenues to implement, a plan for operating, maintaining and repairing the applicable Project during its useful life;

(6) the Borrower has (A) obtained a Federal Employer Identification Number (as evidenced by a signed W-9), (B) obtained a UEI, and (C) registered with, and obtained confirmation of active registration status from, the federal System for Award Management (www.SAM.gov) with no exclusions;

(7) the Borrower has obtained a CUSIP number for the corresponding WIFIA Bond (the “**WIFIA CUSIP Number**”) for purposes of monitoring through EMMA;

(8) the representations and warranties of the Borrower set forth in this Agreement and such WIFIA Loan Agreement and in each other Related Document to which the Borrower is a party are true, correct and complete in all material respects as of the applicable WIFIA Loan Agreement Effective Date for such WIFIA Loan, except to the extent that such representations and warranties expressly relate to an earlier date, in

which case such representations and warranties were true and correct as of such earlier date;

(9) no Material Adverse Effect, or any event or condition that could reasonably be expected to have a Material Adverse Effect, has occurred or arisen since (x) November 9, 2023, with respect to the initial WIFIA Loan Agreement entered into concurrently with the execution and delivery of this Agreement or (y) the previous WIFIA Loan Agreement Effective Date with respect to all subsequent WIFIA Loan Agreements, in each case, that has not been disclosed by the Borrower to the WIFIA Lender; and

(10) as of the applicable WIFIA Loan Agreement Effective Date for such WIFIA Loan, (1) no Event of Default under the WIFIA Loan Documents or event of default under any other Related Document shall have occurred and be continuing, and (2) no event, with the giving of notice of the passage of time or both, would constitute an Event of Default under the WIFIA Loan Documents or an event of default under any Related Document, in each case, shall have occurred and be continuing.

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

(ix) The Borrower shall have delivered to the WIFIA Lender a Base Case Financial Model in form and substance acceptable to the WIFIA Lender on or prior to the applicable WIFIA Loan Agreement Effective Date, along with a certification in the Project Closing Certificate that such Base Case Financial Model (A) demonstrates that projected Net Revenues are sufficient to meet the applicable Loan Amortization Schedule for such WIFIA Loan; and (B) demonstrates that the Borrower has developed, and identified adequate revenues to implement a plan for operating, maintaining and repairing the applicable Project over the useful life of such Project, in form and substance acceptable to the WIFIA Lender.

(x) The Borrower shall have delivered to the WIFIA Lender the Public Benefits Report with respect to the applicable Project.

(xi) The Borrower shall have delivered to the WIFIA Lender the opinion of the State Attorney General approving the corresponding WIFIA Bond and the proceedings authorizing such WIFIA Loan Agreement and WIFIA Bond.

(xii) The Borrower shall have provided the WIFIA Lender records of any Eligible Project Costs for the applicable Project incurred prior to the applicable WIFIA

Loan Agreement Effective Date for such WIFIA Loan as may be requested by the WIFIA Lender, in form and substance satisfactory to the WIFIA Lender.

(xiii) The Borrower shall have delivered to the WIFIA Lender the Borrower's Financial Statements for the most recent Borrower Fiscal Year for which such Financial Statements are available.

(xiv) To the extent not previously paid, the Borrower shall have paid in full (A) any outstanding Servicing Fees due and payable under Section 10 (*Fees and Expenses*) and (B) all invoices delivered by the WIFIA Lender to the Borrower on or before the applicable WIFIA Loan Agreement Effective Date for such WIFIA Loan for the fees and expenses of the WIFIA Lender's counsel and financial advisors and any auditors or other consultants retained by the WIFIA Lender for the purposes hereof.

(xv) The Borrower shall have delivered such other agreements, documents, instruments, opinions and other items required by the WIFIA Lender, all in form and substance satisfactory to the WIFIA Lender.

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

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

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

(2) (A) the Borrower, and, to the best of its knowledge, each of its contractors and subcontractors at all tiers with respect to the applicable Project, has complied with all applicable laws, rules, regulations and requirements, including 40 U.S.C. §§ 3141–3144, 3146, and 3147 (relating to Davis-Bacon Act requirements) (and regulations relating thereto) and 33 U.S.C. § 3914 (relating to American iron and steel products); and (B) supporting documentation, such as certified payroll records and certifications for all iron and steel products used for the applicable Project,

are being maintained and are available for review upon request by the WIFIA Lender;

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

(4) no Material Adverse Effect, or any event or condition that could reasonably be expected to result in a Material Adverse Effect, has occurred since the applicable WIFIA Loan Agreement Effective Date for such WIFIA Loan;

(5) the aggregate amount of all Disbursements of such WIFIA Loan (including the requested Disbursement amount) does not exceed (A) the Maximum Principal Amount of such WIFIA Loan or (B) the amount of Eligible Project Costs paid or incurred by the Borrower in connection with the applicable Project;

(6) the Eligible Project Costs for which reimbursement or payment is being requested in connection with the applicable Project has not been reimbursed or paid by any previous disbursement of (A) such WIFIA Loan proceeds or (B) any other source of funding for the applicable Project as identified in the Project Budget for the applicable Project;

(7) the amount being requested for Disbursement is with respect to Eligible Project Costs for which all or a portion of the Eligible Project Costs Documentation was previously submitted to and approved by the WIFIA Lender in accordance with **Schedule III** (*Requisition Procedures*) and Section 16 (*Reporting Requirements*), and/or the Borrower has set out in the Requisition (or attached separately to the Requisition) a summary of any Eligible Project Costs that have not otherwise been previously submitted to the WIFIA Lender for approval, together with supporting Eligible Project Costs Documentation; and

(8) the Borrower has delivered all required deliverables under and in compliance with the requirements of Section 16 (*Reporting Requirements*), except as has been otherwise agreed by the WIFIA Lender.

(ii) If applicable, to the extent necessary to make the representations and warranties in Section 12(f) (*Litigation*) and 12(j)(iii) (*Compliance with Laws*) true, correct and complete as of the date of the applicable Disbursement, the Borrower shall have delivered updated versions of **Schedule 12(f)** (*Litigation*) and **Schedule 12(q)** (*Environmental Matters*) of the applicable WIFIA Loan Agreement in form and substance satisfactory to the WIFIA Lender in its sole discretion.

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

(iv) For any Disbursement of such WIFIA Loan for Eligible Project Costs with respect to the applicable Project related to the Secondary Colorado River Raw Water Line component, the Borrower shall have demonstrated to the WIFIA Lender's satisfaction that (A) the outcome of any final concurrence or biological opinion from the relevant Governmental Authority with respect to the portions of the applicable Project subject to the Endangered Species Act (the "ESA") is in full force and effect; and (B) the Borrower has not made any irreversible or irretrievable commitment of resources with respect to the applicable Project that has the effect of foreclosing the formulation or implementation of any reasonable and prudent alternative measures under Section 7(a)(2) of the ESA.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 12. Representations and Warranties of Borrower. The Borrower hereby represents and warrants that, as of the Effective Date and as of each WIFIA Loan Agreement Effective Date and, as to each of the representations and warranties below other than those contained in clauses (b), (k), and (n) of this Section 12, as of each date on which any Disbursement of any WIFIA Loan is requested or made:

(a) Organization; Power and Authority. The Borrower is a municipal body politic and corporate duly organized and validly existing under its Organizational Documents and the laws of the State, has full legal right, power and authority to do business in the State and to enter into the Related Documents then in existence, to execute and deliver this Agreement, each WIFIA Loan Agreement, each WIFIA Bond and the other Related Documents, and to carry out and consummate all transactions contemplated hereby and thereby and has duly authorized the execution, delivery and performance of this Agreement, each WIFIA Loan Agreement, each WIFIA Bond and the other Related Documents.

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

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

generally and (ii) is subject to general principles of equity (regardless of whether enforceability is considered in equity or at law).

(d) Non-Contravention. The execution and delivery of the Related Documents to which the Borrower is a party, the consummation of the transactions contemplated by the Related Documents, and the fulfillment of or compliance with the terms and conditions of all of the Related Documents, will not (i) conflict with the Borrower's Organizational Documents, (ii) conflict in any material respect with, or constitute a violation, breach or default (whether immediately or after notice or the passage of time or both) by the Borrower of or under, any applicable law, administrative rule or regulation, any applicable court or administrative decree or order, or any ordinance, indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Borrower is a party or by which it or its properties or assets are otherwise subject or bound, or (iii) result in the creation or imposition of any prohibited Lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower.

(e) Consents and Approvals. No consent or approval of any paying agent, holder of any indebtedness of the Borrower or any other Person, and no consent, permission, authorization, order or license of, or filing or registration with, any Governmental Authority is necessary in connection with (i) the execution and delivery by the Borrower of the Related Documents, except as have been obtained or made and as are in full force and effect, or (ii) (A) the consummation of any transaction contemplated by any of the Related Documents or (B) the fulfillment of or compliance by the Borrower with the terms and conditions of any of the Related Documents, except as have been obtained or made and as are in full force and effect or as are ministerial in nature and can reasonably be expected to be obtained or made in the ordinary course on commercially reasonable terms and conditions when needed.

(f) Litigation. There is no action suit, proceeding or, to the knowledge of the Borrower, any inquiry or investigation, in any case before or by any court or other Governmental Authority pending or, to the knowledge of the Borrower, threatened against or affecting the Utility System (including the Master Program) or the ability of the Borrower to execute, deliver and perform its obligations under the Related Documents or that in any case could reasonably be expected to result in a Material Adverse Effect. The Borrower shall affirm as of each WIFIA Loan Agreement Effective Date for a WIFIA Loan, except as set forth in **Schedule 12(f)** (*Litigation*) of the corresponding WIFIA Loan Agreement, and shall reaffirm on each subsequent date on which this representation and warranty is made (or deemed made), that there is no action, suit, proceeding or, to the knowledge of the Borrower, any inquiry or investigation before or by any court or other Governmental Authority pending, or to the knowledge of the Borrower, threatened against or affecting the Utility System (including the applicable Project) or the ability of the Borrower to execute, deliver and perform its obligations under the Related Documents or that in any case could reasonably be expected to result in a Material Adverse Effect.

(g) Security Interests. (i) The Ordinance Documents and Chapters 1208 and 1502, Texas Government Code, as amended to the date hereof, establish, and (ii) the Borrower has taken all necessary action to pledge, assign, and grant, in each case in favor of the WIFIA Lender, as the holder of the WIFIA Bonds, legal, valid, binding and enforceable Liens on the Security purported to be created, pledged, assigned, and granted pursuant to and in accordance with the

Ordinance Documents, irrespective of whether any Person has notice of the pledge and without the need for any physical delivery, recordation, filing, or further act, and the security interests created in the Security have been duly perfected under applicable State law, including Chapter 1208, Texas Government Code. Such Liens are in full force and effect and are not subordinate or junior to any other Liens in respect of the Security and not *pari passu* with any Liens other than the Liens on the Security in favor of the Parity Debt. The Borrower is not in breach of any covenants set forth in Section 14(b) (*Affirmative Covenants – Securing Liens*) or in the Ordinance Documents with respect to the matters described in Section 14(b) (*Affirmative Covenants – Securing Liens*). All documents and instruments have been recorded or filed for record in such manner and in such places as are required and all other action as is necessary or desirable has been taken to establish a legal, valid, binding, and enforceable and perfected Lien on the Security in favor of the Parity Debt Bondholders to secure the Parity Debt to the extent contemplated by the Ordinance Documents, and all taxes and filing fees that are due and payable in connection with the execution, delivery or recordation of any Ordinance Documents or any instruments, certificates or financing statements in connection with the foregoing, have been paid. As provided by Chapter 1208, Texas Government Code, neither the attachment, perfection, validity, enforceability nor priority of the security interest in the Security granted pursuant to the Ordinance Documents is governed by Article 9 of the UCC.

All Parity Debt and the interest thereon constitute special obligations of the Borrower payable from the Security and the owners of Parity Debt shall never have the right to demand payment out of funds raised or to be raised by taxation, or from any source other than those specified in the Master Ordinance or any Supplement. The obligation of the Borrower to pay or cause to be paid the amounts payable under the Master Ordinance and each Supplement out of the Security is absolute, irrevocable, complete, and unconditional, and the amount, manner, and time of payment of such amounts shall not be decreased, abated, rebated, setoff, reduced, abrogated, waived, diminished, or otherwise modified in any manner or to any extent whatsoever, regardless of any right of setoff, recoupment, or counterclaim that the Borrower might otherwise have against any owner or any other party and regardless of any contingency, force majeure, event, or cause whatsoever and notwithstanding any circumstance or occurrence that may arise or take place before, during, or after the issuance of Parity Debt while any Parity Debt is outstanding.

The Pledged Revenues do not include any grants, donations or income received or to be received from the United States Government.

(h) No Debarment. The Borrower has fully complied with its verification obligations under 2 C.F.R. § 180.320 and confirms, based on such verification, that, to its knowledge, neither the Borrower nor any of its principals (as defined in 2 C.F.R. § 180.995 and supplemented by 2 C.F.R. § 1532.995) (i) is debarred, suspended or voluntarily excluded from participation in Government contracts, procurement or non-procurement matters, (ii) is presently indicted for or otherwise criminally or civilly charged by a Governmental Authority with commission of any of the offenses contemplated by 2 C.F.R. Part 180 or 2 C.F.R. Part 1532, and (iii) has, within the three (3) year period preceding the Effective Date and each applicable WIFIA Loan Agreement Effective Date for a WIFIA Loan, (x) been convicted for or had a civil judgment rendered against it or them for any of such listed offenses within such period or (y) had any public transactions (federal, state or local) terminated for cause or default.

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

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

(k) Compliance with Laws.

(i) The Borrower has, and has required its contractors and subcontractors at all tiers with respect to the Projects to, comply with all applicable federal laws, rules, regulations and requirements, including 40 U.S.C. §§3141-3144, 3146, and 3147 (relating to Davis-Bacon Act requirements) (and regulations relating thereto), 33 U.S.C. §3914 (relating to American iron and steel products), 2 C.F.R. § 180.320 and 2 C.F.R. Part 1532 (relating to non-debarment), 31 U.S.C. §1352 and 49 C.F.R. § 20.100 (relating to non-lobbying), and any applicable Sanctions Laws.

(ii) To ensure such compliance, the Borrower has included in all contracts with respect to each Project (A) the contract clauses relating to applicable federal requirements (such as Davis-Bacon Act requirements that are set forth in the Code of Federal Regulations, Title 29 Part 5.5 and Equal Employment Opportunity) and (B) requirements that its contractors (1) shall comply with all applicable laws, rules, regulations, and requirements set forth in this Section 12(k) and follow applicable federal guidance and (2) incorporate in all subcontracts (and cause all subcontractors to include in lower tier subcontracts) such terms and conditions as are required to be incorporated therein by any applicable laws, rules, regulations and requirements set forth in this Section 12(k).

(l) Credit Ratings. The Borrower shall affirm as of each WIFIA Loan Agreement Effective Date for a WIFIA Loan, that the corresponding WIFIA Bond has received an Investment Grade Rating from at least one (1) Nationally Recognized Rating Agency, and written evidence of such ratings has been provided to the WIFIA Lender prior to the applicable WIFIA Loan Agreement Effective Date for such WIFIA Loan, and such rating has not been reduced, withdrawn or suspended.

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

(n) Governmental Approvals. The Borrower shall affirm as of each WIFIA Loan Agreement Effective Date for a WIFIA Loan and shall reaffirm as of each subsequent date on which this representation and warranty is made (or deemed made), with respect to such WIFIA Loan and the applicable Project, that all Governmental Approvals required as of such WIFIA Loan Effective Date for the undertaking and completion by the Borrower of such Project and the construction, operation and maintenance of the Utility System (including such Project), have been obtained or effected and are in full force and effect and there is no basis for, nor proceeding that is pending or threatened that could reasonably be expected to result in, the revocation of any such Governmental Approval.

(o) Construction Contracts. The Borrower shall affirm as of each WIFIA Loan Agreement Effective Date for a WIFIA Loan and shall reaffirm on each subsequent date on which this representation and warranty is made (or deemed made), with respect to such WIFIA Loan and the applicable Project, with respect to each Construction Contract for such Project that is in effect as of such WIFIA Loan Agreement Effective Date or subsequent date on which this representation and warranty is made (or deemed made), that Part A of **Schedule 12(o)** (*Existing Construction Contracts*) of the corresponding WIFIA Loan Agreement is a list of the Existing Contracts for such Project and all Additional Construction Contracts for such Project that are expected to be entered into.

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

(q) Environmental Matters. The Borrower shall affirm as of each WIFIA Loan Agreement Effective Date for a WIFIA Loan, except as set forth in **Schedule 12(q)** (*Environmental Matters*), to the corresponding WIFIA Loan Agreement and shall reaffirm on each subsequent date on which this representation and warranty is made (or deemed made), with respect to such WIFIA Loan and the applicable Project, that the Borrower has not received any written communication or notice, whether from a Governmental Authority, employee, citizens group, or any other Person, that alleges that the Borrower is not in full compliance with all Environmental Laws and Governmental Approvals relating thereto in connection with such Project and, to the Borrower's knowledge, there are no circumstances that may prevent or interfere with full compliance in the future by the Borrower with any such Environmental Law or Governmental Approval. The Borrower shall affirm as of each WIFIA Loan Agreement Effective Date for a WIFIA Loan and shall reaffirm on each subsequent date on which this representation and warranty is made (or deemed made), with respect to each WIFIA Loan and the applicable Project, that the Borrower has provided to the WIFIA Lender all material assessments, reports, results of investigations or audits, and other material information in the possession of or reasonably available to the Borrower regarding the Borrower's or such Project's compliance with (A) Environmental Laws and (B) Governmental Approvals relating to Environmental Laws that are required for such Project.

(r) Insurance. The Borrower is in compliance with all insurance obligations required under each Construction Contract and the other Related Documents as of the date on which this representation and warranty is made. To the extent the Borrower self-insures, the Borrower's self-insurance program is actuarially sound.

(s) No Liens. Except for Permitted Liens, the Borrower has not created, and is not under any obligation to create, and has not entered into any transaction or agreement that would result in the imposition of, any Lien on the Security, the Utility System, the Projects, the Gross Revenues, or the properties or assets in relation to the Projects.

(t) Financial Statements. Each income statement, balance sheet and statement of operations and cash flows (collectively, "**Financial Statements**") delivered to the WIFIA Lender pursuant to Section 16(b) (*Reporting Requirements – Annual Financial Statements*) has been prepared in accordance with GAAP and presents fairly, in all material respects, the financial condition of the Borrower as of the respective dates of the balance sheets included therein and the results of operations of the Borrower for the respective periods covered by the statements of income included therein. Except as reflected in such Financial Statements, there are no liabilities or obligations of the Borrower of any nature whatsoever for the period to which such Financial Statements relate that are required to be disclosed in accordance with GAAP.

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

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

(w) Sufficient Funds. The Master Program Amount, when combined with all other funds committed for the development and construction of all Projects contemplated for the Master Program as set forth in the various sources of funds in the Base Case Financial Model, will be sufficient to carry out the Master Program. With respect to each Project, the amount of the WIFIA Loan for such Project, when combined with all other funds committed for the development and construction of such Project as set forth under the various sources of funds in the Project Budget for such Project will be sufficient to carry out such Project, pay all Total Project Costs for such Project anticipated for the development and construction of such Project and achieve Substantial Completion of such Project by the Projected Substantial Completion Date for such Project. The total federal assistance provided to each Project, including the Maximum Principal Amount of the applicable WIFIA Loan for such Project, does not exceed eighty percent (80%) of Total Project Costs for such Project. The financial plan most recently delivered to the WIFIA Lender pursuant to Section 16(a) (*Reporting Requirements – Annual Budget; Financial Plan*) demonstrates that the projected Gross Revenues are sufficient to meet the WIFIA Loan

Amortization Schedule for each WIFIA Loan. The Borrower has developed, and identified adequate revenues to implement, a plan for operating, maintaining, and repairing each Project over the useful life of such Project.

(x) Sovereign Immunity. To the extent authorized by Texas Government Code Section 1371.059(c), the Borrower has, in each applicable WIFIA Supplement waived sovereign immunity from suit and liability for the purposes of adjudicating a claim to enforce each applicable WIFIA Bond which evidences amounts due under this Agreement and each applicable WIFIA Loan Agreement or for damages for breach thereof.

(y) Representations and Warranties of Borrower for each WIFIA Loan Agreement and Disbursements. As of each WIFIA Loan Agreement Effective Date, the Borrower agrees to affirm or reaffirm, as applicable, each of the representations and warranties set forth above in this Section 12 (other than those contained in the first sentence of clause (f) of this Section 12) pursuant to Section 12 (*Representations and Warranties of Borrower*) of the corresponding WIFIA Loan Agreement. As of each date on which any Disbursement of a WIFIA Loan is requested or made, the Borrower agrees to reaffirm each of the representations and warranties set forth above in this Section 12 (other than those contained in clause (b), clause (l), the first sentence of clause (f), of this Section 12) pursuant to a confirmation provided in the applicable Requisition.

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

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

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

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

ARTICLE V

COVENANTS

Section 14. Affirmative Covenants. The Borrower covenants and agrees as follows until the date each WIFIA Bond and all of the obligations of the Borrower under this Agreement and each WIFIA Loan Agreement (other than contingent indemnity obligations) are irrevocably paid in full in immediately available funds and this Agreement is terminated (other than obligations of the Borrower that are expressly stated to survive termination), unless the WIFIA Lender waives compliance in writing:

(a) Rate Covenant. The Borrower has agreed and covenanted in the Master Ordinance with the Owners of the Parity Debt that so long as any Parity Debt, or any interest thereon, remain Outstanding and unpaid, to establish and maintain rates and charges for facilities and services afforded by the Utility System that are reasonably expected, on the basis of available information and experience and with due allowance for contingencies, to produce Gross Revenues in each Fiscal Year to satisfy the requirements specified in Section 5 of the Master Ordinance, which requirements are hereby incorporated herein and a copy of such section, as of the Effective Date, is attached hereto as **Schedule VI** (*Rate Covenant*) (collectively, the “**Rate Covenant**”).

(b) Securing Liens. The Borrower shall at any and all times, to the extent permitted by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable in connection with assuring, conveying, granting, assigning, securing and confirming the Liens on the Security (whether now existing or hereafter arising) granted to the WIFIA Lender for its benefit pursuant to the Ordinance Documents, or intended so to be granted pursuant to the Ordinance Documents, or which the Borrower may become bound to grant. The Borrower shall at all times maintain the Security free and clear of any pledge, Lien, charge or encumbrance thereon or with respect thereto that has priority over, or equal rank with, the Liens created by the Ordinance Documents, other than as permitted by this Agreement and the WIFIA Loan Agreements, and all organizational, regulatory or other necessary action on the part of the Borrower to that end shall be duly and validly taken at all times. The Borrower shall at all times, to the extent permitted by law, defend, preserve and protect the Liens on the Security granted pursuant to the Ordinance Documents and for the benefit of the WIFIA Lender under the Ordinance Documents against all claims and demands of all Persons whomsoever, subject to Permitted Liens. The Borrower shall comply with Section 1.02(c) of the WIFIA Supplements, which requirements are hereby incorporated herein.

(c) Use of Proceeds. The Borrower shall use the proceeds of the WIFIA Loans for purposes permitted by applicable law and as otherwise permitted under this Agreement, the WIFIA Loan Agreements and the other Related Documents.

(d) Prosecution of Work; Verification Requirements.

(i) The Borrower shall diligently prosecute the work relating to each Project and complete each Project in accordance with the applicable Construction Schedule, the Governmental Approvals in connection with each Project, and prudent industry practice.

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

(e) Operations and Maintenance. The Borrower shall (i) operate and maintain the Utility System (including, but not limited to, the Projects) in a reasonable and prudent manner and (ii) maintain the Utility System (including the Projects) in good repair, working order and

condition and in accordance with the requirements of all applicable laws and each applicable Related Document. The Borrower shall at all times do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect the Governmental Approvals and any other rights, licenses, franchises, and authorizations material to the conduct of its business.

(f) Insurance.

(i) The Borrower shall at all times procure and maintain or cause to be maintained insurance on the Utility System and the construction of each Project, with responsible insurers, or as part of a reasonable system of self-insurance that is adequately funded, in such amounts and against such risks (including damage to or destruction of the Utility System) as are customarily maintained with respect to works and properties of like character against accident to, loss of, or damage to such works or properties. All policies of insurance required to be maintained herein shall, to the extent reasonably obtainable, provide that the WIFIA Lender shall be given thirty (30) days written notice of any intended cancellation thereof or reduction of coverage provided thereby. The Borrower shall cause each Construction Contractor to obtain and maintain builders risk and casualty and liability insurance in accordance with the requirements of the applicable Construction Contract.

(ii) The Borrower shall (by self-insuring or maintaining with responsible insurers or by a combination thereof) provide for workers' compensation insurance for Borrower's workers and insurance against public liability and property damage to the Utility System (including the Projects) to the extent reasonably necessary to protect the Borrower and the WIFIA Lender.

(iii) The Borrower shall cause all liability insurance policies that it maintains (and, during each applicable Construction Period, that are maintained by any Construction Contractor), other than workers' compensation insurance, to reflect the WIFIA Lender as an additional insured to the extent of its insurable interest.

(iv) Promptly upon request by the WIFIA Lender, the Borrower shall deliver to the WIFIA Lender copies of any underlying insurance policies obtained by or on behalf of the Borrower in respect of each Project. All such policies shall be available at all reasonable times for inspection by the WIFIA Lender, its agents and representatives.

(v) The Borrower shall comply with the insurance requirements of the Ordinance Documents and shall deliver to the WIFIA Lender within thirty (30) days after receipt thereof any certifications or opinions provided to the Borrower pursuant to the Ordinance Documents with respect to the Borrower's program of insurance or self-insurance.

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

(h) [Reserved]

(i) Compliance with Laws.

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

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

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

(k) [Reserved]

(l) SAM Registration. The Borrower shall (i) obtain and maintain through the Final Disbursement Date of the last outstanding WIFIA Loan an active registration status with the federal System for Award Management (www.SAM.gov) (or any successor system or registry) prior to the Effective Date and provide such registration information to the WIFIA Lender and (ii) within sixty (60) days prior to each anniversary of the Effective Date until the Final Disbursement Date of the last outstanding WIFIA Loan, provide to the WIFIA Lender evidence of such active registration status with no active exclusions reflected in such registration.

(m) UEI. The Borrower shall (i) obtain and maintain a number issued by the Federal Government (including through SAM.gov) as the unique entity identifier for the Borrower (a “UEI”) prior to the Effective Date and provide such number to the WIFIA Lender and (ii) within sixty (60) days prior to each anniversary of the Effective Date, provide to the WIFIA Lender evidence of the continuing effectiveness of such UEI, in each case until the Final Maturity Date of

the last outstanding WIFIA Loan or to such earlier date as all amounts due or to become due to the WIFIA Lender under this Agreement and the WIFIA Loan Agreements have been irrevocably paid in full in immediately available funds.

(n) Insurance Proceeds. The Borrower shall pledge and apply the proceeds of insurance covering the Utility System in accordance with Section 6(o) of the Master Ordinance.

(o) [Reserved]

(p) Accounting and Audit Procedures.

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

(ii) The Borrower shall have a single or program-specific audit conducted in accordance with 2 C.F.R. Part 200 Subpart F and 31 U.S.C. § 7502 for 2023 and annually thereafter, except to the extent biennial audits are permitted for the Borrower pursuant to 2 C.F.R. § 200.504 and 31 U.S.C. § 7502(b). Upon reasonable notice, the Borrower shall cooperate fully in the conduct of any periodic or compliance audits conducted by the WIFIA Lender, or designees thereof, pursuant to 40 C.F.R. Part 35, 31 U.S.C. § 7503(b), or 31 U.S.C. § 6503(h) and shall provide full access to any books, documents, papers or other records that are pertinent to each Project or each WIFIA Loan, to the WIFIA Lender, or the designee thereof, for any such project or programmatic audit.

(q) Access; Records.

(i) So long as a WIFIA Loan or any portion thereof shall remain Outstanding and until five (5) years after each such WIFIA Loan shall have been paid in full, the WIFIA Lender shall have the right, upon reasonable prior notice, to visit and inspect any portion of the applicable Project, to examine books of account and records of the Borrower relating to the applicable Project, to make copies and extracts therefrom at the Borrower's expense, and to discuss the Borrower's affairs, finances and accounts relating to the applicable Project with, and to be advised as to the same by, its officers and employees and its independent public accountants (and by this provision the Borrower irrevocably authorizes its independent public accountants to discuss with the WIFIA Lender the affairs, finances and accounts of the Borrower, whether or not any representative of the Borrower is present, it being understood that nothing contained in this Section 14(q) is intended to confer any right to exclude any such representative from such

discussions), all at such reasonable times and intervals as the WIFIA Lender may request. The Borrower agrees to pay all out-of-pocket expenses incurred by the WIFIA Lender in connection with the WIFIA Lender's exercise of its rights under this Section 14(q) at any time when an Event of Default shall have occurred and be continuing.

(ii) The Borrower shall maintain and retain all pertinent files relating to each Project and the applicable WIFIA Loan, as may be necessary for the WIFIA Lender to facilitate an effective and accurate audit and performance evaluation of the Project, until five (5) years after the later of the date on which (A) all rights and duties under this Agreement and under the corresponding WIFIA Loan Agreement and the corresponding WIFIA Bond (including payments) have been fulfilled and any required audits have been performed with respect to the applicable Project and (B) any litigation relating to the applicable Project, the corresponding WIFIA Loan, this Agreement or the corresponding WIFIA Loan Agreement is finally resolved or, if the WIFIA Lender has reasonable cause to extend such date, a date to be mutually agreed upon by the WIFIA Lender and the Borrower. The Borrower shall provide to the WIFIA Lender in a timely manner all records and documentation relating to the applicable Project that the WIFIA Lender may reasonably request from time to time.

Section 15. Negative Covenants. The Borrower covenants and agrees as follows until the date each WIFIA Bond and all of the obligations of the Borrower under this Agreement and each WIFIA Loan Agreement (other than contingent indemnity obligations) are irrevocably paid in full in immediately available funds, unless the WIFIA Lender waives compliance in writing:

(a) Indebtedness.

(i) Except for Permitted Debt, the Borrower shall not without the prior written consent of the WIFIA Lender issue or incur any Debt.

(ii) The Borrower shall not create, incur or suffer to exist (A) any Debt the payments of which are senior or prior in right to the payment by the Borrower of the Parity Debt, or (B) any Additional Parity Debt Project Obligations that are secured by a Lien on any assets or property of the Borrower other than the Security.

(iii) The Borrower shall not issue or incur any Parity Debt or Subordinated Debt except in accordance with all requirements and conditions set forth in Section 7 of the Master Ordinance, which requirements and conditions are hereby incorporated herein and a copy of such article, as of the Effective Date, is attached hereto as **Schedule VII** (*Additional Debt Test*).

(b) No Lien Extinguishment or Adverse Amendments. The Borrower shall not, and shall not permit any Person to, without the prior written consent of the WIFIA Lender, (i) extinguish the Rate Covenant; (ii) extinguish or impair the Liens on the Security or any dedicated source of repayment of the WIFIA Loans or any other Debt (the proceeds of which are applied to fund Total Project Costs), in each case granted pursuant to the Master Ordinance, (iii) amend, modify, replace or supplement any Related Document or permit a waiver of any provision thereof in a manner that could adversely affect the WIFIA Lender or could reasonably be expected to

result in a Material Adverse Effect, or (iv) terminate, assign or replace any Related Document in a manner that could adversely affect the WIFIA Lender or could reasonably be expected to have a Material Adverse Effect.

(c) No Prohibited Liens. Except for Permitted Liens, the Borrower shall not create, incur, assume or permit to exist any Lien on the Projects, the Security, the Gross Revenues, or the Borrower's respective rights therein.

(d) [Reserved]

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

(f) Fiscal Year. The Borrower shall not at any time adopt any fiscal year other than the Borrower Fiscal Year, except with thirty (30) days' prior written notice to the WIFIA Lender.

(g) Mergers and Acquisitions. The Borrower shall not, and shall not agree to, reorganize, consolidate with or merge into another Person unless (i) such reorganization, merger or consolidation is with or into another entity established by State law and such reorganization, merger or consolidation is mandated by State law, and in each case, does not adversely affect or impair to any extent or in any manner (A) the Gross Revenues or other elements of the Security or (B) the availability of the Gross Revenues for the payment and security of the obligations of the Borrower under the WIFIA Loan Documents; and (ii) the Borrower provides to the WIFIA Lender, no later than sixty (60) days prior to the date of reorganization, consolidation or merger, prior written notice of such reorganization, consolidation or merger and the agreements and documents authorizing the reorganization, consolidation or merger, satisfactory in form and substance to the WIFIA Lender. In addition, the Borrower shall provide all information concerning such reorganization, consolidation or merger as shall have been reasonably requested by the WIFIA Lender.

(h) Hedging. The Borrower shall not enter into any swap or hedging transaction with respect to or payable from all or part of the Security, including inflation indexed swap transactions, "cap" or "collar" transactions, futures, or any other hedging transaction, for any speculative purpose. For the avoidance of doubt, the Borrower is permitted to enter into a swap or hedging transaction with respect to or payable from all or part of the Security, including inflation indexed swap transactions, "cap" or "collar" transactions, futures, or any other hedging transaction with respect to or payable from all or part of the Security with respect to Parity Debt that bears interest at a variable interest rate so long as the Borrower's obligations to pay any termination payments with respect thereto are made junior and subordinate in all respects to Parity Debt.

Section 16. Reporting Requirements.

(a) Annual Budget; Financial Plan.

(i) The Borrower shall provide to the WIFIA Lender not later than one hundred eighty (180) days after the beginning of each Borrower Fiscal Year (A) its annual budget or (B) a financial plan demonstrating to the satisfaction of the WIFIA Lender that the Borrower has developed and identified adequate revenues to implement a plan for operating, maintaining and repairing each Project over the useful life of such Project, and including (x) the Borrower's capital improvement plan, major maintenance plan, projected rates and charges, projected Gross Revenues and Operation and Maintenance Expenses for a reasonable projection period consistent with the Borrower's operating and financial planning, and projected debt outstanding and annual debt service, and (y) evidence of compliance with the Rate Covenant for the most recent Borrower Fiscal Year and the projected Rate Covenant coverages through the Final Maturity Date of the last outstanding WIFIA Loan.

(ii) The delivery by the Borrower of its annual budget or the financial plan to the WIFIA Lender pursuant to Section 16(a)(i) shall constitute a representation and warranty by the Borrower that such documents reflect the Borrower's reasonable expectations, using assumptions that the Borrower believes to be reasonable, of the Utility System's expected operations, including capital costs, capital spending schedule, rates and charges, Gross Revenues, Operation and Maintenance Expenses, major maintenance costs, financing structure and other scheduling, cost and financing elements.

(b) Annual Financial Statements. The Borrower shall deliver to the WIFIA Lender, as soon as available, but no later than one hundred eighty (180) days after the end of each Borrower Fiscal Year a copy of the audited income statement and balance sheet of the Borrower as of the end of such Borrower Fiscal Year and the related audited statements of operations and of cash flow of the Borrower for such Borrower Fiscal Year, (A) setting forth in each case in comparative form the figures for the previous fiscal year, (B) certified without qualification or exception, or qualification as to the scope of the audit, by an independent public accounting firm selected by the Borrower, and (C) which shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein (except, with respect to the annual financial statements, for changes approved or required by the independent public accountants certifying such statements and disclosed therein).

(c) Final Design Specifications. The Borrower shall deliver to the WIFIA Lender prior to bid advertisement, a copy of the final specifications relating to the development and construction of such Project, demonstrating compliance with all applicable federal requirements and including a summary of the scope of work thereunder.

(d) Construction Reporting. The WIFIA Lender shall have the right in its sole discretion to monitor (or direct its agents to monitor) the development of each Project, including environmental compliance, design, and construction of each Project. The Borrower shall be responsible for administering construction oversight of each Project in accordance with applicable

federal, state and local governmental requirements. The Borrower agrees to cooperate in good faith with the WIFIA Lender in the conduct of such monitoring by promptly providing the WIFIA Lender with such reports, documentation or other information as shall be requested by the WIFIA Lender or its agents, including any independent engineer reports, documentation or information. During the period through Substantial Completion of each Project, the Borrower shall furnish to the WIFIA Lender, on a quarterly basis, a report on the status of such Project, substantially in the form of **Exhibit C** (*Form of Quarterly Report*). The report for any quarter, shall be delivered to the WIFIA Lender within thirty (30) days of the following quarter (or if such day is not a Business Day, on the next following Business Day). If the then-current projection for the Substantial Completion Date for the applicable Project is a date later than the Projected Substantial Completion Date for such Project, the Borrower shall provide in such report a description in reasonable detail to the reasonable satisfaction of the WIFIA Lender of the reasons for such projected delay, an estimate of the impact of such delay on the capital and operating costs of the Utility System (if any), and that the new date could not reasonably be expected to result in a Material Adverse Effect.

(e) Quarterly Certification of Eligible Project Costs. With respect to each Project, if requested by the WIFIA Lender, on a basis not more frequently than quarterly, the Borrower shall submit to the WIFIA Lender, concurrently with the delivery of the Quarterly Report, a certificate, in the form of **Exhibit D** (*Form of Certification of Eligible Project Costs Documentation*), signed by the Borrower's Authorized Representative, and attaching Eligible Project Costs Documentation for such Project as applicable. If there are no applicable Eligible Project Costs for such Project for such quarter, the Borrower may notify the WIFIA Lender by written confirmation of the same by email in accordance with Section 32 (*Notices*). Within sixty (60) days following the receipt of such certificate and accompanying Eligible Project Costs Documentation (if applicable) for such Project, the WIFIA Lender shall notify the Borrower confirming (i) which Eligible Project Costs for such Project incurred by the Borrower set forth in the certification have been approved or denied (and, if denied, the reasons therefor) and (ii) the cumulative amount of Eligible Project Costs for such Project that have been approved as of the date of such notice. Any such approved amounts of Eligible Project Costs for such Project shall then be deemed to be available for Disbursement from the applicable WIFIA Loan at such time as the Borrower submits a Requisition in respect of such approved amounts in accordance with Section 4 (*Disbursement Conditions*).

(f) Public Benefits Report. With respect to each Project, the Borrower shall deliver to the WIFIA Lender the Public Benefits Report, (i) no later than the applicable WIFIA Loan Agreement Effective Date for the corresponding WIFIA Loan Agreement, (ii) within ninety (90) days following the Substantial Completion Date of such Project and (iii) within ninety (90) days following the fifth (5th) anniversary of the Substantial Completion Date of such Project. The Borrower agrees that information described under this Section 16(f) in the Public Benefits Report may be made publicly available by the WIFIA Lender at its discretion.

(g) Modifications to Total Project Costs. For the period through the Substantial Completion Date of each Project, the Borrower shall provide the WIFIA Lender with written notification at least thirty (30) days prior to instituting any increase to the aggregate Total Project Costs for such Project in an amount equal to or greater than twenty percent (20%), which notification shall set forth the nature of the proposed increase or decrease and an estimate of the

impact of such increase or decrease on the capital costs and operating costs of the Utility System. The Borrower's notice shall demonstrate that the proposed increase or decrease is consistent with the provisions of this Agreement and the corresponding WIFIA Loan Agreement, is necessary or beneficial to such Project, does not materially impair the WIFIA Lender's security or the Borrower's ability to comply with its obligations under the Related Documents (including any financial ratios or covenants included therein), and could not reasonably be expected to result in a Material Adverse Effect.

(h) Operations and Maintenance. The WIFIA Lender shall have the right, in its sole discretion, to monitor (or direct its agents to monitor) each Project's operations and, as the WIFIA Lender may request from time to time, to receive reporting on the operation and management of such Project, and copies of any contracts relating to the operation and maintenance of such Project. The Borrower agrees to cooperate in good faith with the WIFIA Lender in the conduct of such monitoring by promptly providing the WIFIA Lender with such reports, documentation, or other information requested by the WIFIA Lender. The WIFIA Lender has the right, in its sole discretion, to retain such consultants or advisors, to carry out the provisions of this Section 16(h). On or prior to the Substantial Completion Date for each Project, the Borrower shall deliver to the WIFIA Lender an operations and maintenance manual with respect to such Project, in form and substance reasonably acceptable to the WIFIA Lender.

(i) Notices.

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

(A) Substantial Completion: the occurrence of Substantial Completion of each Project, such notice to be provided in the form set forth in **Exhibit I** (*Form of Certificate of Substantial Completion*);

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

(C) Litigation: (1) the filing of any litigation, suit or action, or the commencement of any proceeding, against the Borrower before any arbitrator, Governmental Authority, alternative dispute resolution body, or other neutral third-party that could reasonably be expected to have a Material Adverse Effect, and (2) any final, non-appealable judgment related to the Security entered against the Borrower;

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

(E) Environmental Notices: any material notice of violation or material change in finding under any Environmental Law related to the Project or any material changes to the NEPA Determination;

(F) Amendments: except as otherwise agreed by the WIFIA Lender in writing, copies of (1) any proposed amendments to the provisions of the Master Ordinance or the WIFIA Supplements at least thirty (30) days prior to the effective date thereof and (2) copies of fully executed amendments of any Related Document within ten (10) days following execution thereof; provided, that such notice can be accomplished through an email to the WIFIA Lender that includes a link to the posting of the relevant documents on EMMA;

(G) Related Document Defaults: any material breach or default or event of default on the part of the Borrower or any other party under any Related Document; provided that such notice can be accomplished through the posting of the relevant documents on EMMA;

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

(I) Ratings Changes: any change in the rating assigned to any Parity Debt, any WIFIA Bond, or any Subordinated Debt, in each case by any Nationally Recognized Rating Agency that has provided a public rating on such indebtedness, and any notices, reports or other written materials (other than those that are ministerial in nature) received from any such rating agencies; provided, that such notice can be accomplished through an email to the WIFIA Lender that includes a link to the posting of the relevant documents on EMMA;

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

(K) Additional Construction Contracts: requested copies of any executed Additional Construction Contracts (together with any related contracts, side letters or other understandings);

(L) Issuance of Debt: copies of any final issuing instrument (together with any continuing disclosure documents, ordinances, official statement, certifications or cash flow projections in connection therewith), prepared in connection with the incurrence of any Permitted Debt (including any Additional Debt); provided that such notice can be accomplished through an email to the WIFIA Lender that includes a link to the posting of the relevant documents on EMMA;

(M) Postings on EMMA: the posting of any document on EMMA in accordance with the requirements of any Continuing Disclosure Agreement with respect to any Outstanding Debt relating to annual financial information and operating data and the

reporting of significant events; provided that such notice can be accomplished through the posting of the relevant documents on EMMA; and

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

(ii) Within thirty (30) calendar days after the Borrower learns of the occurrence of an event specified in clause (i) above (other than sub-clauses (A) (*Substantial Completion*), (F) (*Amendments*), (I) (*Ratings Changes*) (in the case of a ratings upgrade), (K) (*Additional Construction Contracts*), (L) (*Issuance of Debt*) and (M) (*Postings on EMMA*)), the Borrower's Authorized Representative shall provide a statement to the WIFIA Lender setting forth the actions the Borrower proposes to take with respect thereto. The Borrower shall also provide the WIFIA Lender with any further information reasonably requested by the WIFIA Lender from time to time concerning the matters described in clause (i) above.

(j) Requested Information. The Borrower shall, at any time while the WIFIA Loan remains outstanding, promptly deliver to the WIFIA Lender such additional information regarding the business, financial, legal or organizational affairs of the Borrower or regarding the Utility System, the Projects or the Gross Revenues as the WIFIA Lender may from time to time reasonably request.

ARTICLE VI

EVENTS OF DEFAULT

Section 17. Master Program Events of Default and Remedies.

(a) A “**Master Program Event of Default**” shall exist under this Agreement and each WIFIA Loan Agreement if any of the following occurs:

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

(ii) Covenant Default. The Borrower shall fail to observe or perform any covenant, agreement or obligation of the Borrower under this Agreement, any WIFIA Loan Agreement, any WIFIA Bond or any other WIFIA Loan Document (other than in the case of any Payment Default or any Development Default), and such failure shall not be cured within thirty (30) days after the earlier to occur of (A) receipt by the Borrower from the WIFIA Lender of written notice thereof or (B) the Borrower's knowledge of such failure; provided, however, that if such failure is capable of cure but cannot reasonably be

cured within such thirty (30) day cure period, then no Master Program Event of Default shall be deemed to have occurred or be continuing under this Section 17(a)(ii), and such thirty (30) day cure period shall be extended by up to one hundred fifty (150) additional days, if and so long as (x) within such thirty (30) day cure period the Borrower shall commence actions reasonably designed to cure such failure and shall diligently pursue such actions until such failure is cured and (y) such failure is cured within one hundred eighty (180) days of the date specified in either (A) or (B) above, as applicable.

(iii) Misrepresentation Default. Any of the representations, warranties or certifications of the Borrower made in or delivered pursuant to the WIFIA Loan Documents (or in any certificates delivered by the Borrower in connection with the WIFIA Loan Documents) shall prove to have been false or misleading in any material respect when made or deemed made (or any representation and warranty that is subject to a materiality qualifier shall prove to have been false or misleading in any respect); provided, that no Master Program Event of Default shall be deemed to have occurred under this Section 17(a)(iii) if and so long as (A) such misrepresentation is not intentional, (B) such misrepresentation is not a misrepresentation in respect of Section 12(h) (*Representations and Warranties of Borrower – No Debarment*) or Section 12(k) (*Representations and Warranties of Borrower – Compliance with Laws*), (C) in the reasonable determination of the WIFIA Lender, such misrepresentation has not had, and would not reasonably be expected to result in, a Material Adverse Effect, (D) in the reasonable determination of the WIFIA Lender, the underlying issue giving rise to the misrepresentation is capable of being cured and (E) the underlying issue giving rise to the misrepresentation is cured by the Borrower within thirty (30) days after the date on which the Borrower first became aware (or reasonably should have become aware) of such misrepresentation.

(iv) Cross Default with Other Related Documents. Any default shall occur and be continuing (after the expiration of any applicable grace period) in respect of the performance of any covenant, agreement or obligation of the Borrower under a Related Document, if (A) the Borrower shall have failed to cure such default or to obtain an effective written waiver thereof in accordance with the terms thereof and (B) the effect of such default results in the exercise by the holder(s) of the Debt under such Related Document of any remedies permitted thereunder.

(v) Material Adverse Judgment. Any final, non-appealable judgment related to the Gross Revenues, the Utility System or any Project shall be entered against the Borrower which has a Material Adverse Effect.

(vi) Occurrence of a Bankruptcy Related Event. A Bankruptcy Related Event shall occur with respect to the Borrower, and in the case of an event described in clause (c)(i) or (c)(ii) of the definition thereof, such process shall continue undismissed for thirty (30) days, an order or decree approving or ordering any of the foregoing shall be entered, or, in the WIFIA Lender's judgment, such process has a reasonable basis for proceeding.

(vii) Invalidity of WIFIA Loan Documents. (A) Any WIFIA Loan Document ceases to be in full force and effect (other than as a result of the termination

thereof in accordance with its terms) or becomes void, voidable, illegal or unenforceable, or the Borrower contests in any manner the validity or enforceability of any WIFIA Loan Document to which it is a party or denies it has any further liability under any WIFIA Loan Document to which it is a party, or purports to revoke, terminate or rescind any WIFIA Loan Document to which it is a party; (B) any Ordinance Document ceases (other than as expressly permitted thereunder) to be effective or to grant a valid and binding security interest on any material portion of the Security other than as a result of actions or a failure to act by, and within the control of, any Bondholder, and with the priority purported to be created thereby; or (C) any event occurs that results in the material impairment in the perfection or priority of the WIFIA Lender's security interest in the Security or in the value of such Security.

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

(ix) Amounts Subject to Annual Appropriation. (A) The Borrower shall fail to request appropriation of, or to so appropriate, as separate line items in its annual budget, amounts sufficient to timely pay any Subject to Appropriation Obligation; or (B) any Subject to Appropriation Obligation which otherwise would have been due and payable under this Agreement but for the failure to appropriate such amounts, remains unpaid.

Except in the case of a Payment Default or an Event of Default under Section 17(a)(iv) (*Master Program Events of Default and Remedies – Cross Default with Other Related Documents*) (where based on nonpayment of principal of, interest on or redemption price of Senior Debt when due), Section 17(a)(vi) (*Master Program Events of Default and Remedies – Occurrence of a Bankruptcy Related Event*) or Section 17(a)(vii) (*Master Program Events of Default and Remedies – Invalidity of WIFIA Loan Documents*), the Borrower shall not be considered in default hereunder, and no Event of Default shall be deemed to have occurred or be continuing, unless and until the WIFIA Lender provides the Borrower written notice of the Event of Default. Nothing in this paragraph is intended to limit any obligation of the Borrower hereunder, including any obligation to cure any event or condition contemplated under Section 17(a) (*Master Program Events of Default and Remedies*).

(b) Upon the occurrence of any Master Program Event of Default in Section 17(a)(vi) (*Master Program Events of Default and Remedies – Occurrence of a Bankruptcy Related Event*) or the Event of Default in Section 17(a)(vii) (*Master Program Events of Default and Remedies – Invalidity of WIFIA Loan Documents*), all obligations of the WIFIA Lender hereunder with respect to the disbursement of any undisbursed amounts of any of the WIFIA Loans shall automatically be deemed terminated.

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

(i) the WIFIA Lender may suspend or terminate all of its obligations under this Agreement and the WIFIA Loan Agreements with respect to the Disbursement of any undisbursed amounts of any of the WIFIA Loans;

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

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

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

(v) if any Bondholder of Parity Debt or Subordinated Debt exercises a right to accelerate or require the mandatory prepayment in full of such Parity Debt or Subordinated Debt, the WIFIA Lender may declare the unpaid principal amount of each of the WIFIA Bonds to be, and the same shall thereupon forthwith become, immediately due and payable, together with the interest accrued thereon and all fees, costs, expenses, indemnities and other amounts payable under this Agreement, the WIFIA Loan Agreements, the WIFIA Supplements or the other WIFIA Loan Documents, all without presentment, demand, notice, protest or other requirements of any kind, all of which are hereby expressly waived. The parties acknowledge that as of the Effective Date acceleration is not a remedy allowed under the Ordinance Documents.

(d) No action taken pursuant to this Section 17 shall relieve Borrower from its obligations pursuant to this Agreement, the WIFIA Loan Agreements, the WIFIA Bonds, the WIFIA Supplements or the other WIFIA Loan Documents, all of which shall survive any such action.

Section 18. Project Events of Default and Remedies:

(a) A “**Project Event of Default**” shall exist under the corresponding WIFIA Loan Agreement for the applicable Project to which such event relates (and not under any other WIFIA Loan Agreement) if any of the following occurs.

(i) Development Default. A Development Default with respect to such Project shall occur.

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

(i) the WIFIA Lender may suspend or terminate all of its obligations under this Agreement and the corresponding WIFIA Loan Agreement with respect to the Disbursement of any undisbursed amounts of the applicable WIFIA Loan;

(ii) the WIFIA Lender may apply the Default Rate provisions of Section 6 (*Interest Rate*) with respect to the applicable WIFIA Loan;

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

(iv) the WIFIA Lender shall be entitled and empowered to exercise such further rights as the WIFIA Lender may be entitled to under the Master Ordinance.

(c) No action taken pursuant to this Section 18 shall relieve the Borrower from its obligations pursuant to this Agreement, the WIFIA Loan Agreements, the WIFIA Bonds or the other WIFIA Loan Documents, all of which shall survive any such action.

ARTICLE VII

MISCELLANEOUS

Section 19. Disclaimer of Warranty. The WIFIA Lender makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for a particular purpose or fitness for use of any Project or any portion thereof or any other warranty with respect thereto. In no event shall the WIFIA Lender be liable for any incidental, indirect, special or consequential damages incidental to or arising out of this Agreement, any WIFIA Loan Agreement, the Utility System (including the Project) or the existence, furnishing, functioning or use of any Project or any item or products or services provided for in this Agreement or any WIFIA Loan Agreement.

Section 20. No Personal Recourse. No official, employee or agent of the WIFIA Lender or the Borrower or any Person executing this Agreement or any of the other WIFIA Loan Documents shall be personally liable on this Agreement or such other WIFIA Loan Documents by reason of the issuance, delivery or execution hereof or thereof.

Section 21. No Third Party Rights. The parties hereby agree that this Agreement creates no third party rights against the Borrower, the Government, or the WIFIA Lender, solely by virtue of any WIFIA Loan. To the extent authorized by law and in accordance with Section 33 (*Indemnification*), the Borrower agrees to indemnify and hold the WIFIA Lender, the Servicer (if any), the Administrator, and the Government harmless from any lawsuit or claim arising in law or equity solely by reason of any WIFIA Loan, and that no third party creditor of the Borrower shall have any right against the WIFIA Lender with respect to any WIFIA Loan made pursuant to this Agreement. Nothing in this Section 21 shall waive any limitations on liability or immunity provided by the Texas Constitution and the Texas Tort Claims Act, and Borrower hereby notifies

WIFIA Lender that it has neither provided nor made any obligation from current revenues, budget allocation, order, resolution, tax, or interest and sinking fund in regards to said indemnity.

Section 22. Borrower's Authorized Representative. The Borrower shall at all times have appointed a Borrower's Authorized Representative by designating such Person or Persons from time to time to act on the Borrower's behalf pursuant to a written certificate furnished to the WIFIA Lender and the Servicer, if any, containing the specimen signature or signatures of such Person or Persons and signed by the Borrower.

Section 23. WIFIA Lender's Authorized Representative. The WIFIA Lender hereby appoints the Director of the WIFIA Program, whose notice details are set forth below in Section 32 (Notices), to serve as the WIFIA Lender's Authorized Representative under this Agreement until such time as a successor or successors shall have been appointed. Thereafter, the successor in office shall serve as the WIFIA Lender's Authorized Representative. The WIFIA Lender shall provide notice to the Borrower within a reasonable time period following the succession.

Section 24. Servicer. The WIFIA Lender may from time to time designate another entity or entities to perform, or assist the WIFIA Lender in performing, the duties of the Servicer or specified duties of the WIFIA Lender under this Agreement and the WIFIA Loan Agreements and the WIFIA Bonds. The WIFIA Lender shall give the Borrower written notice of the appointment of any successor or additional Servicer and shall enumerate the duties or any change in duties to be performed by any Servicer. Any references in this Agreement and in any WIFIA Loan Agreement to the WIFIA Lender shall be deemed to be a reference to the Servicer with respect to any duties which the WIFIA Lender shall have delegated to such Servicer. The WIFIA Lender may at any time assume the duties of any Servicer under this Agreement and the WIFIA Loan Agreements and the WIFIA Bonds. The Borrower shall cooperate and respond to any reasonable request of the Servicer for information, documentation or other items reasonably necessary for the performance by the Servicer of its duties hereunder.

Section 25. Amendments and Waivers. No amendment, modification, termination, or waiver of any provision of this Agreement, the WIFIA Loan Agreements or the corresponding WIFIA Bonds shall in any event be effective without the written consent of each of the parties hereto.

Section 26. Governing Law. This Agreement and the WIFIA Loan Agreements shall be governed by the federal laws of the United States of America if and to the extent such federal laws are applicable and the internal laws of the State, if and to the extent such federal laws are not applicable.

Section 27. Severability. In case any provision in or obligation under this Agreement or a WIFIA Loan Agreement shall be invalid, illegal, or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 28. Successors and Assigns. This Agreement and the WIFIA Loan Agreements shall be binding upon the parties hereto and thereto and their respective permitted successors and assigns and shall inure to the benefit of the parties hereto and thereto and their respective permitted

successors and assigns. Neither the Borrower's rights or obligations under this Agreement, the WIFIA Loan Agreements or the corresponding WIFIA Bonds nor any interest herein or therein may be assigned or delegated by the Borrower without the prior written consent of the WIFIA Lender.

Section 29. Remedies Not Exclusive. No remedy conferred herein or reserved to the WIFIA Lender under this Agreement, the WIFIA Loan Agreements or the corresponding WIFIA Bonds is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or thereunder or now or hereafter existing at law or in equity or by statute. Subject to Section 17(c)(v) (*Master Program Events of Default and Remedies*), acceleration of any amounts due under the WIFIA Bonds, the WIFIA Loan Agreements or this Agreement is not a remedy available to the WIFIA Lender.

Section 30. Delay or Omission Not Waiver. No delay or omission of the WIFIA Lender to exercise any right or remedy provided under this Agreement, the WIFIA Loan Agreements or the corresponding WIFIA Bonds upon a default of the Borrower (except a delay or omission pursuant to a written waiver) shall impair any such right or remedy or constitute a waiver of any such default or acquiescence herein or therein. Every right and remedy given by this Agreement, the WIFIA Loan Agreements or the corresponding WIFIA Bonds or by law to the WIFIA Lender may be exercised from time to time, and as often as may be deemed expedient by the WIFIA Lender.

Section 31. Counterparts. This Agreement and each WIFIA Loan Agreement and any amendments, waivers, consents or supplements hereto or in connection herewith or therewith may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. Electronic delivery of an executed counterpart of a signature page of this Agreement and each WIFIA Loan Agreement or any document or instrument delivered in connection herewith in accordance with Section 32 (*Notices*) shall be effective as delivery of an original executed counterpart of this Agreement, the corresponding WIFIA Loan Agreement or such other document or instrument, as applicable.

Section 32. Notices. Notices hereunder shall be (a) in writing, (b) effective as provided below and (c) given by (i) nationally recognized courier service, (ii) hand delivery, or (iii) email, in each case to:

If to WIFIA Lender:

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

If to Borrower: City of Pflugerville
100 East Main Street, Suite 300
Pflugerville, Texas 78660
Attention: Tracy Waldron
Email: TracyW@pflugervilletx.gov

If to Paying Agent / Registrar: As set forth in the applicable WIFIA Supplement.

Unless otherwise instructed by the WIFIA Lender's Authorized Representative, all notices to the WIFIA Lender should be made by email to the email address noted above for the WIFIA Lender. Notices required to be provided herein shall be provided to such different addresses or to such further parties as may be designated from time to time by a Borrower's Authorized Representative, with respect to notices to the Borrower, or by the WIFIA Lender's Authorized Representative, with respect to notices to the WIFIA Lender or the Servicer. Each such notice, request or communication shall be effective (x) if delivered by hand or by nationally recognized courier service, when delivered at the address specified in this Section 32 (or in accordance with the latest unrevoked written direction from the receiving party) and (y) if given by email, when such email is delivered to the address specified in this Section 32 (or in accordance with the latest unrevoked written direction from the receiving party); provided, that notices received on a day that is not a Business Day or after 5:00 p.m. Eastern Time on a Business Day will be deemed to be effective on the next Business Day.

Section 33. Indemnification. The Borrower shall, to the extent permitted by law, including the Texas Constitution and State law, indemnify the WIFIA Lender and any official, employee, agent or representative of the WIFIA Lender (each such Person being herein referred to as an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities, fines, penalties, costs and expenses (including the fees, charges and disbursements of any counsel for any Indemnitee and the costs of environmental remediation), whether known, unknown, contingent or otherwise, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (a) the execution, delivery and performance of this Agreement or any of the other Related Documents, (b) the WIFIA Loans or the use of the proceeds thereof, or (c) the violation of any law, rule, regulation, order, decree, judgment or administrative decision relating to the environment, the preservation or reclamation of natural resources, the management, release or threatened release of any hazardous material or to health and safety matters; in each case arising out of or in direct relation to any Project; provided, that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities, fines, penalties, costs or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from or arisen out of the negligence or willful misconduct of such Indemnitee. In case any action or proceeding is brought against an Indemnitee by reason of any claim with respect to which such Indemnitee is entitled to indemnification hereunder, the Borrower shall be entitled, at its expense, to participate in the defense thereof; provided, that such Indemnitee has the right to retain its own counsel, at the Borrower's expense, and such participation by the Borrower in the defense thereof shall not release the Borrower of any liability that it may have to such Indemnitee. Nothing in this Section 33 shall waive any limitations on liability or immunity provided by the Texas Constitution and the Texas Tort Claims Act, and Borrower hereby notifies WIFIA Lender that it has neither provided nor made any obligation from current revenues, budget allocation, order, resolution, tax, or interest

and sinking fund in regards to said indemnity. Any Indemnitee against whom any indemnity claim contemplated in this Section 33 is made shall be entitled, after consultation with the Borrower and upon consultation with legal counsel wherein such Indemnitee is advised that such indemnity claim is meritorious, to compromise or settle any such indemnity claim. Any such compromise or settlement shall be binding upon the Borrower for purposes of this Section 33. Nothing herein shall be construed as a waiver of any legal immunity that may be available to any Indemnitee. To the extent permitted by applicable law, neither the Borrower nor the WIFIA Lender shall assert, and each of the Borrower and the WIFIA Lender hereby waives, any claim against any Indemnitee or the Borrower, respectively, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any of the other Related Documents, the other transactions contemplated hereby and thereby, the WIFIA Loans or the use of the proceeds thereof, provided, that nothing in this sentence shall limit the Borrower's indemnity obligations to the extent such damages are included in any third party claim in connection with which an Indemnitee is entitled to indemnification hereunder. All amounts due to any Indemnitee under this Section 33 shall be payable promptly upon demand therefor. The obligations of the Borrower under this Section 33 shall survive the payment or prepayment in full or transfer of the WIFIA Bonds, the enforcement of any provision of this Agreement or the other Related Documents, any amendments, waivers (other than amendments or waivers in writing with respect to this Section 33) or consents in respect hereof or thereof, any Event of Default, and any workout, restructuring or similar arrangement of the obligations of the Borrower hereunder or thereunder.

Section 34. Sale of WIFIA Loans. The WIFIA Lender shall not sell any WIFIA Loan at any time prior to the Substantial Completion Date relating to such WIFIA Loan. After such date, the WIFIA Lender may sell such WIFIA Loan to another entity or reoffer such WIFIA Loan into the capital markets only in accordance with the provisions of this Section 34. Such sale or reoffering shall be on such terms as the WIFIA Lender shall deem advisable. However, in making such sale or reoffering, the WIFIA Lender shall not change the terms and conditions of the applicable WIFIA Loan without the prior written consent of the Borrower in accordance with Section 25 (*Amendments and Waivers*). The WIFIA Lender shall provide, at least sixty (60) days prior to any sale or reoffering of any WIFIA Loan, written notice to the Borrower of the WIFIA Lender's intention to consummate such a sale or reoffering; provided, however, that no such notice shall be required during the continuation of any Event of Default. The provision of any notice pursuant to this Section 34 with respect to any WIFIA Loan shall not (x) obligate the WIFIA Lender to sell nor (y) provide the Borrower with any rights or remedies in the event the WIFIA Lender, for any reason, does not sell such WIFIA Loan.

Section 35. Effectiveness. This Agreement shall be effective on the Effective Date.

Section 36. Termination. This Agreement shall terminate upon the irrevocable payment in full of immediately available funds by the Borrower of all amounts due and owing under this Agreement and all WIFIA Loan Agreements, together with all accrued interest, fees and expenses with respect thereto; provided, however, that the indemnification requirements of Section 33 (*Indemnification*), the access and record keeping requirements of Section 14(q) (*Affirmative Covenants – Access; Records*) and the payment requirements of Section 10 (*Fees and Expenses*) shall survive the termination of this Agreement as provided in such Sections.

Section 37. 2022 WIFIA Loan Agreement. Notwithstanding anything in this Agreement or any WIFIA Loan Agreement to the contrary, nothing herein or therein shall be deemed to amend, modify or otherwise revise any provision of the previously executed loan agreement between the City and the WIFIA Lender, dated as of October 28, 2022 (the “2022 WIFIA Loan Agreement”). For the avoidance of doubt, no terms or provisions of this Agreement shall be read to include the 2022 WIFIA Loan Agreement or any document related thereto.

Section 38. Integration. This Agreement constitutes the entire contract between the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

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

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

CITY OF PFLUGERVILLE, TEXAS,
by its authorized representative

By: _____
Name: Victor Gonzales
Title: Mayor

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

By: _____

Name: Michael S. Regan

Title: Administrator

SCHEDULE I

MASTER PROGRAM

PART A. Master Program Budget.

SOURCES OF FUNDS	AMOUNT (\$USD)	PERCENTAGE (%)
WIFIA Loan (Master Agreement)	\$438,202,066	42.7%
WIFIA Loan – 2020 Prior Loan	\$52,049,683	5.1%
SRF Loans	\$185,287,497	18.1%
Subordinate Obligations	\$349,695,387	34.1%
Applicant Cash	\$0	0.0%
Total Project Sources	\$1,025,234,632	100.0%
USES OF FUNDS	AMOUNT (\$USD)	PERCENTAGE (%)
Construction	\$819,702,254	80.0%
Project Management	\$9,906,130	1.0%
Other	\$50,491,686	4.9%
Planning	\$9,931,678	1.0%
Design	\$54,573,363	5.3%
Contingency	\$70,478,684	6.9%
Financing Costs	\$10,150,838	1.0%
Total Project Uses	\$1,025,234,632	100.0%
Total Eligible Project Costs	\$1,025,234,632	100.0%
Total Project Costs	\$1,025,234,632	100.0%

“Master Program Amount” means \$438,202,066.

PART B. Master Program Description.

Projects proposed to be funded by WIFIA Loan proceeds are part of a comprehensive capital improvement plan whose goal is to support quality of life throughout the city through provision of equitable, safe, efficient service. Projects included in this request will support water and wastewater system resiliency through regionalization, rehabilitation, and improvements that will allow the city to meet a steadily increasing demand for service. These funds will be used to cover work related to the management, design and construction of these projects. As of the time of the application for the Master Program and the initial WIFIA Loan, over 25 projects have been identified relating to all aspects of the water and wastewater utilities, including lines, interceptors, force mains, pump stations, treatment works, planning studies and administrative facilities.

SCHEDULE II
EXISTING INDEBTEDNESS¹

PART A. Parity Debt.

	Agreement/Series	Outstanding Principal ²
1.	CITY OF PFLUGERVILLE, TEXAS UTILITY SYSTEM REVENUE BONDS, SERIES 2021	\$11,265,000
2.	CITY OF PFLUGERVILLE, TEXAS UTILITY SYSTEM REVENUE BONDS, SERIES 2022A	\$31,115,000
3.	CITY OF PFLUGERVILLE, TEXAS UTILITY SYSTEM REVENUE BONDS, SERIES 2022B	\$23,995,000
4.	CITY OF PFLUGERVILLE, TEXAS UTILITY SYSTEM REVENUE BOND, (WATER TREATMENT PLANT EXPANSION – 30 MGD PROJECT), SERIES 2022	\$52,049,683 ³
5.	CITY OF PFLUGERVILLE, TEXAS UTILITY SYSTEM REVENUE BONDS, SERIES 2024A	\$122,915,000
	Total Outstanding Parity Debt	\$241,714,683

PART B. Subordinated Debt.

	Agreement/Series	Outstanding Principal ⁴
1.	NONE	N/A
	Total Outstanding Subordinated Debt	N/A

¹ Excludes subordinated utility revenue pledged to the Borrower’s Certificates of Obligation required for the issuance of such certificates pursuant to Subchapter C of the Chapter 271 of the Texas Local Government Code, as amended.

² As of Effective Date.

³ Amount shown is the full authorized amount under the 2022 WIFIA Loan Agreement which is drawn down in installments and is currently not outstanding in its entirety.

⁴ As of Effective Date.

SCHEDULE III

REQUISITION PROCEDURES

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

PART A. General Requirements.

(a) Manner of Request: All requests by the Borrower for a Disbursement shall be made in writing by electronic submission to the WIFIA Lender, in accordance with Section 32 (*Notices*) of the WIFIA Master Agreement.

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

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

(ii) all Eligible Project Costs Documentation that has not otherwise been provided to the WIFIA Lender in accordance with Section 16(e) (*Reporting Requirements – Quarterly Certification of Eligible Project Costs*) of this Agreement.

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

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

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

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

PART B. WIFIA Lender Review Process.

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

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

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

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

SCHEDULE IV

DEFINED TERMS FROM MASTER ORDINANCE

All terms used in this Schedule IV shall have the meaning assigned to such terms as provided in the Master Ordinance and, in the case of the definition of the term "Security," the applicable WIFIA Supplement. All section references used in this Schedule IV shall be references to the appropriate section in the Master Ordinance. All references to "herein" or "hereof" in this Schedule IV shall be references to the Master Ordinance. The following is intended to copy (without change) certain defined terms in the Master Ordinance (and, in the case of the definition of the term "Security," in the applicable WIFIA Supplement) as of the Effective Date.

"Annual Debt Service Requirements" means, for any Fiscal Year, (i) the principal of, premium, if any, and interest on all Parity Debt coming due at Maturity or Stated Maturity (or that could come due on demand of the owner thereof other than by acceleration or other demand conditioned upon default by the City on such Parity Debt, or be payable in respect of any required purchase of such Parity Debt by the City) plus (ii) all payments required to be made by the City under each Credit Agreement constituting Parity Debt (net of any credits as provided in (7) below) in such Fiscal Year, and minus (iii) all amounts on deposit to the credit of the Interest and Sinking Account from original proceeds from the sale of Parity Debt or from any other lawfully available source (other than moneys that would constitute Pledged Revenues in the subject annual period) and, for such purposes, any one or more of the following rules shall apply at the election of the City; provided, however, that this definition shall never be applied in a manner which results in Annual Debt Service Requirements for any Fiscal Year being an amount that is less than the aggregate amount actually required to be paid in such Fiscal Year with respect to Outstanding Parity Debt:

(1) Committed Take Out. If the City has entered into a Credit Agreement constituting Parity Debt and constituting a binding commitment within normal commercial practice, from any bank, savings and loan association, insurance company, or similar institution to discharge any of its Funded Debt at its Stated Maturity (or, if due on demand, at any date on which demand may be made) or to purchase any of its Funded Debt at any date on which such debt is subject to required purchase, all pursuant to arrangements whereby the City's obligation to repay the amounts advanced for such discharge or purchase constitutes Funded Debt, then the portion of the Funded Debt committed to be discharged or purchased shall be excluded from such calculation and the principal of and interest on the Funded Debt incurred for such discharge or purchase that would be due in the Fiscal Year for which the calculation is being made, if incurred at the Stated Maturity or purchase date of the Funded Debt to be discharged or purchased, shall be added to such calculation, and the remaining provisions of this definition shall be applied to such added Funded Debt;

(2) Balloon Debt. If the principal, including the accretion of interest resulting from original issue discount or compounding of interest (collectively, "Principal"), of any series or issue of Funded Debt due (or payable in respect of any required purchase of such Funded Debt by the City) in any Fiscal Year either is equal to at least 25% of the total Principal of such Funded Debt or exceeds by more than 50% the greatest amount of

Principal of such series or issue of Funded Debt due in any preceding or succeeding Fiscal Year (such Principal due in such Fiscal Year for such series or issue of Funded Debt being referred to herein as "Balloon Debt"), the amount of Principal of such Balloon Debt taken into account during any Fiscal Year shall be equal to the debt service calculated using the Principal of such Balloon Debt amortized over the Term of Issue on a level debt service basis at an assumed interest rate equal to the rate borne by such Balloon Debt on the date of calculation;

(3) Consent Sinking Fund. In the case of Balloon Debt (as defined in clause (2) above), if an Authorized Representative shall deliver to the City an Officer's Certificate providing for the retirement of (and the instrument creating such Balloon Debt shall permit the retirement of), or for the accumulation of a sinking fund for (and the instrument creating such Balloon Debt shall permit the accumulation of a sinking fund for), such Balloon Debt according to a fixed schedule stated in such Officer's Certificate ending on or before the Fiscal Year in which such principal (and premium, if any) is due, then the principal of (and, in the case of retirement, or to the extent provided for by the sinking fund accumulation, the premium, if any, and interest and other payments due on) such Balloon Debt shall be computed as if the same were due in accordance with such schedule, provided that this clause (3) shall apply only to Balloon Debt for which the installments previously scheduled have been paid or deposited to the sinking fund established with respect to such debt on or before the times required by such schedule; and provided further that this clause (3) shall not apply where the City has elected to apply the rule set forth in clause (2) above;

(4) Prepaid Debt. Principal of, premium, if any, and interest on Parity Debt, or portions thereof, shall not be included in the computation of the Annual Debt Service Requirements for any Fiscal Year for which such principal, premium, if any, or interest are payable from funds on deposit or set aside in trust for the payment thereof at the time of such calculations (including, without limitation, capitalized interest and accrued interest so deposited or set aside in trust) with a financial institution acting as fiduciary with respect to the payment of such Parity Debt;

(5) Variable Rate. As to any Parity Debt that bears interest at a variable interest rate which cannot be ascertained at the time of calculation of the Annual Debt Service Requirement, at the election of the City, the interest rate for such Parity Debt shall be determined to be either (i) an interest rate equal to the average rate borne by such Parity Debt (or by comparable debt in the event that such Parity Debt has not been outstanding during the preceding twenty-four (24) months) for any twenty-four (24) month period ending within thirty (30) days prior to the date of calculation, (ii) if the Parity Debt bears interest at tax-exempt rates, an interest rate equal to twenty-four (24) month average of the Bond Market Association Bond Index (as most recently published in The Bond Buyer), unless such index is no longer published in The Bond Buyer, in which case the index to be used in its place shall be that index which the City determines most closely replicates such index as set forth in a certificate of an Authorized Representative, (iii) if the Parity Debt bears interest at taxable rates, an interest rate equal to the rate of the thirty (30) day London Interbank Offered Rate, (iv) that interest rate which, in the judgment of the Chief Financial Officer, based, to the extent possible, upon an accepted market index which corresponds with the provisions of the subject Parity Debt, is the average rate anticipated to be in effect

with respect to such Parity Debt or (v) that interest rate which, in the judgment of the Chief Financial Officer, based upon the interest rate methodology in the applicable Credit Agreement if calculating payments under a Credit Agreement in accordance with paragraph 7 of this definition, is the average rate anticipated to be in effect;

(6) Short-Term Obligations. Notwithstanding anything in the foregoing to the contrary, with respect to any Parity Debt issued as Short-Term Obligations, the debt service on such Parity Debt shall be calculated assuming that such Parity Debt will be refunded and refinanced to mature over a 20-year period with level debt service requirements and bearing interest at then current market rates; provided, however, that to the extent permitted by law, if in the judgment of the Chief Financial Officer, as set forth in an Officer's Certificate delivered to the City, the result of the foregoing calculation is inconsistent with the reasonable expectations of the City, the interest on such Parity Debt shall be calculated in the manner provided in clause (5) of this definition and the maturity schedule shall be calculated in the manner provided in clause (2) of this definition; and

(7) Credit Agreement Payments. If the City has entered into a Credit Agreement in connection with an issue of Parity Debt, payments due under any such Credit Agreement (other than payments for fees and expenses) from either the City or the provider of a Credit Agreement shall be included in such calculation, except to the extent that the payments are already taken into account under clauses (1) through (6) above and any payments otherwise included under clauses (1) through (6) above which are to be replaced by payments under such a Credit Agreement, from either the City or the provider under a Credit Agreement, shall be excluded from such calculation.

“Authorized Representative” means the City Manager, any Assistant City Manager or Chief Financial Officer or such other individuals so designated by the City to perform the duties of an Authorized Representative under this Master Ordinance.

“Chief Financial Officer” means the Finance Director of the City or such other officer or employee of the City or such other individual so designated by the City to perform the duties of Chief Financial Officer under this Master Ordinance.

“Credit Agreement” means, collectively, a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase Debt, purchase or sale agreements, interest rate swap, cap and/or floor agreement or commitment, or other contract or agreement authorized, recognized, and approved by the City as a Credit Agreement in connection with the authorization, issuance, sale, resale, security, exchange, payment, purchase, remarketing, or redemption of Debt, the interest on Debt, or both.

“Fiscal Year” means the twelve-month accounting period used by the City in connection with the operation of the Utility System, currently ending on September 30 of each year, which may be any twelve consecutive month period established by the City, but in no event may the Fiscal Year be changed more than one time in any three (3) calendar year period.

“Funded Debt” means all Parity Debt created, assumed, or guaranteed by the City that matures by its terms (in the absence of the exercise of any earlier right of demand), or is renewable at the option of the City to a date, more than one year after the original creation, assumption, or guarantee of such Debt by the City.

“Gross Revenues” and **“Gross Revenues of the City’s Utility System”** mean all revenues, income and receipts of every nature derived or received by the City from the operation and ownership of the Utility System including any lawfully available impact fees and the interest income from investment or deposit of money in any account or subaccount created by this Master Ordinance or maintained by the City in connection with the Utility System (except any account or subaccount not pledged as Security under this Master Ordinance or any Supplement) and any other revenues hereafter pledged to the payment of all Parity Debt. Any interest income related to any reserve account shall operate as provided in the applicable Supplement.

“Maintenance and Operating Expenses” means the reasonable and necessary expenses of operation and maintenance of the Utility System as required by Section 1502.056, Texas Government Code, as amended, or other applicable State law including all salaries, labor, materials, repairs and extensions necessary to render efficient service (but only such repairs and extensions as, in the judgment of the Chief Financial Officer, are necessary to keep the Utility System in operation and render adequate service to the City and the inhabitants thereof, or such as might be necessary to meet some physical accident or conditions which would otherwise impair the Parity Debt), and all payments under contracts now or hereafter defined as operating expenses by State law. Depreciation shall never be considered as a Maintenance and Operating Expense.

“Maturity” when used with respect to any Debt means the date on which the principal of such Debt or any installment thereof becomes due and payable as therein provided, whether at the Stated Maturity thereof or by call for redemption, or otherwise.

“Net Revenues” and **“Net Revenues of the City’s Utility System”** mean all Gross Revenues remaining after deducting the Maintenance and Operating Expenses.

“Non-Recourse Debt” means any debt secured by a lien (other than a lien on the Security), liability for which is effectively limited to the property subject to such lien with no recourse, directly or indirectly, to the Security.

“Officer’s Certificate” means a certificate signed by an Authorized Representative.

“Outstanding Principal Amount” means, as of any record date established by a Registrar in connection with a proposed amendment of this Master Ordinance or any Supplement, with respect to all Parity Debt or to a series of Parity Debt that is in the form of bonds, notes, or other similar instruments that have a stated principal amount, the outstanding and unpaid principal amount of such Parity Debt on which interest is paid on a current basis and the outstanding and unpaid principal and compounded interest on such Parity Debt paying accrued, accreted, or compounded interest only at maturity and, with respect to Credit Agreements shall total the amount, if any, then due under such Credit Agreement if it was to be terminated as of the date of calculation of Outstanding Principal Amount.

“Pledged Revenues” means (1) the Net Revenues plus (2) any additional revenues, income, receipts, or other resources, including, without limitation, any grants, donations or income received or to be received from the United States Government, or any other public or private source, whether pursuant to an agreement or otherwise, which hereafter are pledged by the City to the payment of the Parity Debt, and excluding those revenues excluded from Gross Revenues.

“Reserve Account Obligation” means a surety bond or insurance policy deposited in any reserve account established pursuant to a Supplement whereby the issuer is obligated to provide funds up to and including the maximum amount and under the conditions specified in such agreement or instrument.

“Security” means, subject to the provisions of Section 1.02(c) of the applicable WIFIA Supplement, all of the interests of the City in (a) the Pledged Revenues; (b) all amounts in the System Account (subject to the payment of Maintenance and Operating Expenses as provided in Section 4 of this Master Ordinance) and the Interest and Sinking Account; (c) any additional account or subaccount that is subsequently established and so designated as being included within the Security pursuant to Section 3(f) of this Master Ordinance; (d) all of the proceeds of the foregoing, including, without limitation, investments thereof; (e) any applicable Credit Agreement to the extent set forth in such Credit Agreement; and (f) with respect to any applicable series of Parity Debt, all amounts in any reserve account or subaccount applicable to such Parity Debt pursuant to Section 3(e) of this Master Ordinance, including any reserve fund surety policy or other Credit Agreement entered into for the benefit of such account or subaccount.

“Stated Maturity” when used with respect to any Parity Debt or any installment of interest thereon means any date specified in the instrument evidencing or authorizing such Parity Debt or such installment of interest as a fixed date on which the principal of such Parity Debt or any installment thereof or the fixed date on which such installment of interest is due and payable.

“Term of Issue” means with respect to any Balloon Debt a period of time equal to the greater of (i) the period of time commencing on the date of issuance of such Balloon Debt and ending on the final maturity date of such Balloon Debt or the maximum maturity date in the case of commercial paper or (ii) twenty-five years.

“Utility System” or **“System”** means as currently comprised, the City’s combined waterworks and sewer system, which includes all properties, facilities, plants, improvements, equipment, interests and rights currently owned, operated and maintained by the City for the supply, treatment, and transmission and distribution of treated potable water and collection and treatment of wastewater, and for water reuse, together with all future extensions, improvements, purchases, repairs, replacements and additions thereto, whether situated within or without the limits of the City, and all water (in any form) owned by the City; provided, however, that the City expressly retains the right to (i) sell or disaggregate the Utility System as set forth in Section 6(q) of this Master Ordinance and (ii) incorporate any other utility system (other than telecommunications system) as provided by the laws of the State as a part of the Utility System. The Utility System shall not include any Special Project or any disaggregated part of the Utility System as provided in this Master Ordinance.

SCHEDULE V

ACCOUNTS; FLOW OF FUNDS

All terms used in this Schedule V shall have the meaning assigned to such terms as provided in the Master Ordinance. All section references used in this Schedule V shall be references to the appropriate section in the Master Ordinance. All references to “herein” or “hereof” in this Schedule V shall be references to the Master Ordinance. The following is intended to copy (without change) the provisions of Sections 3 and 4 of the Master Ordinance as of the Effective Date. For reference purposes, certain defined terms of the Master Ordinance used in this Schedule V, as of the Effective Date, are set forth in Schedule IV.

Section 3. ACCOUNTS. (a) Creation or Affirmation of Funds. The City hereby establishes and/or affirms the creation of the following funds or accounts:

- (i) the Utility System Revenue Fund or Account (the “System Account”);
- (ii) the Utility System Interest and Sinking Account (the “Interest and Sinking Account”); and
- (iii) the Utility System Bond Proceeds Account (the “Bond Proceeds Account”).

(b) System Account. Subject to the provisions of Section 4 of this Master Ordinance, moneys in the System Account may be used for any lawful purpose authorized pursuant to the Enabling Act and other State law.

(c) Interest and Sinking Account. Moneys in the Interest and Sinking Account shall be used to pay amounts due on or with respect to Parity Debt, including the principal of, premium, if any, and interest on Parity Debt as the same become due and payable (whether at Stated Maturity or upon prior redemption), and the City shall maintain such account as long as Parity Debt is Outstanding.

(d) Bond Proceeds Account. Proceeds from the issuance of Parity Debt shall be deposited from time to time upon the issuance of such Parity Debt as provided by the applicable Supplement into the Bond Proceeds Account, or any subaccount thereof created with respect to such Parity Debt. Such proceeds and the interest thereon shall remain in the Bond Proceeds Account or applicable subaccount thereof until expended to accomplish the purposes for which such Parity Debt was issued or until otherwise utilized as provided in the applicable Supplement. Amounts in the Bond Proceeds Account do not constitute Security.

(e) Reserve Accounts or Subaccounts. The City may establish a reserve account and/or any other account or subaccount pursuant to the provisions of the applicable Supplement for the purpose of paying or securing a particular issue or series of Parity Debt or any specific group of issues or series of Parity Debt and the amounts, once deposited into said accounts or subaccounts, shall no longer constitute Security for all Parity Debt but shall be held solely for the benefit of the owners of the particular issue or series or group of issues or series of Parity Debt for which such account or subaccount was established. Each such account or subaccount shall be designated in such manner as is necessary to identify the Parity Debt it secures and to distinguish such account

or subaccount from any other accounts created for the benefit of any other Parity Debt. Any such reserve accounts or subaccounts shall be established in the Supplement related to such series or issue of Parity Debt. The City may, in its discretion, provide in the applicable Supplement for a surety bond, insurance policy or other Credit Agreement, to the extent then authorized by State law, to be held for the benefit of such a reserve account or subaccount.

(f) Other Accounts. The City reserves the right to establish, in connection with the issuance of Parity Debt or for other purposes, one or more additional accounts or subaccounts for such other purposes as the City may determine from time to time. The City may, at its option, declare in the action establishing the account or subaccount that the amounts in such additional account or subaccount will be either included within or excluded from the Security.

Section 4. FLOW OF FUNDS. All Gross Revenues shall be deposited into the System Account immediately upon receipt by the City. All Gross Revenues are hereby and shall be appropriated, deposited, and transferred from the System Account to the other accounts and subaccounts to the extent required for the following uses and in the order of priority shown:

FIRST: to the payment of all necessary and reasonable Maintenance and Operating Expenses as defined herein or required by statute, including, but not limited to, Chapter 1502, Texas Government Code, as amended, to be a first charge on and claim against the Gross Revenues, including any reserve amount based upon the budgeted amount of Maintenance and Operating Expenses for the current Fiscal Year as determined by the Chief Financial Officer, which amount shall be retained in the System Account;

SECOND: to the payment of amounts required to be deposited and credited to the Interest and Sinking Account to meet all financial obligations of the City relating to the Financing Program, including payments due on or with respect to the payment of Parity Debt as the same mature or come due;

THIRD: pro rata, on the basis that the Outstanding Principal Amount of each particular issue or series of Parity Debt secured by a reserve account bears to the aggregate Outstanding Principal Amount of all such issues or series of such Parity Debt secured by any reserve account, to the payment of the amounts required to be deposited and credited to each reserve account created and established to maintain a reserve in accordance with the provisions of any Supplement relating to the issuance of any Parity Debt;

FOURTH: any amounts to be deposited into any other fund, account or subaccount to the extent required pursuant to the provisions of any Supplement relating to the issuance of Parity Debt;

FIFTH: to the extent required by any resolution or other instrument adopted or approved by the City pursuant to which Subordinated Debt is issued, the amount necessary to meet all financial obligations on such Subordinated Debt and to accumulate or restore any required reserves to ensure payment of such principal, premium, and interest shall be deposited to any account or subaccount created for such purpose; and

SIXTH: all remaining Pledged Revenues shall be retained in the System Account and may be used for any lawful purpose authorized pursuant to the Enabling Act and other State law.

SCHEDULE VI

RATE COVENANT

All terms used in this Schedule VI shall have the meaning assigned to such terms as provided in the Master Ordinance. All section references used in this Schedule VI shall be references to the appropriate section in the Master Ordinance. All references to "herein" or "hereof" in this Schedule VI shall be references to the Master Ordinance. The following is intended to copy (without change) the provisions of Section 5 of the Master Ordinance as of the Effective Date. For reference purposes, certain defined terms of the Master Ordinance used in this Schedule VI, as of the Effective Date, are set forth in Schedule IV.

Section 5. RATE COVENANT. The City covenants and agrees with the Owners of the Parity Debt that so long as any Parity Debt, or any interest thereon, remain Outstanding and unpaid, to establish and maintain rates and charges for facilities and services afforded by the Utility System that are reasonably expected, on the basis of available information and experience and with due allowance for contingencies, to produce Gross Revenues in each Fiscal Year reasonably anticipated to be sufficient to:

- (a) pay Maintenance and Operating Expenses;
- (b) produce Pledged Revenues at least equal to the greater of 1.25 times the average Annual Debt Service Requirements or 1.10 times the maximum Annual Debt Service Requirements;
- (c) produce Pledged Revenues in amounts sufficient to enable the City to make the deposits and credits, if any, from Pledged Revenues to the accounts and subaccounts required by this Master Ordinance and any Supplement including to fund or restore any reserve account required by a Supplement, including the payment of any Reserve Account Obligation then due;
- (d) produce Pledged Revenues, together with any other lawfully available funds (including the proceeds of Debt which the City expects will be utilized to pay all or part of the principal of and/or interest on any obligations) sufficient to meet all financial obligations for Subordinated Debt issued by the City; and
- (e) pay any other Debt payable from the Pledged Revenues and/or secured by a lien on the Security.

Should the annual audit report reflect that the Security for the Fiscal Year covered thereby is less than necessary to meet the requirements of this Section, the City Council will review the operations of the Utility System and the rates and charges for services provided, and the City Council will make the necessary adjustments or revisions, if any, in order that the Security for the succeeding year will be sufficient to satisfy the foregoing coverage requirements.

SCHEDULE VII

ADDITIONAL DEBT TEST

All terms used in this Schedule VII shall have the meaning assigned to such terms as provided in the Master Ordinance. All section references used in this Schedule VII shall be references to the appropriate section in the Master Ordinance. All references to "herein" or "hereof" in this Schedule VII shall be references to the Master Ordinance. The following is intended to copy (without change) the provisions of Section 7 of the Master Ordinance as of the Effective Date. For reference purposes, certain defined terms of the Master Ordinance used in this Schedule VII, as of the Effective Date, are set forth in Schedule IV.

Section 7. ISSUANCE OF PARITY DEBT.

(a) General. The City reserves and shall have the right and power to issue or incur Parity Debt for any purpose authorized by State law, including the refunding of Parity Debt, Subordinated Debt, or other obligations of the City issued to finance the costs of a project authorized to be financed under the Financing Program, pursuant to the provisions of this Master Ordinance and Supplements to be hereafter authorized. The City hereby covenants and agrees to comply with all constitutional and statutory requirements of State law and, to the extent applicable, federal law governing the issuance of Parity Debt.

(b) Parity Debt. Provided that the City is in compliance with the requirements of any then applicable provisions of State law, the City may from time to time incur, assume, guarantee, or otherwise become liable in respect of Parity Debt if, in the applicable Supplement, the City finds that, upon the issuance of such Parity Debt, the Security will be sufficient to meet the financial obligations relating to the Financing Program, including Security in amounts sufficient to satisfy the Annual Debt Service Requirements of the Financing Program. In addition, the City shall not issue or incur such Parity Debt unless (i) an Authorized Representative shall deliver to the City an Officer's Certificate stating that, to the best of his or her knowledge, the City, has not failed to comply with the covenants contained in this Master Ordinance and any Supplement, to any material extent, and are not in default, to any material extent, in the performance and observance of any of the terms, provisions, and conditions hereof, thereof or under any Credit Agreement that constitutes Parity Debt and (ii) the Chief Financial Officer signs and delivers to the City a written certificate to the effect that, during either the next preceding Fiscal Year, or any twelve consecutive calendar month period ending not more than ninety (90) days prior to the date of the then proposed Parity Debt, the Net Earnings were, in the opinion thereof, at least equal to the sum of 1.25 times the average Annual Debt Service Requirements (computed on a Fiscal Year basis) of the Parity Debt to be outstanding after the issuance of the then proposed Parity Debt and 1.10 times the average Annual Debt Service Requirements (computed in the same manner as for Parity Debt) of the Subordinated Debt to be outstanding after the issuance of the then proposed Parity Debt.

In making a determination of Net Earnings for any of the purposes described in this Section, the Chief Financial Officer may take into consideration a change in the rates and charges for services and facilities afforded by the Utility System that became effective at least sixty (60) days prior to the last day of the period for which Net Earnings are determined and, for purposes of satisfying the Net Earnings tests described above, make a pro forma determination of the Net

Earnings of the Utility System for the period of time covered by said Chief Financial Officer's certification or opinion based on such change in rates and charges being in effect for the entire period covered by the Chief Financial Officer's certificate or opinion.

As used in this Section, the term "**Net Earnings**" shall mean the Gross Revenues of the Utility System after deducting the Maintenance and Operating Expenses of the Utility System but not expenditures which, under standard accounting practice, should be charged to capital expenditures.

(c) Credit Agreements. To the extent permitted by law, the City may execute and deliver one or more Credit Agreements (i) upon the delivery to the City of the Chief Financial Officer's Certificate to the effect that the Credit Agreement is in the best interest of the City and (ii) compliance with the requirements of subsection (b) or (c) of this section, as the case may be, if the Credit Agreement is to constitute Parity Debt. Each Credit Agreement shall be approved by the City, to the extent required by law, either pursuant to a Supplement or by other action. Credit Agreements and the obligations thereunder may, pursuant to their terms, constitute (i) Parity Debt secured by a pledge of the Security on parity with other Parity Debt, (ii) Subordinated Debt secured by a pledge of the Security subordinate to Parity Debt, or (iii) partially Parity Debt and partially Subordinated Debt.

(d) Non-Recourse Debt and Subordinated Debt. Non-Recourse Debt and Subordinated Debt may be incurred by the City in accordance with State law.

EXHIBIT A

FORM OF WIFIA BOND

**UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTIES OF TRAVIS AND WILLIAMSON
CITY OF PFLUGERVILLE, TEXAS
UTILITY SYSTEM REVENUE BOND,**

**(CITY OF PFLUGERVILLE MASTER PROGRAM –
WATER AND WASTEWATER CIP
TRANCHE [____]), SERIES [____]**

No. R-[____]

DELIVERY DATE:	INTEREST RATE:	FINAL MATURITY DATE:	CUSIP:
[____]	As shown below	As shown below	[____]

Principal Amount: \$[____]

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

CITY OF PFLUGERVILLE, TEXAS, a municipal body politic and corporate duly formed, validly existing under the laws of the State of Texas (the “**City**”), for value received, hereby promises to pay to the order of the Registered Owner named above (the “**WIFIA Lender**”), or its registered assigns as hereinafter provided, but solely from the sources hereafter mentioned, the aggregate unpaid principal amount of all disbursements up to \$[____] made by the WIFIA Lender pursuant to the WIFIA Loan Agreement (as defined below) (the “**Disbursements**”), minus the aggregate principal amount thereof repaid by the City, as determined in accordance with **Exhibit A (WIFIA Debt Service)** to the WIFIA Loan Agreement, being hereinafter referred to as the “**Outstanding Principal Sum**”), together with accrued and unpaid interest (including, if applicable, interest at the Default Rate, as defined in the WIFIA Loan Agreement) on the Outstanding Principal Sum and all fees, costs and other amounts payable in connection therewith, all as more fully described in the WIFIA Loan Agreement. The principal hereof shall be payable in the manner and at the place provided in the WIFIA Loan Agreement in accordance with **Exhibit A (WIFIA Debt Service)** to the WIFIA Loan Agreement, as revised from time to time in accordance with the WIFIA Loan Agreement, until paid in full (which **Exhibit A**

(*WIFIA Debt Service*) to the WIFIA Loan Agreement, as modified from time to time in accordance with the terms of the WIFIA Loan Agreement, is incorporated in and is a part of this WIFIA Bond). The WIFIA Lender is hereby authorized to modify the Loan Amortization Schedule included in **Exhibit A** (*WIFIA Debt Service*) to the WIFIA Loan Agreement from time to time in accordance with the terms of the WIFIA Loan Agreement to reflect the amount of each disbursement made thereunder and the date and amount of principal or interest paid by the City thereunder. Absent manifest error, the WIFIA Lender’s determination of such matters as set forth on **Exhibit A** (*WIFIA Debt Service*) to the WIFIA Loan Agreement shall be conclusive evidence thereof; provided, however, that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner the City’s obligations hereunder or under any other WIFIA Loan Document.

The interest rate on this WIFIA Bond shall be [_____] percent ([_____]%) per annum (the “**WIFIA Interest Rate**”). Interest will accrue and be computed on the Outstanding Principal Sum (as well as on any past due interest to the extent permitted under State law, including specifically Chapter 1204, Texas Government Code, as amended) from time to time on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months; provided, that, upon the occurrence of an Event of Default, the City shall pay interest on the Outstanding Principal Sum at the Default Rate (as defined in the WIFIA Loan Agreement to be the sum of (a) the WIFIA Interest Rate set forth above plus (b) 200 basis points) in accordance with Section 6 (*Interest Rate*) of the WIFIA Loan Agreement.

Payments hereon are to be made in accordance with Section 8(d) (*Payment of Principal and Interest – Manner of Payment*) and Section 32 (*Notices*) of the WIFIA Master Agreement (as defined below) as the same become due. Principal of and interest on this WIFIA Bond shall be paid in funds available on or before the due date and in any lawful coin or currency of the United States of America that at the date of payment is legal tender for the payment of public and private debts.

The “Final Maturity Date” of this WIFIA Bond is the earlier of (i) [_____] or such earlier date as is set forth in an updated **Exhibit A** (*WIFIA Debt Service*) to the WIFIA Loan Agreement pursuant to Section 8(e) (*Payment of Principal and Interest – Adjustments to Loan Amortization Schedule*) of the WIFIA Master Agreement; and (ii) the Payment Date immediately preceding the date that is thirty-five (35) years following the Substantial Completion Date.

This WIFIA Bond has been executed under and pursuant to that certain WIFIA Loan Agreement, dated as of [_____] between the WIFIA Lender and the City (the “**WIFIA Loan Agreement**”) which is subject to the terms of that certain WIFIA Master Agreement, dated as of October 15, 2024, between the WIFIA Lender and the City (the “**WIFIA Master Agreement**”). This WIFIA Bond is issued to evidence the obligation of the City under the WIFIA Loan Agreement to repay the loan made by the WIFIA Lender and any other payments of any kind required to be paid by the City under the WIFIA Loan Agreement or the other WIFIA Loan Documents referred to therein. Reference is made to the WIFIA Loan Agreement for all details relating to the City’s obligations hereunder. All capitalized terms used in this WIFIA Bond and not defined herein shall have the meanings set forth in the WIFIA Loan Agreement.

This WIFIA Bond may be prepaid at the option of the City in whole on any date or in part on any Payment Date (and, if in part, the amounts thereof to be prepaid shall be determined by the Borrower; provided, that such prepayments shall be in principal amounts of \$500,000 or any integral multiple of \$1.00 in excess thereof), from time to time, without penalty or premium, but not more than once annually from the City's excess revenues (after payment of debt service then due on the City's Project Obligations, including any reserve fund requirements, if applicable), by paying to the WIFIA Lender all or part of the principal amount of this WIFIA Bond in accordance with the WIFIA Loan Agreement.

This WIFIA Bond is a duly authorized issue of bonds dated as of the Delivery Date and designated as "City of Pflugerville, Texas Utility System Revenue Bond (City of Pflugerville Master Program – Water and Wastewater CIP – Tranche [____]), Series [____]," issued pursuant to the laws of the State of Texas, including specifically Chapters 1502 and 1371, Texas Government Code, as amended and initially under and pursuant to an ordinance of the City adopted on [____], and entitled [____] Supplemental Ordinance to the Master Ordinance establishing the City of Pflugerville, Texas Utility System Revenue Financing Program (the "[____] Supplement") for the purpose of paying a portion of the Eligible Project Costs (as defined in the WIFIA Loan Agreement) related to the Project (as defined in the WIFIA Loan Agreement) pursuant to the application for WIFIA financial assistance dated [____]. This WIFIA Bond is secured by a first lien on and pledge of the Security as defined in the Master Ordinance adopted on September 14, 2021 (the "**Master Ordinance**"), on parity with all other Parity Debt (as defined in the Master Ordinance and the [____] Supplement).

The Master Ordinance, as supplemented by the [____] Supplement, is referred to in this WIFIA Bond as the "**Ordinance**."

This WIFIA Bond is a special obligation of the City payable solely from and equally secured by a lien on and pledge of the Security. This WIFIA Bond does not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any property of the City, except with respect to the Security.

Subject to satisfying the terms and conditions stated in the Ordinance, the City has reserved the right to issue additional Parity Debt payable solely from and equally and ratably secured by a parity lien on and pledge of the Security and other moneys and securities pledged under the Ordinance to the payment of this WIFIA Bond.

Reference is hereby made to the Ordinance, a copy of which is on file in the designated office of the Paying Agent/Registrar, and to all of the provisions of which any Registered Owner of this WIFIA Bond by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for this WIFIA Bond; the Security; the nature and extent and manner of enforcement of the pledge; the terms and conditions for the issuance of additional Parity Debt; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Registered Owner of this WIFIA Bond; the rights and remedies of the Registered Owner hereof with respect hereto and thereto; the rights, duties and obligations of the City; the terms and provisions upon which the liens, pledges, charges, and covenants made therein may be discharged at or prior to the maturity or redemption of this WIFIA

Bond and this WIFIA Bond thereafter no longer to be secured by the Ordinance or be deemed to be outstanding thereunder; and for the other terms and provisions thereof.

This WIFIA Bond, subject to certain limitations contained in the Ordinance, may be transferred only upon its presentation and surrender at the designated office of the Paying Agent/Registrar named below, or its successor with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the Registered Owner hereof, or his duly authorized agent, and such transfer is noted on the Security Register by the Paying Agent/Registrar. When a transfer occurs, one or more new fully-registered WIFIA Bond of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the Registered Owner whose name appears on the Security Register (i) on the record date, which shall be the fifteenth day of the next preceding month as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this WIFIA Bond as the owner entitled to payment of principal hereof at its maturity or its redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the City nor the Paying Agent/Registrar, nor any agent of either, shall be affected by notice to the contrary.

To the fullest extent permitted by applicable law and pursuant to Section 1371.059(c) of the Texas Government Code, as amended, with respect to its obligations arising under this WIFIA Bond, the Borrower has, in the [_____] Supplement, waived sovereign immunity from suit and liability for the purpose of adjudicating a claim to enforce its duties and obligations under this WIFIA Bond or for damages for breach hereof.

It is hereby certified, recited, represented, and declared that the City is a duly organized and legally existing home-rule city, organized under and by virtue of the Constitution and laws of the State of Texas; that the issuance of this WIFIA Bond and the series of which it is a part are duly authorized by law; that all acts, conditions, and things required to exist and be done precedent to and in the issuance of this WIFIA Bond to render the same lawful and valid have been properly done, have happened, and have been performed in regular and due time, form, and manner as required by the Constitution and laws of the State of Texas and the Ordinance; that this series of bonds does not exceed any Constitutional or statutory limitation; and that due provision has been made for the payment of this WIFIA Bond and the Series of which it is a part as aforesated. In case any provision in this WIFIA Bond shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The terms and provisions of this WIFIA Bond and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas. The holder of this WIFIA Bond is not entitled to demand payment of this WIFIA Bond out of any money raised by taxation.

IN TESTIMONY WHEREOF, the City has caused its seal to be impressed or a facsimile thereof to be printed hereon and this Bond to be executed in the name of and on behalf of the City with the manual or facsimile signatures of its Mayor and attested by the City Secretary.

CITY OF PFLUGERVILLE, TEXAS,

By: _____
City Secretary

By: _____
Mayor

(SEAL)

Form of Registration Certificate of Comptroller of Public Accounts
to Appear on the initial WIFIA Bond only.

**REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS**

**OFFICE OF THE COMPTROLLER §
OF PUBLIC ACCOUNTS §
THE STATE OF TEXAS § REGISTER NO. _____**

I HEREBY CERTIFY that this WIFIA Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts of the State
of Texas

(SEAL)

**AUTHENTICATION CERTIFICATE OF
PAYING AGENT/REGISTRAR**

(To be executed if this Bond is not accompanied by an executed Registration Certificate of the
Comptroller of Public Accounts of the State of Texas)

This WIFIA Bond has been duly issued and registered under the provisions of the within-mentioned Ordinance; the bond or bonds of the above titled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

[_____] ,
as Paying Agent/Registrar

Registered this date:

By: _____
Authorized Signature

Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto

(Please insert Social Security or Taxpayer Identification Number of Transferee)

(Please print or typewrite name and address, including zip code, of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney, to transfer the within WIFIA Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature guaranteed by:

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

EXHIBIT B
FORM OF REQUISITION

VIA EMAIL

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

Re: City of Pflugerville Master Program – Water and Wastewater CIP – Tranche [] (WIFIA ID – [])

Ladies and Gentlemen:

Pursuant to Section 4 (*Disbursement Conditions*) and Schedule III (*Requisition Procedures*) of the WIFIA Master Agreement, dated as of October 15, 2024 (the “**WIFIA Master Agreement**”), by and between the CITY OF PFLUGERVILLE, TEXAS, (the “**City**”) and the UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, acting by and through the Administrator (the “**WIFIA Lender**”), and the WIFIA Loan Agreement, dated as of [], by and between the City and the WIFIA Lender (the “**WIFIA Loan Agreement**”), the City hereby requests a Disbursement of the WIFIA Loan identified below (the “**WIFIA Loan**”) for the Project identified below (the “**Project**”) in the amount set forth below in respect of Eligible Project Costs paid or incurred by the City. Capitalized terms used but not defined herein have the meaning set forth in the WIFIA Loan Agreement, or if not defined therein, the WIFIA Master Agreement.

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

1.	Project name	City of Pflugerville Master Program – Water and Wastewater CIP – Tranche []
2.	City name	City of Pflugerville, Texas
3.	WIFIA Loan ID	[]
4.	Borrower UEI	NR96V4FVM5F7
5.	Borrower FEIN number	74 1737408
6.	Requisition number	[]
7.	Requested Disbursement amount	[\$ []
8.	Requested date of Disbursement (the “Disbursement Date”)²	[]
9.	Total amounts previously disbursed under the WIFIA Loan Agreement	[\$ []

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

² Note this should be the actual disbursement date on which the Borrower requests to receive the funds, not the date that this Requisition form is submitted to the WIFIA Lender.

10.	Wire or ACH transfer instructions (please specify method)	<input type="checkbox"/>
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11. The City has all Governmental Approvals necessary as of the date hereof and as of the Disbursement Date (immediately after giving effect to the above-requested disbursement of WIFIA Loan proceeds), for the development, construction, operation and maintenance of the Project and each such Governmental Approval has been issued and is in full force and effect (and is not subject to any notice of violation, breach or revocation).
12. As of the date hereof, and immediately after giving effect to the Disbursement requested under this Requisition, (a) no Default or Event of Default and no event of default under any other Related Document shall have occurred and be continuing and (b) no event that, with the giving of notice or the passage of time or both, would constitute an event of default under any other Related Document, in each case, has occurred and is continuing.
13. The City, and each of its contractors and subcontractors at all tiers with respect to the Project, has complied with all applicable laws, rules, regulations and requirements, including without limitation 40 U.S.C. §§ 3141-3144, 3146, and 3147 (relating to Davis-Bacon Act requirements) (and regulations relating thereto) and 33 U.S.C. § 3914 (relating to American iron and steel products). Supporting documentation, such as certified payroll records and certifications for all iron and steel products used for the Project, are being maintained and are available for review upon request by the WIFIA Lender.
14. The representations and warranties of the City set forth in the WIFIA Master Agreement (except as otherwise expressly provided in Section 12(y) thereof) and in each other Related Document are true and correct as of the WIFIA Loan Agreement Effective Date and are true and correct as of the Disbursement Date, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true and correct as of such earlier date).
15. No Material Adverse Effect, or any event or condition that could reasonably be expected to result in a Material Adverse Effect, has occurred since the WIFIA Loan Agreement Effective Date.
16. The aggregate amount of all Disbursements of the WIFIA Loan (including the requested Disbursement amount under this Requisition) does not exceed (a) the Maximum Principal Amount of the WIFIA Loan or (b) the aggregate amount of Eligible Project Costs for the Project paid or incurred by the City.
17. The Eligible Project Costs for which reimbursement or payment is being requested has not been reimbursed or paid by any previous Disbursement of (a) the WIFIA Loan or (b) any other source of funding for the Project as identified in the Project Budget.
18. The City has delivered all required deliverables under and in compliance with the requirements of Section 16 (*Reporting Requirements*), except as has been otherwise agreed by the WIFIA Lender.

19. The amount hereby being requested for Disbursement is with respect to Eligible Project Costs for which [all][a portion][none] of the Eligible Project Costs Documentation was (a) previously submitted to and approved by the WIFIA Lender in accordance with **Schedule III (Requisition Procedures)** and Section 16(e) (*Reporting Requirements – Quarterly Certification of Eligible Project Costs*) of the WIFIA Master Agreement or (b) submitted to the WIFIA Lender, together with a summary of such Eligible Project Costs in this Requisition (or attached separately to the Requisition), for approval by the WIFIA Lender. The [following table below][attached excel sheet] sets out a summary of any Eligible Project Costs that have not otherwise been previously submitted to the WIFIA Lender for approval, and supporting Eligible Project Costs Documentation in respect of such new Eligible Project Costs is attached hereto.³

								WIFIA USE ONLY	
Vendor or Contractor Name ⁴	Invoice Number ⁵	Invoice Date	Payment Date	Invoice Amount	WIFIA Requested Amount ⁶	Activity Type ⁷	Description of Activity ⁸	Approved Amount	Notes

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

Date: _____

CITY OF PFLUGERVILLE, TEXAS,
by its authorized representative

By: _____
Name:

³ See Schedule III and Exhibit D of the WIFIA Master Agreement for additional details on EPC Documentation.

⁴ If seeking reimbursement for internal costs, enter "Internally financed activities."

⁵ Vendor's number indicated on the invoice sent to the Borrower.

⁶ If the amount requested for reimbursement by the WIFIA Lender is less than the total amount of the invoice, include an explanation for the difference.

⁷ Specify whether activity is: (a) **Development phase activity**, which includes planning, preliminary engineering, design, environmental review, revenue forecasting and other pre-construction activities; (b) **Construction**, which includes construction, reconstruction, rehabilitation and replacement activities; (c) **Acquisition of real property**, which includes acquiring an interest in real property, environmental mitigation, construction contingencies and acquisition of equipment; (d) **Carrying costs**, including capitalized interest, as necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses and other carrying costs during construction; (e) **WIFIA fees**, including for application and credit processing; or (f) Other, with an explanation in the "Description of Activity" column.

⁸ Provide a brief description of the activities included in the invoice for which WIFIA funds are being requested and any other notes that will aid in the review of the Disbursement request.

Title: _____

EXHIBIT C
FORM OF QUARTERLY REPORT

VIA EMAIL

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

Re: City of Pflugerville Master Program – Water and Wastewater CIP – Tranche [_____] (WIFIA ID – [_____])

This Quarterly Report for the period of [*insert relevant quarterly period*] (the “**Quarterly Period**”) is provided pursuant to Section 16(d) (*Reporting Requirements – Construction Reporting*) of the WIFIA Master Agreement, dated as of October 15, 2024 (the “**WIFIA Master Agreement**”), by and between CITY OF PFLUGERVILLE, TEXAS, (the “**Borrower**”) and the UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, acting by and through the Administrator of the Environmental Protection Agency (the “**WIFIA Lender**”), and the WIFIA Loan Agreement by and between the Borrower and the WIFIA Lender, dated as of [_____] (the “**WIFIA Loan Agreement**”). The Borrower hereby provides this Quarterly Report on the status of the Project identified as the [_____] (the “**Project**”) in respect of which the WIFIA Lender has made the WIFIA Loan identified above (the “**WIFIA Loan**”) pursuant to the WIFIA Loan Agreement. Unless otherwise defined herein, all capitalized terms in this Quarterly Report have the meanings assigned to those terms in the WIFIA Loan Agreement, or if not defined therein, the WIFIA Master Agreement.

(i) Amount Expended

Construction Contract (PPC)	Original Contract Amount	Change Orders to Date	Total Estimated Costs	Estimated Costs to Complete	Costs Earned or Paid Through Previous Reporting period	Current Reporting Period Costs Earned or Paid	Total Costs Earned or Paid to date	% Costs Earned or Paid to Date
TOTAL								

(ii) Construction Progress, Governmental Approvals, Updated Schedule

Assessment of overall construction progress:

Notice of receipt of relevant Governmental Approvals since the WIFIA Loan Agreement Effective Date and since the prior Quarterly Report:

Assessment of construction progress compared to Construction Schedule provided in the prior Quarterly Report:

Construction Contract (PPC)	NTP Effective Date	Original Time for Completion (days)	Original Contract Completion (date)	Time Added to Date (days)	Current Contract Completion (date)	Days Elapsed	% Contract Duration

(iii) Substantial Completion Date for the Project

Current projection for the Substantial Completion Date: _____

If the current projection for the substantial completion date is later than previously reported in the prior Quarterly Report, provide a description in reasonable detail for such projected delay:

(iv) Material Problems (if any)

Detailed description of all material problems (including actual and anticipated cost and/or schedule overruns, if any), encountered or anticipated in connection with the construction of the Project during the preceding quarter, together with an assessment of how such problems may impact the Construction Schedule and the meeting of critical dates thereunder and a detailed description of the proposed solutions to any such problems:

(v) Proposed or pending change orders that exceed the threshold set out in Section 16(g) (*Modifications to Total Project Costs*) or could reasonably be expected to result in a Material Adverse Effect

(vi) Other matters related to the Project

Date: _____

CITY OF PFLUGERVILLE, TEXAS,

By: _____

Name: _____

Title: _____

EXHIBIT D

FORM OF CERTIFICATION OF ELIGIBLE PROJECT COSTS DOCUMENTATION

VIA EMAIL

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

Re: City of Pflugerville Master Program – Water and Wastewater CIP – Tranche [_____] (WIFIA ID – [_____])

Dear United States Environmental Protection Agency:

Pursuant to Section 16(e) (*Reporting Requirements – Quarterly Certification of Eligible Project Costs*) of the WIFIA Loan Agreement, dated as of October 15, 2024 (the “**WIFIA Master Agreement**”), by and between CITY OF PFLUGERVILLE, TEXAS, (the “**City**”) and the UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, acting by and through the Administrator (the “**WIFIA Lender**”), and the WIFIA Loan Agreement, dated as of [_____] , by and between the City and the WIFIA Lender (the “**WIFIA Loan Agreement**”), the City hereby presents this certificate in connection with the City’s delivery of Eligible Project Costs Documentation to the WIFIA Lender. Capitalized terms used but not defined herein have the meaning set forth in the WIFIA Loan Agreement, or if not defined therein, the WIFIA Master Agreement.

The undersigned does hereby represent and certify the following:

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

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

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

3. The anticipated sources of funding for such Eligible Project Costs are [listed below][set forth in the attached excel sheet].
4. Supporting Eligible Project Costs Documentation for the above Eligible Project Costs for the Quarterly Period are also attached hereto.⁶
5. The most recently delivered Quarterly Report delivered in accordance with Section 16(d) (*Reporting Requirements – Construction Reporting*) sets out a summary of the progress of construction of the Project, no change has occurred since the date of such Quarterly Report that could reasonably be expected to cause a Material Adverse Effect, and the Borrower is otherwise in compliance with Section 16(d) (*Reporting Requirements – Construction Reporting*).

Date: _____

CITY OF PFLUGERVILLE, TEXAS,⁷

By: _____
 Name:
 Title: _____

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

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

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

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

⁶ See Schedule III and Exhibit D of the WIFIA Master Agreement for additional details on EPC Documentation.

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

EXHIBIT E

FORM OF PUBLIC BENEFITS REPORT

Reference is made to (i) that certain WIFIA Master Agreement by and between the City of Pflugerville, Texas, (the “**Borrower**”) and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (the “**WIFIA Lender**”), dated as of October 15, 2024 (the “**WIFIA Master Agreement**”) and (ii) that certain WIFIA Loan Agreement by and between the Borrower and the WIFIA Lender, dated as of [_____] (the “**WIFIA Loan Agreement**”). Capitalized terms used and not defined herein shall have the respective meanings ascribed to such terms in the WIFIA Loan Agreement, or if not defined therein, the WIFIA Master Agreement.

Pursuant to [Section 11(b)(xi) (*Conditions Precedent – Conditions Precedent to Effectiveness of Each WIFIA Loan Agreement*)] [and] [Section 16(f) (*Reporting Requirements – Public Benefits Report*)] of the WIFIA Master Agreement, the City of Pflugerville, Texas, (the “**Borrower**”) is providing this Public Benefits Report in connection with the [City of Pflugerville Master Program – Water and Wastewater CIP – Tranche [_____] (WIFIA ID – [_____]]:

Reporting Period: Prior to the Effective Date

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

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

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

Yes

If yes, additional description: The Project will help ensure the Borrower’s maintenance of system-wide flow and pressure for fire protection as a result of improvements and expansion of raw water supply, water transmission lines and pump stations as well as the expansion of the water treatment plant [WTP] to 30 MGD.

No

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

The Project will provide additional funding to for the Borrower to expand its WTP to 30 MGD from 20.5 MGD and also expand the associated pump stations and a 42” water transmission main. The Project also will provide funding for an intake and second 42” raw water line from the Colorado River to the Borrower as well as expand the existing pump station to 24 MGD from 21 MGD. These improvements will enable the Borrower to

provide adequate service levels to new and existing customers and enhance performance of the water utility.

EXHIBIT F
FORM OF WIFIA LOAN REQUEST

[Letterhead of Borrower]

[Date]²⁰

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

Project: City of Pflugerville Master Program – Water and Wastewater CIP – Tranche [_____] (WIFIA ID – [_____])

Dear Director:

This loan request is provided pursuant to Section 3(b) (*WIFIA Loans for the Master Program*) of that certain WIFIA Master Agreement, dated as of October 15, 2024 (the “**WIFIA Master Agreement**”), by and between the City of Pflugerville, Texas (the “**Borrower**”) and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (the “**WIFIA Lender**”). Unless otherwise defined herein, all capitalized terms in this loan request have the meanings assigned to those terms in the WIFIA Master Agreement.

I, the undersigned, in my capacity as the Borrower’s Authorized Representative and not in my individual capacity, do hereby request that the WIFIA Lender, in accordance with, and subject to the terms and conditions of, the WIFIA Master Agreement, enter into a WIFIA Loan Agreement and related WIFIA Loan Documents with respect to the City of Pflugerville Master Program – Water and Wastewater CIP - Tranche [_____] (the “**Project**”).

- (a) The Project consists of *[describe the Project]*.
- (b) Attached hereto as Annex A is an estimated Project budget.
- (c) Attached hereto as Annex B is the most recent financial plan delivered to the WIFIA Lender.
- (d) *[Such additional information relating to the Project as may be requested by the WIFIA Lender.]*

²⁰ To be dated no later than 180 days prior to the end of the Master Availability Period.

CITY OF PFLUGERVILLE, TEXAS,
by its Authorized Representative

By: _____
Name:
Title:

EXHIBIT G-1

OPINIONS REQUIRED FROM COUNSEL TO CITY

An opinion of the counsel of the City, dated as of [the Effective Date]/[each applicable WIFIA Loan Agreement Effective Date], to the effect that:

United States Environmental Protection Agency,
acting by and through the Administrator of the Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, D.C. 20460

Re: \$[] City of Pflugerville, Texas Utility System Revenue Bond (City of Pflugerville Master Program – Water and Wastewater CIP – Tranche []), Series [] (the “WIFIA Bond”)

Ladies and Gentlemen:

We serve the City of Pflugerville as its City Attorney. This certification is provided in connection with the above-referenced project. We have examined the law and other documentation as we deem necessary to render this opinion. Capitalized terms used in this opinion and not otherwise defined herein shall have the meaning given in the WIFIA Master Agreement, dated as of October 15, 2024, by and between the City of Pflugerville, Texas (the “City”) and the United States Environmental Protection Agency, an agency of the United States of America, acting by and through the Administrator of the Environmental Protection Agency (the “WIFIA Lender”) and the WIFIA Loan Agreement, dated as of [], by and between the City and the WIFIA Lender relating to WIFIA Loan Number - [] (the “WIFIA Loan Agreement”).

As to questions of fact material to our opinion, we have relied upon the representations of our client furnished to us for this project, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The City is a home rule city, public body corporate and politic, duly organized and existing under the laws of the State, including Article XI, Section 5 of the Texas Constitution, the City of Pflugerville Home Rule Charter, and has a substantial amount of one or more of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) the police power.
2. The City has all requisite power and authority to conduct its business and to execute and deliver, and to perform its obligations under the Related Documents to which it is a party.
3. The execution and delivery by the City of, and the performance of its respective obligations under, the Related Documents to which it is a party, have been duly

authorized by all necessary organizational or regulatory action pursuant to Ordinance No. 1635-24-10-08 duly enacted on October 8, 2024 and Ordinance No. [] duly enacted on [].

- 4. The City has duly executed and delivered each Related Document to which it is a party and each such Related Document constitutes the legal, valid and binding obligation of the City; enforceable against the City in accordance with their respective terms.
- 5. No authorization, consent, or other approval of, or registration, declaration or other filing with any governmental authority of the United States of America or of the State is required on the part of the City for the execution and delivery by such party of, and the performance of the City under, any Related Document to which it is a party other than authorizations, consents, approvals, registrations, declarations and filings that have already been timely obtained or made by the City.
- 6. The execution and delivery by the City of, and compliance with the provisions of, the Related Documents to which it is a party in each case do not (i) violate the Organizational Documents of the City, (ii) violate the law of the United States of America or of the State or (iii) conflict with or constitute a breach of or default under any material agreement or other instrument known to such counsel to which the City is a party, or to the best of such counsel's knowledge, after reasonable review, any court order, consent decree, statute, rule, regulation or any other law to which the City is subject.
- 7. The City is not an investment company required to register under the Investment Company Act of 1940, as amended.
- 8. No actions, proceedings, investigations, or litigation of any nature has been undertaken or filed or is now pending or, to our knowledge, threatened, to restrain or enjoin the activities governed by or in connection with the Related Documents or the Utility System (including the Project), and that so far as we know and believe no such actions, proceedings, investigations, or litigation is threatened.

Best regards,

By: _____

Name:

Title:

EXHIBIT G-2

OPINIONS REQUIRED FROM BOND COUNSEL

An opinion of bond counsel, dated as of [the Effective Date]/[each applicable WIFIA Loan Agreement Effective Date], to the effect that:

United States Environmental Protection Agency,
acting by and through the Administrator of the Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, D.C. 20460

Re: \$[] City of Pflugerville, Texas Utility System Revenue Bond (City of Pflugerville Master Program – Water and Wastewater CIP – Tranche []), Series [] (the “WIFIA Bond”)

Ladies and Gentlemen:

We have acted as bond counsel to the City of Pflugerville, Texas (the “City”) in connection with the execution and delivery of the WIFIA Master Agreement, dated as of October 15, 2024 (the “WIFIA Master Agreement”), by and between the City of Pflugerville, Texas (the “City”) and the United States Environmental Protection Agency, an agency of the United States of America, acting by and through the Administrator of the Environmental Protection Agency (the “WIFIA Lender”), the WIFIA Loan Agreement, dated as of [] (the “WIFIA Loan Agreement”), by and between the City and the WIFIA Lender relating to WIFIA Loan Number – [], and, pursuant to the terms of the WIFIA Master Agreement and the WIFIA Loan Agreement, the issuance and delivery of the WIFIA Bond. The City has authorized the Master Program pursuant to the “[] Supplement to the Master Ordinance Establishing the City of Pflugerville, Texas Utility System Revenue Program” adopted by the City Council on [] (the “[] Supplement”). The City has authorized the WIFIA Bond pursuant to the “Master Ordinance Establishing the City of Pflugerville, Texas Utility System Revenue Financing Program” adopted by the City Council on September 14, 2021 (the “Master Ordinance”) and the “[] Supplement to the Master Ordinance Establishing the City of Pflugerville, Texas Utility System Revenue Program” adopted by the City Council on [] (collectively with the award certificate delivered in accordance therewith, the “[] Supplement”). The Master Ordinance, the [] Supplement and the [] Supplement are collectively referred to as the “Ordinance.” Capitalized terms used in this opinion and not otherwise defined herein shall have the meaning given in the Ordinance.

In connection with this opinion, we have examined executed copies of the WIFIA Master Agreement, the WIFIA Loan Agreement, the WIFIA Bond, the Ordinance, the Paying Agent/Registrar Agreement and such documents and records of the City, certificates of public officials and officers of the City, and such other documents as we have deemed necessary or appropriate for the purposes of this opinion.

Based upon the foregoing, we are of the opinion that:

1. The City is a home rule city duly created, organized and existing under the laws of the State, including specifically Article XI, Section 5 of the State Constitution and the City's home rule charter.

2. The City has the right and power under the laws of the State, including the Acts, to issue the WIFIA Bond and to enter into the Ordinance, the WIFIA Master Agreement, the WIFIA Loan Agreement and the Paying Agent/Registrar Agreement, and each (i) has been duly authorized, executed and delivered by the City, (ii) is in full force and effect and (iii) assuming the due and valid authorization, execution and delivery by the applicable counterparty thereto, constitutes a legal, valid and binding agreement of the City enforceable against the City in accordance with its respective terms and conditions.

3. The payment obligations of the City under the WIFIA Bond (i) constitute Parity Debt pursuant to the terms of the Ordinance payable, with any then outstanding Parity Debt, from and secured by a lien on and pledge of the Security, as provided in the Ordinance and (ii) are of equal rank in right of payment and right of security with all Parity Debt and are senior in right of payment and right of security to all other debt that may have a lien on Security.

4. The Ordinance creates a valid and binding assignment and pledge of the Security to secure the payment of the principal of, interest on, and other amounts payable in respect of, the WIFIA Bond as Parity Debt. Chapter 1208, Texas Government Code, as amended ("Chapter 1208"), provides that a security interest established by an issuer that secures payment or performance of public securities, such as the lien on, pledge of and security interest in the Security granted by the City in the Ordinance, is valid and effective and that such security interest will remain continuously perfected without the need for any filings or further action by such an issuer until the security interest terminates according to its terms. Therefore, since Chapter 1208 applies to the issuance or incurrence of the WIFIA Bond and the lien on, pledge on and security interest in the Security, such security interest is valid, effective and perfected and will remain so without the need of further action by the City until the lien on, pledge of and security interest in the Security terminates according to the terms of the Ordinance.

5. The City has taken all necessary action required to be taken to ensure that the WIFIA Master Agreement and the WIFIA Loan Agreement each complies in all respects with Chapter 1502, Texas Government Code, as amended, and the Ordinance.

The foregoing opinions are subject to the qualification that the enforceability of the Ordinance, the WIFIA Master Agreement, the WIFIA Loan Agreement and the WIFIA Bond are limited by, and the performance by the City of its obligations thereunder, is subject to, applicable bankruptcy, reorganization, insolvency, moratorium, liquidation or other similar laws now or hereafter enacted relating to creditors' rights generally or by principles of equity which permit the exercise of judicial discretion.

Additionally, we are members of the State Bar of Texas and render no opinion on the laws of any jurisdiction other than the laws of the State of Texas and the federal laws of the United States of America.

Our opinions are limited to the present laws and to the facts as they presently exist. We assume no obligation to revise or supplement this opinion should the present laws of the jurisdictions referred to above be changed by legislative action, judicial decision, or otherwise.

The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. This opinion is being rendered solely to the addresses hereof and no other person is entitled to rely upon it without our written consent.

Very truly yours,

EXHIBIT H-1

FORM OF CLOSING CERTIFICATE

Reference is made to that certain WIFIA Master Agreement, dated as of October 15, 2024 (the “**WIFIA Master Agreement**”), by and among the City of Pflugerville, Texas (the “**City**”) and the United States Environmental Protection Agency, acting by and through the Administrator (the “**WIFIA Lender**”). Capitalized terms used in this certificate and not defined shall have the respective meanings ascribed to such terms in the WIFIA Master Agreement.

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

- (a) pursuant to Section 11(a)(v) of the WIFIA Master Agreement, attached hereto as Annex A is an incumbency certificate that lists all persons, together with their positions and specimen signatures, who are duly authorized by the City to execute the Related Documents to which the City is or will be a party, and who have been appointed as a City’s Authorized Representative in accordance with Section 22 (*Borrower’s Authorized Representative*) of the WIFIA Master Agreement;
- (b) pursuant to Section 11(a)(ii) of the WIFIA Master Agreement, the City has delivered to the WIFIA Lender copies of the WIFIA Loan Documents, together with any amendments, waivers or modifications thereto, that has been entered into on or prior to the Effective Date, true, correct and complete copies of which are included in the closing transcripts for the WIFIA Master Agreement, and each such document is complete, fully executed, and in full force and effect, and all conditions contained in such documents that are necessary to the closing of the WIFIA transactions contemplated hereby have been fulfilled;
- (c) pursuant to Section 11(a)(iii) of the WIFIA Master Agreement, the City shall have delivered to the WIFIA Lender (A) a copy of the City Charter, as in effect on the Effective Date, a true, correct and complete copy of which is included in the closing transcripts for the WIFIA Master Agreement, which City Charter is in full force and effect, and (B) other than the WIFIA Supplement, there are no additional instruments or documents necessary for the City to execute and deliver, or to perform its obligations under, the WIFIA Loan Documents to which it is a party and to consummate and implement the transactions contemplated by the WIFIA Loan Documents;
- (d) pursuant to Section 11(a)(v)(1) of the WIFIA Master Agreement, the aggregate of all funds committed to the development and construction of the Projects under the Master Program as set forth in the Base Case Financial Model and in the Master Program Budget is sufficient to carry out the Master Program, pay all Total Project Costs anticipated for the Master Program and achieve Substantial Completion for each Project component by its Projected Substantial Completion Date;

- (e) pursuant to Section 11(a)(v)(2) of the WIFIA Master Agreement, the City has developed, and identified adequate revenues to implement, a plan for operating, maintaining and repairing the Projects during their useful lives;
- (f) pursuant to Section 11(a)(v)(3) of the WIFIA Master Agreement, (i) the City's Federal Employer Identification Number is 74-1737408, and the City has delivered to the WIFIA Lender evidence (in the form of a signed W9) of such Federal Employer Identification Number, a true, correct and complete copy of which is included in the closing transcripts for the WIFIA Master Agreement; (ii) the City's UEI is NR96V4FVM5F7, and the City has delivered to the WIFIA Lender evidence of such UEI, a true, correct and complete copy of which is included in the closing transcripts for the WIFIA Master Agreement; and (iii) the City has registered with, and obtained confirmation of active registration status from, the federal System for Award Management (www.SAM.gov) with no exclusions, and the City has delivered to the WIFIA Lender evidence of such confirmation of active registration status, a true, correct and complete copy of which is included in the closing transcripts for the WIFIA Master Agreement;
- (g) pursuant to Section 11(a)(v)(4) of the WIFIA Master Agreement, the representations and warranties of the City set forth in the WIFIA Master Agreement and in each other Related Document to which the City is a party are true and correct on and as of the date hereof, except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct as of such earlier date;
- (h) pursuant to Section 11(a)(v)(5) of the WIFIA Master Agreement, no Material Adverse Effect, or any event or condition that could reasonably be expected to have a Material Adverse Effect, has occurred or arisen since the date of the Application; and
- (i) pursuant to Section 11(a)(vi) of the WIFIA Master Agreement, the City has delivered to the WIFIA Lender the Base Case Financial Model, a true, correct and complete copy of which is included in the closing transcripts for the WIFIA Master Agreement, which (i) demonstrates that projected Net Revenues are sufficient to meet the Loan Amortization Schedule with respect to the Master Program Amount; (ii) demonstrates compliance with the Rate Covenant for each Borrower Fiscal Year through the Final Maturity Date of the last outstanding WIFIA Loan; (iii) reflects principal amortization and interest payment schedules acceptable to the WIFIA Lender; (iv) demonstrates that the City has developed, and identified adequate revenues in each Borrower Fiscal Year to implement a plan for operating, maintaining and repairing each Project over the useful life of such Project; and (v) otherwise meets the requirements of such Section 11(a)(vi).

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

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

CITY OF PFLUGERVILLE, TEXAS,
by its authorized representative

By: _____
Name: Tracy Waldron
Title: Finance Director

*[Signature Page to the City of Pflugerville Master Program – Water and Wastewater CIP –
Tranche [_____] – Closing Certificate]*

ANNEX A TO EXHIBIT H-1

INCUMBENCY CERTIFICATE

The undersigned certifies that she is the City Secretary of the City of Pflugerville, Texas, a municipal body politic and corporate created under the laws of the State of Texas (the “City”), and as such she is authorized to execute this certificate and further certifies that the following persons have been elected or appointed, are qualified, and are now acting as officers or authorized persons of the City in the capacity or capacities indicated below, and that the signatures set forth opposite their respective names are their true and genuine signatures. She further certifies that any of the officers listed below is authorized to sign agreements and give written instructions with regard to any matters pertaining to the WIFIA Loan Documents as the City’s Authorized Representative (each as defined in that certain WIFIA Master Agreement, dated as of October 15, 2024, between the City and the United States Environmental Protection Agency, acting by and through the Administrator):

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Sereniah Breland	City Manager	_____
James Hartshorn	Deputy City Manager	_____
Emily Barron	Assistant City Manager	_____
Tracy Waldron	Finance Director	_____
Victor Gonzales	Mayor	_____

IN WITNESS WHEREOF, the undersigned has executed this certificate as of this 15th day of October, 2024.

CITY OF PFLUGERVILLE, TEXAS,
by its authorized representative

By: _____
Name: Trista Evans
Title: City Secretary

EXHIBIT H-2

FORM OF PROJECT CLOSING CERTIFICATE

Reference is made to that certain WIFIA Master Agreement, dated as of October 15, 2024 (the “**WIFIA Master Agreement**”), by and among the City of Pflugerville, Texas, (the “**City**”) and the United States Environmental Protection Agency, acting by and through the Administrator (the “**WIFIA Lender**”), and that certain WIFIA Loan Agreement, dated as of [_____] (the “**WIFIA Loan Agreement**”), by and among the City and the WIFIA Lender. Capitalized terms used and not defined in this certificate shall have the respective meanings ascribed to such terms in the WIFIA Loan Agreement, or if not defined therein, the WIFIA Master Agreement.

In connection with Section 11(b) (*Conditions Precedent – Conditions Precedent to Effectiveness of Each WIFIA Loan Agreement*) of the WIFIA Master Agreement and Section 11(a) (*Conditions Precedent – Conditions Precedent to Effectiveness of this Agreement*) of the WIFIA Loan Agreement, the undersigned, Tracy Waldron, as City’s Authorized Representative, does hereby certify on behalf of the City and not in their personal capacity, as of the date hereof:

- (a) pursuant to Section 11(b)(vii) of the WIFIA Master Agreement, [the City’s Authorized Representative previously designated and such person’s position and incumbency previously provided to the WIFIA Lender remain unchanged and in full force and effect] [attached hereto as Annex A is an incumbency certificate that lists all persons, together with their positions and specimen signatures, who are duly authorized by the City to execute the Related Documents to which the City is or will be a party, and who have been appointed as a City Authorized Representative in accordance with Section 22 (*Borrower’s Authorized Representative*) of the WIFIA Master Agreement];
- (b) pursuant to Section 11(b)(ii) of the WIFIA Master Agreement, the City has delivered to the WIFIA Lender copies of each WIFIA Loan Document (including the WIFIA Supplement), together with any amendments, waivers or modifications thereto, that has been adopted or entered into, on or prior to the WIFIA Loan Agreement Effective Date, true, correct and complete copies of which are included in the closing transcripts for the WIFIA Loan, and each such document is complete, fully executed, and in full force and effect, and all conditions contained in such documents that are necessary to the closing of the WIFIA transactions contemplated by the WIFIA Master Agreement and the WIFIA Loan Agreement have been fulfilled;
- (c) pursuant to Section 11(b)(iii) of the WIFIA Master Agreement, the City has delivered to the WIFIA Lender copies of each Existing Construction Contract with respect to the Project, together with any amendments, waivers or modifications thereto, and each such document is complete, fully executed, and in full force and effect;
- (d) pursuant to Section 11(b)(iv) of the WIFIA Master Agreement, the City shall have delivered to the WIFIA Lender (A) a copy of the City Charter, as in effect on the

WIFIA Loan Agreement Effective Date, a true, correct and complete copy of which is included in the closing transcripts for the WIFIA Loan, which City Charter is in full force and effect, and (B) other than the WIFIA Supplement, there are no additional instruments or documents necessary for the City to execute and deliver, or to perform its obligations under, the WIFIA Loan Documents to which it is a party and to consummate and implement the transactions contemplated by the WIFIA Loan Documents;

- (e) pursuant to Section 11(b)(vii)(1) of the WIFIA Master Agreement, the aggregate of all funds committed to the development and construction of the Project as set forth in the Project Budget and the related revised Master Program Budget, as applicable, are sufficient to carry out the Project, pay all Total Project Costs anticipated for the Project and achieve Substantial Completion for such Project by the Projected Substantial Completion Date for the Project;
- (f) pursuant to Section 11(b)(vii)(2) of the WIFIA Master Agreement, the City has obtained all Governmental Approvals necessary (i) as of the WIFIA Loan Agreement Effective Date in connection with the Project and (ii) to execute and deliver, and perform its obligations under the WIFIA Loan Documents, and each such Governmental Approval is in full force and effect (and is not subject to any notice of violation, breach or revocation);
- (g) pursuant to Section 11(b)(vii)(3) of the WIFIA Master Agreement, (i) the Maximum Principal Amount, together with the amount of any other credit assistance provided under the Act to the City, does not exceed forty-nine percent (49%) of reasonably anticipated Eligible Project Costs for the Project and (ii) the total federal assistance provided to such Project, including the Maximum Principal Amount, does not exceed eighty percent (80%) of Total Project Costs for the Project;
- (h) pursuant to Section 11(b)(vii)(4) of the WIFIA Master Agreement, the City is in compliance with NEPA and, except as set forth in **Schedule 12(q)** (*Environmental Matters*) of the WIFIA Loan Agreement, any applicable federal, state or local environmental review and approval requirements with respect to the Project, and if requested by the WIFIA Lender, has provided evidence satisfactory to the WIFIA Lender of such compliance;
- (i) pursuant to Section 11(b)(vii)(5) of the WIFIA Master Agreement, the City has developed, and identified adequate revenues to implement, a plan for operating, maintaining and repairing the Project during the useful life of the Project;
- (j) pursuant to Section 11(b)(vii)(6) of the WIFIA Master Agreement, (i) the City's Federal Employer Identification Number is 74-1737408, and the City has delivered to the WIFIA Lender evidence (in the form of a signed W9) of such Federal Employer Identification Number, a true, correct and complete copy of which is included in the closing transcripts for the WIFIA Loan; (ii) the City's UEI is NR96V4FVM5F7, and the City has delivered to the WIFIA Lender evidence of

such UEI, a true, correct and complete copy of which is included in the closing transcripts for the WIFIA Loan; and (iii) the City has registered with, and obtained confirmation of active registration status from, the federal System for Award Management (www.SAM.gov) with no exclusions, and the City has delivered to the WIFIA Lender evidence of such confirmation of active registration status, a true, correct and complete copy of which is included in the closing transcripts for the WIFIA Loan;

- (k) pursuant to Section 11(b)(vii)(7) of the WIFIA Master Agreement, the WIFIA CUSIP Number for the WIFIA Bond is [_____], a true, correct and complete copy of which is included in the closing transcripts for the WIFIA Loan;
- (l) pursuant to Section 11(b)(vii)(8) of the WIFIA Master Agreement, the representations and warranties of the Borrower set forth in the WIFIA Loan Agreement and in each other Related Document to which the Borrower is a party are true and correct on and as of the date hereof, except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct as of such earlier date;
- (m) pursuant to Section 11(b)(vii)(9) of the WIFIA Master Agreement, no Material Adverse Effect, or any event or condition that could reasonably be expected to have a Material Adverse Effect, has occurred or arisen since [_____]²¹;
- (n) pursuant to Section 11(b)(vii)(10) of the WIFIA Master Agreement, as of the WIFIA Loan Agreement Effective Date (1) no Event of Default under the WIFIA Loan Documents or event of default under any other Related Document has occurred and is continuing and (2) no event, with the giving of notice or the passage of time or both, would constitute an Event of Default under the WIFIA Loan Documents or an event of default under any Related Document, in each case, has occurred and is continuing;
- (o) pursuant to Section 11(b)(viii) of the WIFIA Master Agreement, the public Investment Grade Rating on the WIFIA Bond assigned by at least one (1) Nationally Recognized Rating Agency evidenced by the rating letter delivered to the WIFIA Lender pursuant to such Section 11(b)(vii) has not been reduced, withdrawn or suspended as of the WIFIA Loan Agreement Effective Date; and
- (p) pursuant to Section 11(b)(ix) of the WIFIA Master Agreement, the City has delivered to the WIFIA Lender the Base Case Financial Model, a true, correct and complete copy of which is included in the closing transcripts for the WIFIA Loan, which (i) demonstrates that projected Net Revenues are sufficient to meet the Loan Amortization Schedule; (ii) demonstrates compliance with the Rate Covenant for each City Fiscal Year through the Final Maturity Date; (iii) reflects principal amortization and interest payment schedules acceptable to the WIFIA Lender; (iv)

²¹ This date will be either (a) November 9, 2023, with respect to the initial WIFIA Loan Agreement entered into concurrently with the execution and delivery of the WIFIA Master Agreement or (b) the previous WIFIA Loan Agreement Effective Date with respect to all subsequent WIFIA Loan Agreements.

demonstrates that the City has developed, and identified adequate revenues to implement a plan for operating, maintaining and repairing the Project over the useful life of the Project; and (v) otherwise meets the requirements of such Section 11(b)(ix).

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

CITY OF PFLUGERVILLE, TEXAS,
by its authorized representative

By: _____
Name: Tracy Waldron
Title: Finance Director

*[Signature Page to the City of Pflugerville Master Program – Water and Wastewater CIP –
Tranche [_____] – Project Closing Certificate]*

ANNEX A TO EXHIBIT H-2

INCUMBENCY CERTIFICATE²²

The undersigned certifies that he/she is the City Secretary of the City of Pflugerville, Texas, a municipal body politic and corporate created under the laws of the State of Texas (the “City”), and as such he/she is authorized to execute this certificate and further certifies that the following persons have been elected or appointed, are qualified, and are now acting as officers or authorized persons of the City in the capacity or capacities indicated below, and that the signatures set forth opposite their respective names are their true and genuine signatures. He/She further certifies that any of the officers listed below is authorized to sign agreements and give written instructions with regard to any matters pertaining to the WIFIA Loan Documents as the City’s Authorized Representative (each as defined in that certain WIFIA Master Agreement, dated as of October 15, 2024, between the City and the United States Environmental Protection Agency, acting by and through the Administrator):

<u>Name</u>	<u>Title</u>	<u>Signature</u>
[_____]	City Manager	_____
[_____]	Deputy City Manager	_____
[_____]	Assistant City Manager	_____
[_____]	Finance Director	_____
[_____]	Mayor	_____

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

CITY OF PFLUGERVILLE, TEXAS,
by its authorized representative

By: _____
Name:
Title: City Secretary

²² To be provided, if applicable, based on subparagraph (a) of the Project Closing Certificate.

EXHIBIT I

FORM OF CERTIFICATE OF SUBSTANTIAL COMPLETION

[Letterhead of City]

[Date]

WIFIA Program Office
[Insert Proper Address]
Attention: Administrator

Project: City of Pflugerville Master Program – Water and Wastewater CIP – Tranche [_____] (WIFIA ID – [_____])

Dear Director:

This Notice is provided pursuant to Section 16(i)(i)(A) (*Reporting Requirements – Notices – Substantial Completion*) of that certain WIFIA Master Agreement (the “**WIFIA Master Agreement**”), dated as of October 15, 2024, by and between CITY OF PFLUGERVILLE, TEXAS, (the “**City**”) and the UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, acting by and through its Administrator (the “**WIFIA Lender**”), and the WIFIA Loan Agreement, dated as of [_____] , by and between the City and the WIFIA Lender (the “**WIFIA Loan Agreement**”), in relation to the above-referenced Project (the “**Project**”).

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

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

- (a) on *[insert date Substantial Completion requirements were satisfied]*, the Project satisfied each of the requirements for Substantial Completion set forth in the *[Insert reference to the concession agreement, design-build or similar agreement for the Project]*;
- (b) Substantial Completion has been declared under each of the above-referenced agreements and copies of the notices of Substantial Completion under such agreements are attached to this certification; and
- (c) Substantial Completion, as defined in the WIFIA Loan Agreement, has been achieved.

CITY OF PFLUGERVILLE, TEXAS,
by its authorized representative

By: _____
Name:
Title:

EXHIBIT J

FORM OF WIFIA PROJECT TERM SHEET

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

[Date]

City of Pflugerville, Texas
100 E. Main Street
Pflugerville, TX 78660

RE: WIFIA Term Sheet for the City of Pflugerville Master Program – Water and Wastewater
CIP – Tranche [] (WIFIA Project No. [])

Ladies and Gentlemen:

This WIFIA Term Sheet (this “**Term Sheet**”) constitutes (a) the approval of the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (hereinafter, the “**USEPA**”), of the application for credit assistance of the Borrower (as defined below) received on November 9, 2023 and deemed complete on December 4, 2023 (the “**Application**”) and (b) the agreement of USEPA to provide financing for the above-referenced project (as further described below, the “**Project**”) in the form of a secured loan (the “**WIFIA Loan**”), pursuant to the Water Infrastructure Finance and Innovation Act (“**WIFIA**”), § 5021 *et seq.* of Public Law 113-121 (as amended, and as may be further amended from time to time, the “**Act**”), codified as 33 U.S.C. §§ 3901-3915, subject in all respects to (i) the terms and conditions contained herein; (ii) the terms and conditions contained in that certain WIFIA Master Agreement to be entered into on the date hereof, by and between the WIFIA Lender (as defined below) and the Borrower (the “**WIFIA Master Agreement**”); and (iii) the execution and delivery of the WIFIA loan agreement with respect to the Project to be entered into on the date hereof (the “**WIFIA Loan Agreement**”) on the terms and conditions acceptable to the USEPA contained therein. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the WIFIA Loan Agreement, or if not defined therein, the WIFIA Master Agreement (and if not defined therein, shall have the meanings ascribed to such terms in the Master Ordinance).

By executing this Term Sheet, the Borrower confirms its agreement to reimburse USEPA for any and all fees and expenses that USEPA incurs for legal counsel, financial advice, and other consultants in connection with the evaluation of the Project and the negotiation and preparation of the WIFIA Loan Agreement and related documents, whether or not such agreement is ultimately executed.

This Term Sheet shall be governed by the federal laws of the United States of America if and to the extent such federal laws are applicable, and the internal laws of the State of Texas, if and to the extent such federal laws are not applicable. This Term Sheet, and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed and delivered shall be

deemed an original, but all such counterparts together shall constitute but one and the same instrument. Electronic delivery of an executed counterpart of a signature page shall be effective as delivery of an original executed counterpart.

INDICATIVE TERMS OF THE WIFIA LOAN

WIFIA LENDER	United States Environmental Protection Agency, an agency of the United States of America, acting by and through the Administrator of the Environmental Protection Agency (the “ WIFIA Lender ”).
BORROWER	City of Pflugerville, Texas, a municipal body politic and corporate organized and existing under the laws of the State of Texas (the “ Borrower ”).
PROJECT	The project, which is the [] tranche under the WIFIA Master Agreement, includes construction of [] components in the City of Pflugerville Master Program – Water and Wastewater CIP (the “ Project ”), as described in further detail in the WIFIA Loan Agreement. <i>[Insert short project description]</i> . All components of the Project are located in the [cities of Pflugerville and Austin in Travis County, Texas].
WIFIA LOAN AMOUNT	A maximum principal amount (sum of disbursements) not to exceed \$[]; provided that (a) the maximum principal amount of the WIFIA Loan, together with the amount of any other credit assistance provided under the Act, shall not exceed forty-nine percent (49%) of reasonably anticipated Eligible Project Costs, and (b) the total federal assistance for the Project, including but not limited to the maximum principal amount of the WIFIA Loan and all federal direct and indirect grants, shall not exceed eighty percent (80%) of Total Project Costs.
INTEREST RATE	<p>The WIFIA Loan shall bear interest at a fixed rate, calculated by adding one basis point (0.01%) to the rate of securities of a similar maturity (based on the weighted-average life of the WIFIA Loan) as published, on the execution date of the WIFIA Loan Agreement, in the United States Treasury Bureau of Public Debt’s daily rate table for State and Local Government Series (SLGS) securities, currently located on the Internet at https://www.treasurydirect.gov/GA-SL/SLGS/selectSLGSDate.htm.</p> <p>Interest shall accrue and be computed on the basis of a 360-day year of twelve (12) thirty (30) day months.</p> <p>The WIFIA Loan shall also bear default interest at a rate of 200 basis points above the otherwise applicable interest rate, at such</p>

THIS DRAFT DOCUMENT IS NOT A CONTRACT OR AN OFFER TO ENTER INTO A CONTRACT. IT HAS NOT BEEN APPROVED BY THE ENVIRONMENTAL PROTECTION AGENCY (“USEPA”) AND DOES NOT INDICATE A COMMITMENT BY USEPA TO PARTICIPATE IN ANY TRANSACTION OR TO BE BOUND IN ACCORDANCE WITH ANY TERM OR CONDITION SET FORTH HEREIN. ONLY A DOCUMENT AS EXECUTED BY THE PARTIES WILL CONTAIN THE TERMS THAT BIND THEM.

	times and upon such terms as are provided in the WIFIA Loan Agreement.
PAYMENT DATES	Principal of the WIFIA Loan shall be repaid in annual installments on August 1 of each year, beginning on August 1, [____]. Interest shall be paid in arrears on February 1 and August 1 of each year, commencing on the Debt Service Payment Commencement Date. The Debt Service Payment Commencement Date shall in no event be later than five (5) years after the Substantial Completion Date of the Project.
FINAL MATURITY DATE	The earliest of (a) August 1, [____] (or such earlier date as is set forth in an updated Exhibit A (<i>WIFIA Debt Service</i>) pursuant to Section 8(e) (<i>Payment of Principal and Interest – Adjustments to Loan Amortization Schedule</i>)); and (b) the Payment Date immediately preceding the date that is thirty-five (35) years following the Substantial Completion Date.
PROJECTED SUBSTANTIAL COMPLETION DATE	[____].
DEDICATED SOURCE OF REPAYMENT	The dedicated source of repayment for the WIFIA Loan shall be the Gross Revenues. “ Gross Revenues ” means all revenues, income and receipts of every nature derived or received by the Borrower from the operation and ownership of the Utility System including any lawfully available impact fees and the interest income from investment or deposit of money in any account or subaccount created by the Master Ordinance or maintained by the Borrower in connection with the Utility System (except any account or subaccount not pledged as Security under the Master Ordinance or any Supplement) and any other revenues hereafter pledged to the payment of all Parity Debt. Any interest income related to any reserve account shall operate as provided in the applicable Supplement.
SECURITY AND LIEN PRIORITY	The WIFIA Bond shall be secured by the Liens on the Security on a parity with the Parity Debt and senior to all Subordinated Debt. “ Security ” means, subject to the provisions of Section 1.02(c) of the WIFIA Supplement, all of the interests of the Borrower in (a) the Pledged Revenues; (b) all amounts in the System Account (subject to the payment of Maintenance and Operating Expenses as provided in Section 4 of the Master

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	<p>Ordinance) and the Interest and Sinking Account; (c) any additional account or subaccount that is subsequently established and so designated as being included within the Security pursuant to Section 3(f) of the Master Ordinance; (d) all of the proceeds of the foregoing, including, without limitation, investments thereof; (e) any applicable Credit Agreement to the extent set forth in such Credit Agreement; and (f) with respect to any applicable series of Parity Debt, all amounts in any reserve account or subaccount applicable to such Parity Debt pursuant to Section 3(e) of the Master Ordinance, including any reserve fund surety policy or other Credit Agreement entered into for the benefit of such account or subaccount.</p> <p>“Pledged Revenues” means (1) the Net Revenues plus (2) any additional revenues, income, receipts, or other resources, including, without limitation, any grants, donations or income received or to be received from the United States Government, or any other public or private source, whether pursuant to an agreement or otherwise, which hereafter are pledged by the Borrower to the payment of the Parity Debt, and excluding those revenues excluded from Gross Revenues.</p> <p>The debt obligation of the Borrower under the WIFIA Loan shall be evidenced through the issuance by the Borrower of the WIFIA Bond.</p> <p>The Borrower has agreed and covenanted in the Master Ordinance that all Gross Revenues shall be deposited into the System Account immediately upon receipt by the Borrower and applied in accordance with the requirements specified in Section 4 of the Master Ordinance. For avoidance of doubt, moneys on deposit in the System Account not required to make any of the payments required above or expended by the Borrower at any time for any lawful purpose authorized pursuant to the Enabling Act and other State law shall remain in the System Account and remain subject to the pledge and lien provided in the WIFIA Loan Agreement.</p>
PREPAYMENT	<p>The Borrower may prepay the WIFIA Loan in whole on any date or in part on any Payment Date (and, if in part, the amounts thereof to be prepaid shall be determined by the Borrower; provided, that such prepayments shall be in principal amounts of \$500,000 or any integral multiple of \$1.00 in excess thereof), from time to time but not more than once annually from the Borrower’s excess revenues (after payment of debt service then</p>

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	due on the Borrower’s Project Obligations, including any reserve fund requirements, if applicable), and otherwise in accordance with the WIFIA Loan Agreement.
RATE COVENANT	As set forth in further detail in the Master Ordinance and WIFIA Loan Agreement, the Borrower has agreed and covenanted with the Owners of the Parity Debt that so long as any Parity Debt, or any interest thereon, remain Outstanding and unpaid, to establish and maintain rates and charges for facilities and services afforded by the Utility System that are reasonably expected, on the basis of available information and experience and with due allowance for contingencies, to produce Gross Revenues in each Fiscal Year to satisfy the requirements specified in Section 5 of the Master Ordinance, a copy of which is attached hereto as Attachment A (<i>Rate Covenant</i>).
ADDITIONAL INDEBTEDNESS	As set forth in further detail in the Master Ordinance and the WIFIA Loan Agreement, the Borrower shall not issue or incur any Debt unless the conditions described below and in Section 15(a) of the WIFIA Loan Agreement are satisfied: <ul style="list-style-type: none"> (i) Except for Permitted Debt, the Borrower shall not without the prior written consent of the WIFIA Lender issue or incur any Debt. (ii) The Borrower shall not create, incur or suffer to exist (A) any Debt the payments of which are senior or prior in right to the payment by the Borrower of the Parity Debt, or (B) any Additional Parity Debt Project Obligations that are secured by a Lien on any assets or property of the Borrower other than the Security. (iii) The Borrower shall not issue or incur any Parity Debt or Subordinated Debt except in accordance with all requirements and conditions set forth in Section 7 of the Master Ordinance, a copy of which is attached hereto as Attachment B (<i>Additional Debt Test</i>).
HEDGING	The Borrower shall not enter into any swap or hedging transaction with respect to or payable from all or part of the Security, including inflation indexed swap transactions, “cap” or “collar” transactions, futures, or any other hedging transaction, for any speculative purpose. For the avoidance of doubt, the Borrower is permitted to enter into a swap or hedging transaction with respect to or payable from all or part of the Security, including inflation indexed swap transactions, “cap” or “collar”

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	transactions, futures, or any other hedging transaction with respect to or payable from all or part of the Security with respect to Parity Debt that bears interest at a variable interest rate so long as the Borrower's obligations to pay any termination payments with respect thereto are made junior and subordinate in all respects to Parity Debt.
WIFIA LOAN DOCUMENTATION	The WIFIA Loan shall be subject to the preparation, execution and delivery of the WIFIA Master Agreement, the WIFIA Loan Agreement, the WIFIA Bond and any other loan documentation required by the WIFIA Lender in connection therewith, in each case acceptable to the WIFIA Lender and the Borrower, which will contain certain conditions precedent, representations and warranties, affirmative and negative covenants, events of default, and other provisions as agreed between the WIFIA Lender and the Borrower.
GOVERNING LAW	Federal laws of the United States of America, if and to the extent such federal laws are applicable, and the internal laws of the State of Texas, if and to the extent such federal laws are not applicable.
COUNTERPARTS	This Term Sheet, and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. Electronic delivery of an executed counterpart of a signature page shall be effective as delivery of an original executed counterpart.

[Signature pages follow]

THIS DRAFT DOCUMENT IS NOT A CONTRACT OR AN OFFER TO ENTER INTO A CONTRACT. IT HAS NOT BEEN APPROVED BY THE ENVIRONMENTAL PROTECTION AGENCY ("USEPA") AND DOES NOT INDICATE A COMMITMENT BY USEPA TO PARTICIPATE IN ANY TRANSACTION OR TO BE BOUND IN ACCORDANCE WITH ANY TERM OR CONDITION SET FORTH HEREIN. ONLY A DOCUMENT AS EXECUTED BY THE PARTIES WILL CONTAIN THE TERMS THAT BIND THEM.

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

Sincerely,

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

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

*[Signature Page to the City of Pflugerville Master Program – Water and Wastewater CIP –
Tranche [] – WIFIA Term Sheet]*

ACKNOWLEDGED AND AGREED:

CITY OF PFLUGERVILLE, TEXAS,
by its authorized representative

By: _____
Name:
Title: Mayor

*[Signature Page to the City of Pflugerville Master Program – Water and Wastewater CIP –
Tranche [] – WIFIA Term Sheet]*

ATTACHMENT A

RATE COVENANT

All terms used in this Attachment A shall have the meaning assigned to such terms as provided in the Master Ordinance. All section references used in this Attachment A shall be references to the appropriate section in the Master Ordinance. All references to "herein" or "hereof" in this Attachment A shall be references to the Master Ordinance. The following is intended to copy (without change) the provisions of Section 5 of the Master Ordinance as of the WIFIA Loan Agreement Effective Date.

Section 5. RATE COVENANT. The City covenants and agrees with the Owners of the Parity Debt that so long as any Parity Debt, or any interest thereon, remain Outstanding and unpaid, to establish and maintain rates and charges for facilities and services afforded by the Utility System that are reasonably expected, on the basis of available information and experience and with due allowance for contingencies, to produce Gross Revenues in each Fiscal Year reasonably anticipated to be sufficient to:

- (a) pay Maintenance and Operating Expenses;
- (b) produce Pledged Revenues at least equal to the greater of 1.25 times the average Annual Debt Service Requirements or 1.10 times the maximum Annual Debt Service Requirements;
- (c) produce Pledged Revenues in amounts sufficient to enable the City to make the deposits and credits, if any, from Pledged Revenues to the accounts and subaccounts required by this Master Ordinance and any Supplement including to fund or restore any reserve account required by a Supplement, including the payment of any Reserve Account Obligation then due;
- (d) produce Pledged Revenues, together with any other lawfully available funds (including the proceeds of Debt which the City expects will be utilized to pay all or part of the principal of and/or interest on any obligations) sufficient to meet all financial obligations for Subordinated Debt issued by the City; and
- (e) pay any other Debt payable from the Pledged Revenues and/or secured by a lien on the Security.

Should the annual audit report reflect that the Security for the Fiscal Year covered thereby is less than necessary to meet the requirements of this Section, the City Council will review the operations of the Utility System and the rates and charges for services provided, and the City Council will make the necessary adjustments or revisions, if any, in order that the Security for the succeeding year will be sufficient to satisfy the foregoing coverage requirements.

ATTACHMENT B

ADDITIONAL DEBT TEST

All terms used in this Attachment B shall have the meaning assigned to such terms as provided in the Master Ordinance. All section references used in this Attachment B shall be references to the appropriate section in the Master Ordinance. All references to "herein" or "hereof" in this Attachment B shall be references to the Master Ordinance. The following is intended to copy (without change) the provisions of Section 7 of the Master Ordinance as of the WIFIA Loan Agreement Effective Date.

Section 7. ISSUANCE OF PARITY DEBT.

(a) General. The City reserves and shall have the right and power to issue or incur Parity Debt for any purpose authorized by State law, including the refunding of Parity Debt, Subordinated Debt, or other obligations of the City issued to finance the costs of a project authorized to be financed under the Financing Program, pursuant to the provisions of this Master Ordinance and Supplements to be hereafter authorized. The City hereby covenants and agrees to comply with all constitutional and statutory requirements of State law and, to the extent applicable, federal law governing the issuance of Parity Debt.

(b) Parity Debt. Provided that the City is in compliance with the requirements of any then applicable provisions of State law, the City may from time to time incur, assume, guarantee, or otherwise become liable in respect of Parity Debt if, in the applicable Supplement, the City finds that, upon the issuance of such Parity Debt, the Security will be sufficient to meet the financial obligations relating to the Financing Program, including Security in amounts sufficient to satisfy the Annual Debt Service Requirements of the Financing Program. In addition, the City shall not issue or incur such Parity Debt unless (i) an Authorized Representative shall deliver to the City an Officer's Certificate stating that, to the best of his or her knowledge, the City, has not failed to comply with the covenants contained in this Master Ordinance and any Supplement, to any material extent, and are not in default, to any material extent, in the performance and observance of any of the terms, provisions, and conditions hereof, thereof or under any Credit Agreement that constitutes Parity Debt and (ii) the Chief Financial Officer signs and delivers to the City a written certificate to the effect that, during either the next preceding Fiscal Year, or any twelve consecutive calendar month period ending not more than ninety (90) days prior to the date of the then proposed Parity Debt, the Net Earnings were, in the opinion thereof, at least equal to the sum of 1.25 times the average Annual Debt Service Requirements (computed on a Fiscal Year basis) of the Parity Debt to be outstanding after the issuance of the then proposed Parity Debt and 1.10 times the average Annual Debt Service Requirements (computed in the same manner as for Parity Debt) of the Subordinated Debt to be outstanding after the issuance of the then proposed Parity Debt.

In making a determination of Net Earnings for any of the purposes described in this Section, the Chief Financial Officer may take into consideration a change in the rates and charges for services and facilities afforded by the Utility System that became effective at least sixty (60) days prior to the last day of the period for which Net Earnings are determined and, for purposes of satisfying the Net Earnings tests described above, make a pro forma determination of the Net Earnings of the Utility System for the period of time covered by said Chief Financial Officer's

certification or opinion based on such change in rates and charges being in effect for the entire period covered by the Chief Financial Officer's certificate or opinion.

As used in this Section, the term "**Net Earnings**" shall mean the Gross Revenues of the Utility System after deducting the Maintenance and Operating Expenses of the Utility System but not expenditures which, under standard accounting practice, should be charged to capital expenditures.

(c) Credit Agreements. To the extent permitted by law, the City may execute and deliver one or more Credit Agreements (i) upon the delivery to the City of the Chief Financial Officer's Certificate to the effect that the Credit Agreement is in the best interest of the City and (ii) compliance with the requirements of subsection (b) or (c) of this section, as the case may be, if the Credit Agreement is to constitute Parity Debt. Each Credit Agreement shall be approved by the City, to the extent required by law, either pursuant to a Supplement or by other action. Credit Agreements and the obligations thereunder may, pursuant to their terms, constitute (i) Parity Debt secured by a pledge of the Security on parity with other Parity Debt, (ii) Subordinated Debt secured by a pledge of the Security subordinate to Parity Debt, or (iii) partially Parity Debt and partially Subordinated Debt.

(d) Non-Recourse Debt and Subordinated Debt. Non-Recourse Debt and Subordinated Debt may be incurred by the City in accordance with State law.

EXHIBIT K
FORM OF WIFIA LOAN AGREEMENT

[Attached]

**UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY**

WIFIA LOAN AGREEMENT

for up to \$[_____]

With

CITY OF PFLUGERVILLE, TEXAS

For the

**CITY OF PFLUGERVILLE MASTER PROGRAM –
WATER AND WASTEWATER CIP**

**TRANCHE [_____]
(WIFIA Project No. – [_____])**

Dated as of [_____]

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EXHIBITS

EXHIBIT A – WIFIA Debt Service

²³ Include only if applicable.

²⁴ Include only if applicable.

WIFIA LOAN AGREEMENT

THIS WIFIA LOAN AGREEMENT (this “**Agreement**”), dated as of [_____], is by and between the **CITY OF PFLUGERVILLE, TEXAS**, a municipal body politic and corporate created under the laws of the State of Texas (the “**State**”), with an address at 100 E. Main Street, Pflugerville, TX 78660 (the “**Borrower**”), and the **UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**, an agency of the United States of America, acting by and through the Administrator of the Environmental Protection Agency (the “**Administrator**”), with an address at 1200 Pennsylvania Avenue NW, Washington, DC 20460 (the “**WIFIA Lender**”).

RECITALS:

WHEREAS, the Congress of the United States of America enacted the Water Infrastructure Finance and Innovation Act, as amended by Section 1445 of the Fixing America’s Surface Transportation Act of 2015, as further amended by Section 5008 of the Water Infrastructure Improvements For the Nation Act of 2016 and by Section 4201 of America’s Water Infrastructure Act of 2018, (collectively, as the same may be amended from time to time, the “**Act**” or “**WIFIA**”), which is codified as 33 U.S.C. §§ 3901-3915;

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

WHEREAS, the Borrower and the WIFIA Lender entered into that certain WIFIA Master Agreement, dated as of October 15, 2024 (the “**WIFIA Master Agreement**”), pursuant to which the parties thereto have set forth certain common terms and conditions applicable to each WIFIA Loan and Project under the Master Program, as such terms are defined in the WIFIA Master Agreement;

WHEREAS, the Borrower has submitted a WIFIA Loan Request, dated [_____] (the “**Project WIFIA Loan Request**”), to the WIFIA Lender pursuant to the WIFIA Master Agreement, and thereby requested that the WIFIA Lender make the WIFIA Loan (as defined below) in a principal amount not to exceed \$[_____] to be used to pay a portion of the Eligible Project Costs related to the Project (as defined below);

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

WHEREAS, based on the Project WIFIA Loan Request, the Application, the WIFIA Master Agreement and the representations, warranties and covenants set forth herein and therein, the WIFIA Lender proposes to make funding available to the Borrower through the purchase of the WIFIA Bond (as defined below) to be issued by the Borrower, upon the terms and conditions set forth herein and in the WIFIA Master Agreement;

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

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

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

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1. Definitions. Each capitalized term used in this Agreement (including in the recitals hereto) and not otherwise defined herein shall have the meaning assigned to such term in the WIFIA Master Agreement. Any term used in this Agreement (including in the recitals hereto) that is defined by reference to any other agreement shall continue to have the meaning specified in such agreement, whether or not such agreement remains in effect. In addition, as used in this Agreement (including in the recitals hereto), the following terms have the following meanings:

“**Act**” means the Act as defined in the recitals hereto.

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

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

“**Construction Schedule**” means (a) the initial schedule or schedules on which the construction timetables for the Project are set forth, attached as Schedule II (Construction Schedule), and (b) any updates thereto included in the periodic reports submitted to the WIFIA Lender pursuant to Section 16(d) (Reporting Requirements – Construction Reporting) of the WIFIA Master Agreement most recently approved by the WIFIA Lender.

“**Debt Service Payment Commencement Date**” means the Interest Payment Date immediately following the date of receipt by the Borrower of the initial requisition of funds pursuant to this Agreement.

“**Development Default Date**” means [_____].

“**Final Maturity Date**” means the earlier of (a) [_____] (or such earlier date as is set forth in an updated Loan Amortization Schedule pursuant to Section 8(e) (Payment of Principal

and Interest – Adjustments to Loan Amortization Schedule) of the WIFIA Master Agreement); and (b) the Payment Date immediately preceding the date that is thirty-five (35) years following the Substantial Completion Date.

“**Interest Payment Date**” means each February 1 and August 1, commencing on the Debt Service Payment Commencement Date.

“**Loan Amortization Schedule**” means the Loan Amortization Schedule reflected in the applicable column of Exhibit A (*WIFIA Debt Service*), as amended from time to time in accordance with Section 8(e) (*Payment of Principal and Interest – Adjustments to Loan Amortization Schedule*) of the WIFIA Master Agreement.

“**Maximum Principal Amount**” has the meaning provided in Section 3 (*WIFIA Loan Amount*).

“**NEPA Determination**” means the [Finding of No Significant Impact][Categorical Exclusion][Record of Decision] for the Project issued by the EPA on [_____], in accordance with NEPA.

“**Principal Payment Date**” means each August 1, commencing on August 1, 20[_____].

“**Project**” means [*insert short description of project*], as described in further detail in Schedule III (*Project*).

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

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

“**Projected Substantial Completion Date**” means [_____], as such date may be adjusted in accordance with Section 16(d) (*Reporting Requirements – Construction Reporting*) of the WIFIA Master Agreement.

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

“**WIFIA Bond**” means the Bond delivered by the Borrower in substantially the form of Exhibit A (*Form of WIFIA Bond*) to the WIFIA Master Agreement.

“**WIFIA Loan**” means the secured loan made by the WIFIA Lender to the Borrower on the terms and conditions set forth herein, in the WIFIA Master Agreement and in the WIFIA Bond, pursuant to the Act, in a principal amount not to exceed \$[_____], to be used in respect of Eligible Project Costs paid or incurred by the Borrower.

“**WIFIA Loan Agreement Effective Date**” means the date of this Agreement as provided on the cover page.

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

Section 2. Interpretation.

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

(b) This Agreement is one of the WIFIA Loan Agreements referenced in the WIFIA Master Agreement.

ARTICLE II

THE WIFIA LOAN

Section 3. WIFIA Loan Amount. The principal amount of the WIFIA Loan shall not exceed \$[] (the “**Maximum Principal Amount**”). WIFIA Loan proceeds available to be drawn shall be disbursed from time to time in accordance with Section 4 (*Disbursement Conditions*) hereof and Section 11(c) (*Conditions Precedent – Conditions Precedent to All Disbursements*) of the WIFIA Master Agreement.

Section 4. Disbursement Conditions. The WIFIA Loan shall be disbursed in accordance with Section 4 (*Disbursement Conditions*) of the WIFIA Master Agreement. The WIFIA Lender will make an initial disbursement of the WIFIA Loan to the Borrower in an amount equal to [] dollars and [] cents (\$[]) within five (5) Business Days after the WIFIA Loan Agreement Effective Date (or as soon thereafter as is possible in the event that the WIFIA Lender is prevented from making such disbursement within the time period described above for reasons beyond its control), otherwise subject to the terms and conditions in Section 4 (*Disbursement Conditions*) of the WIFIA Master Agreement.

Section 5. [Reserved]

Section 6. Interest Rate. The interest rate with respect to the Outstanding WIFIA Loan Balance for the WIFIA Loan shall be [] and [] hundredths percent ([]%) per annum.²⁵ Interest will accrue and be computed on the Outstanding WIFIA Loan Balance from time to time pursuant to, and otherwise in accordance with, with Section 6 (Interest Rate) of the WIFIA Master Agreement.

Section 7. [Reserved]

²⁵ **Note:** The WIFIA Interest Rate shall be calculated by adding one (1) basis point (0.01%) to the rate of securities of a similar maturity (based on the weighted-average life of the WIFIA Loan) as published, on the WIFIA Loan Agreement Effective Date, in the United States Treasury Bureau of Public Debt’s daily rate table for State and Local Government Series (SLGS) securities, currently located on the Internet at <https://www.treasurydirect.gov/GA-SL/SLGS/selectSLGSDate.htm>.

Section 8. Payment of Principal and Interest.

(a) Payment of WIFIA Debt Service. Payments of WIFIA Debt Service shall be made by the Borrower on each Payment Date occurring on and after the Debt Service Payment Commencement Date as provided in Section 8(a) (*Payment of Principal and Interest – Payment of WIFIA Debt Service*) of the WIFIA Master Agreement.

(b) WIFIA Bond. As evidence of the Borrower's obligation to repay the WIFIA Loan, the Borrower shall issue and deliver to the WIFIA Lender, on or prior to the WIFIA Loan Agreement Effective Date, the WIFIA Bond substantially in the form of Exhibit A (*Form of WIFIA Bond*) to the Master Agreement, having a principal amount equal to the Maximum Principal Amount.

(c) Manner of Payment. Payments to the WIFIA Lender as the owner of the WIFIA Bond shall be made in accordance with Section 8 (*Payment of Principal and Interest*) of the WIFIA Master Agreement in accordance with payment instructions set forth in Schedule IV-A (*WIFIA Loan Payment Instructions*), as may be modified in writing from time to time by the WIFIA Lender. Payments by the Borrower under this Agreement, including but not limited to, payments to be made pursuant to Section 10 (*Fees and Expenses*), other than payments required to be made with respect to principal of and interest on the WIFIA Bond, shall be made in accordance with Section 8 (*Payment of Principal and Interest*) of the WIFIA Master Agreement in accordance with the payment instructions set forth in Schedule IV-B (*WIFIA Fee Payment Instructions*), as may be modified in writing from time to time by the WIFIA Lender.

(d) Adjustments to Loan Amortization Schedule. The Borrower shall have the right to propose modifications to the Loan Amortization Schedule for the WIFIA Loan as provided in Section 8(e) (*Payment of Principal and Interest – Adjustments to Loan Amortization Schedule*) of the WIFIA Master Agreement. For purposes of Section 8(e) (*Payment of Principal and Interest – Adjustments to Loan Amortization Schedule*) of the WIFIA Master Agreement, the Weighted Average Life of the WIFIA Loan shall not exceed [_____] ([_____] years measured as of the initial disbursement date of the WIFIA Loan.

Section 9. Prepayment. The Borrower may prepay the WIFIA Loan in accordance with Section 9(a) (*Prepayment – Optional Prepayments*) of the WIFIA Master Agreement.

Section 10. Fees and Expenses. To the extent allowed by law and subject to annual appropriation, the Borrower shall pay to the WIFIA Lender, in each case pursuant to and in accordance with Section 10 (*Fees and Expenses*) of the WIFIA Master Agreement:

- (a) a one-time Servicing Set-Up Fee equal to \$[_____];
- (b) an annual Construction Period Servicing Fee equal to \$[_____] per annum; provided that the initial Construction Period Servicing Fee shall be in a pro-rated amount

equal to \$[_____] ²⁶ in accordance with Section 10(a)(ii) (*Fees and Expenses – Fees*) of the WIFIA Master Agreement;

(c) an Operating Period Servicing Fee equal to \$[_____] per annum; and

(d) any other applicable fees, costs, charges and expenses pursuant to, and otherwise in accordance with, Section 10 (*Fees and Expenses*) of the WIFIA Master Agreement.

ARTICLE III

CONDITIONS PRECEDENT

Section 11. Conditions Precedent.

(a) Conditions Precedent to Effectiveness. The effectiveness of this Agreement is subject to the satisfaction, or the WIFIA Lender’s written waiver, as determined by the WIFIA Lender in its sole discretion, of each of the conditions precedent to the effectiveness of this Agreement set forth in Section 11(b) (*Conditions Precedent – Conditions Precedent to Effectiveness of Each WIFIA Loan Agreement*) of the WIFIA Master Agreement, each of which is incorporated by reference herein as if set out in this Agreement in full (making all necessary changes to give such provisions effect hereunder, including as if each reference therein to any “Project,” any “WIFIA Loan,” any “WIFIA Bond,” or any “WIFIA Loan Agreement” were a reference, respectively, to the Project, the WIFIA Loan, the WIFIA Bond, or this Agreement (as such terms are defined in this Agreement)).

(b) Conditions Precedent to Disbursements. Notwithstanding anything in this Agreement to the contrary, the WIFIA Lender’s obligation to make any Disbursement of the WIFIA Loan to the Borrower (including the initial Disbursement hereunder) is subject to the satisfaction or the WIFIA Lender’s written waiver, as determined by the WIFIA Lender in its sole discretion, of each of the conditions precedent to disbursements set forth in Section 11(c) (*Conditions Precedent – Conditions Precedent to Disbursements*) of the WIFIA Master Agreement, each of which is incorporated by reference herein as if set out in this Agreement in full (making all necessary changes to give such provisions effect hereunder, including as if each reference therein to any “Project,” “Project Budget,” “WIFIA Loan” or any “WIFIA Loan Agreement” were a reference, respectively, to the Project, the Project Budget, the WIFIA Loan or this Agreement (as such terms are defined in this Agreement)).

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 12. Representations and Warranties of Borrower. In accordance with Section 12(y) (*Representations and Warranties of Borrower – Representations and Warranties of Borrower for each WIFIA Loan Agreement and Disbursements*) of the WIFIA Master Agreement, the Borrower hereby affirms or reaffirms, as applicable, all representations and warranties set out

²⁶ **Note to Borrower:** The pro-rated construction servicing fee amount assumes a current closing date in [month year].

in Section 12 (*Representations and Warranties of Borrower*) of the WIFIA Master Agreement as of the WIFIA Loan Agreement Effective Date and the Borrower shall reaffirm such representations and warranties as of each date on which any Disbursement of the WIFIA Loan is requested or made, in each case, except as otherwise expressly provided in Section 12(y) (*Representations and Warranties of Borrower – Representations and Warranties of Borrower for each WIFIA Loan Agreement and Disbursements*) of the WIFIA Master Agreement. Each such representation and warranty is incorporated by reference herein for the benefit of the WIFIA Lender as if set out in this Agreement in full (making all necessary changes to give such provisions effect hereunder, including as if each reference therein to “this Agreement” were a reference to this Agreement and as if each reference therein to (a) any “Project,” (b) any “WIFIA Loan” or (c) any “WIFIA Bond” were a reference, respectively, to (i) the Project, (ii) the WIFIA Loan or (iii) the WIFIA Bond (as such terms are defined in this Agreement)). The Borrower acknowledges that it makes such representations and warranties with the intention of inducing the WIFIA Lender to enter into this Agreement and the other WIFIA Loan Documents and to advance the WIFIA Loan to the Borrower, and that the WIFIA Lender has entered into this Agreement and the other WIFIA Loan Documents on the basis of, and in full reliance on, each such representation and warranty.

Section 13. Representations and Warranties of WIFIA Lender. The representations and warranties set out in Section 13 (*Representations and Warranties of WIFIA Lender*) of the WIFIA Master Agreement shall be made on the WIFIA Loan Agreement Effective Date for the benefit of the Borrower as if set out in this Agreement in full (making all necessary changes to give such provisions effect hereunder, including as if each reference therein to any “WIFIA Loan” were a reference to the WIFIA Loan (as such term is defined in this Agreement)).

ARTICLE V

COVENANTS

Section 14. Covenants. The Borrower covenants and agrees, until the date the WIFIA Loan and all of the obligations of the Borrower under the WIFIA Loan Documents with respect to the WIFIA Loan or the Project (other than contingent indemnity obligations) have been irrevocably paid in full in immediately available funds and the WIFIA Lender no longer has any commitment to make Disbursements under this Agreement to the Borrower, unless the WIFIA Lender waives compliance in writing, to comply with each of the covenants set forth in the WIFIA Master Agreement, including Section 14 (*Affirmative Covenants*), Section 15 (*Negative Covenants*), and Section 16 (*Reporting Requirements*) of the WIFIA Master Agreement, which covenants are incorporated by reference herein as if fully set forth herein (making all necessary changes to give such provisions effect hereunder, including as if each reference therein to “this Agreement” were a reference to this Agreement and as if each reference therein to (a) any “Project,” (b) any “WIFIA Loan” or (c) any “WIFIA Bond” were a reference, respectively, to (i) the Project, (ii) the WIFIA Loan or (iii) the WIFIA Bond (as such terms are defined in this Agreement)).

Section 15. [Reserved]

Section 16. [Reserved]

ARTICLE VI

EVENTS OF DEFAULT

Section 17. Events of Default and Remedies.

(a) Each Master Program Event of Default set out in Section 17 (*Master Program Events of Default and Remedies*) of the WIFIA Master Agreement and each Project Event of Default with respect to the Project set out in Section 18 (*Project Events of Default and Remedies*) shall constitute a Master Program Event of Default or Project Event of Default, as applicable, under this Agreement, except as otherwise expressly provided in Section 17 (*Master Program Events of Default and Remedies*) or Section 18 (*Project Events of Default and Remedies*) of the WIFIA Master Agreement.

(b) Upon the occurrence and during the continuation of any Master Program Event of Default or Project Event of Default hereunder, the WIFIA Lender shall have each of the rights and remedies to which it is entitled as provided in and with the same effect as described in Section 17 (*Master Program Events of Default and Remedies*) and Section 18 (*Project Events of Default and Remedies*) of the WIFIA Master Agreement.

ARTICLE VII

MISCELLANEOUS

Section 18. Governing Law. This Agreement shall be governed by the federal laws of the United States of America, if and to the extent such federal laws are applicable, and the internal laws of the State, if and to the extent such federal laws are not applicable.

Section 19. Effectiveness. This Agreement shall be effective on the WIFIA Loan Agreement Effective Date.

Section 20. Termination and Survival. This Agreement shall terminate upon the irrevocable payment in full in immediately available funds by the Borrower of the Outstanding WIFIA Loan Balance, together with all accrued interest, fees and expenses with respect thereto; provided that the indemnification requirements of Section 33 (*Indemnification*) of the Master WIFIA Agreement, as incorporated herein, the reporting and record keeping requirements of Section 14(q) (*Affirmative Covenants – Access; Records*) of the WIFIA Master Agreement, as incorporated herein, and the payment requirements of Section 10 (Fees and Expenses) shall survive the termination of this Agreement as provided in such sections.

Section 21. Miscellaneous. Sections 33 (*Indemnification*), 34 (*Sale of WIFIA Loans*), 19 (*Disclaimer of Warranty*), 20 (*No Personal Recourse*), 21 (*No Third Party Rights*), 22 (*Borrower's Authorized Representative*), 23 (*WIFIA Lender's Authorized Representative*), 24 (*Servicer*), 25 (*Amendments and Waivers*), 27 (*Severability*), 28 (*Successors and Assigns*), 29 (*Remedies Not Exclusive*), 30 (*Delay or Omission Not Waiver*), 31 (*Counterparts and Electronic Signature*), 32 (*Notices*) and 38 (*Integration*) of the WIFIA Master Agreement shall be incorporated in this Agreement as if set out in this Agreement in full (making all necessary changes to give such provisions effect hereunder, including as if each reference therein to "this Agreement"

were a reference to this Agreement and as if each reference therein to (a) any “Project,” (b) any “WIFIA Loan” or (c) any “WIFIA Bond” were a reference, respectively, to (i) the Project, (ii) the WIFIA Loan or (iii) the WIFIA Bond (as such terms are defined in this Agreement)).

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

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

CITY OF PFLUGERVILLE, TEXAS,
by its authorized representative

By: _____
Name:
Title: Mayor

*[Signature Page to the City of Pflugerville Master Program – Water and Wastewater CIP –
Tranche [_____] – WIFIA Loan Agreement]*

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

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

*[Signature Page to the City of Pflugerville Master Program – Water and Wastewater CIP –
Tranche [_____] – WIFIA Loan Agreement]*

SCHEDULE I
PROJECT BUDGET

SOURCES OF FUNDS	AMOUNT (\$ USD)	PERCENTAGE (%)
[]		
Total Sources of Funds		
USES OF FUNDS	AMOUNT (\$ USD)	PERCENTAGE (%)
[]		
Total Uses of Funds		
Total Eligible Project Costs		
Total Project Costs		

SCHEDULE II
CONSTRUCTION SCHEDULE

[To be provided by Borrower]

SCHEDULE III

PROJECT

[Insert description of Project]

SCHEDULE IV-A

WIFIA LOAN PAYMENT INSTRUCTIONS

HOW TO MAKE A LOAN PAYMENT TO EPA WIFIA PROGRAM

Please select one of the acceptable payment methods and follow the instructions provided below for sending WIFIA payments to EPA.

For questions about payments to EPA please contact EPA's Office of the Controller:

Phone: 202-564-7593. Voicemails can be left when calling outside business hours

Email: OCFO-OC-ACAD-WIFIA@epa.gov

For questions about the WIFIA program:

Email: wifia@epa.gov

ACCEPTABLE METHODS FOR WIFIA PAYMENTS TO EPA

Option 1 PAY.GOV

Use of Pay.gov to make payments to EPA is the preferred electronic payment method. In Pay.gov, users can track their payments to EPA and schedule recurring or automatic payments. Although it is not mandatory to register for a user id to access and use Pay.Gov, registration is recommended to have access to all Pay.gov system functionality.

1. Remove Debit Block - Before submitting payments through Pay.gov, users should contact their financial institution to remove any debit blocks and add EPA to the list of payees. In addition, the financial institution will need to add EPA's company ID (6801123303) for WIFIA fees. Once the financial institution removes the debit block and sets up the company ID, users can set up Pay.gov to submit payments.
2. Access the Pay.gov system by going to <https://www.pay.gov> and search for WIFIA or click on the following hyperlink to directly launch the [WIFIA Loan Collection & Fees Form](#).
3. Provide the following information on your payment to ensure proper credit:
 - Remitter's contact phone number
 - Company/Organization Name as it appears on EPA document
 - Complete address, including city, state, zip code
 - Project Name
 - Loan Number: this is EPA WIFIA Loan number, NOT the remitter's number
 - From the "Payment Type" drop down menu select "**Loan Payment**"
4. Follow the remaining on-screen instructions to successfully process the payment to EPA.
5. Send an email to OCFO-OC-ACAD-WIFIA@epa.gov and wifia_portfolio@epa.gov informing that a payment has been made.

Option 2 Fedwire

Users must work within the processing guidelines established by their bank, which may include processing cutoffs, transaction fees, and other bank requirements. Banks that do not maintain an account at the Federal Reserve Bank (FRB) must use the services of correspondent banks that do have an FRB account.

FEDWIRE

To process a payment using FedWire please:

1. Send FedWire deposits as early as possible and no later than 5PM ET on the desired EPA receipt date.
2. Review the FedWire form Instructions provided in Attachment 1 and complete the form. It is very important that all relevant details identified in the instructions are accurate.
3. Send an email to OCFO-OC-ACAD-WIFIA@epa.gov and wifia_portfolio@epa.gov informing that a payment has been made.

Attachment 1 – FedWire Payment Form and Instructions

Please provide the following instructions to your Financial Institution for the remittance of Fedwire payments to the United States Environmental Protection Agency.

Fedwire Field Tag	Fedwire Field Name	Required Information
{1510}	Type/Subtype	1000
{2000}	Amount	\$
{3400}	Receiver ABA routing number *	021030004
{3400}	Receiver ABA short name	TREAS NYC
{3600}	Business Function Code	CTR (or CTP)
{4200}	Beneficiary Identifier (account number)	868010099000
{4200}	Beneficiary Name	US EPA
{5000}	Originator	
{6000}	Originator to Beneficiary Information – Line 1	FEE TYPE – WIFIA Application Fee (WIFIA Loan Number)
{6000}	Originator to Beneficiary Information – Line 2	
{6000}	Originator to Beneficiary Information – Line 3	
{6000}	Originator to Beneficiary Information – Line 4	

* The financial institution address for Treasury’s routing number: 33 Liberty Street, New York, NY 10045

Agency Contact:

Collections Inquiry Mailbox
 US Environmental Protection Agency
 Office of the Controller
 Fees and Collections Branch
Collections_Inquiry_Mailbox@epa.gov

SCHEDULE IV-B

WIFIA FEE PAYMENT INSTRUCTIONS

HOW TO MAKE A FEE PAYMENT TO EPA WIFIA PROGRAM

Please select one of the acceptable payment methods and follow the instructions provided below for sending WIFIA payments to EPA.

For questions about payments to EPA please contact EPA's Office of the Controller:

Phone: 202-564-7593. Voicemails can be left when calling outside business hours

Email: OCFO-OC-ACAD-WIFIA@epa.gov

For questions about the WIFIA program:

Email: wifia@epa.gov

ACCEPTABLE METHODS FOR WIFIA PAYMENTS TO EPA

Option 1 PAY.GOV

Use of Pay.gov to make payments to EPA is the preferred electronic payment method. In Pay.gov, users can track their payments to EPA and schedule recurring or automatic payments. Although it is not mandatory to register for a user id to access and use Pay.Gov, registration is recommended to have access to all Pay.gov system functionality.

1. Remove Debit Block - Before submitting payments through Pay.gov, users should contact their financial institution to remove any debit blocks and add EPA to the list of payees. In addition, the financial institution will need to add EPA's company ID (6801123303) for WIFIA fees. Once the financial institution removes the debit block and sets up the company ID, users can set up Pay.gov to submit payments.
1. Access the Pay.gov system by going to <https://www.pay.gov> and search for WIFIA or click on the following hyperlink to directly launch the [WIFIA Loan Collection & Fees Form](#).
2. Provide the following information on your payment to ensure proper credit:
 - Remitter's contact phone number
 - Company/Organization Name as it appears on EPA document
 - Complete address, including city, state, zip code
 - Project Name
 - Loan Number: this is EPA WIFIA Loan number, NOT the remitter's number
 - From the "Payment Type" drop down menu select the type from the Fee Notice letter
 - Other Description: please note the reference number from the Fee Notice letter
3. Follow the remaining on-screen instructions to successfully process the payment to EPA.

- Send an email to OCFO-OC-ACAD-WIFIA@epa.gov and wifia_portfolio@epa.gov informing that a payment has been made.

Option 2 Credit Gateway: Fedwire and ACH

Depending on preferences, Credit Gateway allows users to submit payment either via FedWire (electronic interbank transfers) or ACH (direct deposit). The primary differences are:

	FedWire	ACH (Automated Clearing House)
Fees	Charges fees	Less expensive than FedWire
Transaction Speed	Faster transfers	May take up to a few days
Security	Less secure	More secure
International Capabilities	Can be sent internationally	U.S.-only network
Processing time	Within 24 hours	A few hours to several days

Users must work within the processing guidelines established by their bank, which may include processing cutoffs, transaction fees, and other bank requirements. Banks that do not maintain an account at the Federal Reserve Bank (FRB) must use the services of correspondent banks that do have an FRB account.

FEDWIRE

To process a payment using FedWire please:

- Send FedWire deposits as early as possible and no later than 5PM ET on the desired EPA receipt date.
- Review the FedWire form Instructions provided in Attachment 1 and complete the form. It is very important that all relevant details identified in the instructions are accurate.
- Send an email to OCFO-OC-ACAD-WIFIA@epa.gov and wifia_portfolio@epa.gov informing that a payment has been made.

Automated Clearing house (ach)

To process payments using ACH please:

- Send ACH payments as early as possible and no later than 3 business days before the desired EPA receipt date.
- Review the ACH form Instructions provided in Attachment 2 and complete the form. It is important that all relevant details identified in the instructions are accurate.
- Send an email to OCFO-OC-ACAD-WIFIA@epa.gov and wifia_portfolio@epa.gov informing that the payment has been made.

Option 3 CHECK PAYMENTS

UNAVAILABLE DUE TO COVID19 PANDEMIC. EPA CANNOT PROCESS CHECKS AT THIS TIME.

Attachment 1 – FedWire Payment Form and Instructions

Please provide the following instructions to your Financial Institution for the remittance of Fedwire payments to the United States Environmental Protection Agency.

Fedwire Field Tag	Fedwire Field Name	Required Information
{1510}	Type/Subtype	1000
{2000}	Amount	
{3400}	Receiver ABA routing number *	021030004
{3400}	Receiver ABA short name	TREAS NYC
{3600}	Business Function Code	CTR (or CTP)
{4200}	Beneficiary Identifier (account number)	868010099000
{4200}	Beneficiary Name	US EPA
{5000}	Originator	
{6000}	Originator to Beneficiary Information – Line 1	FEE TYPE – WIFIA Application Fee (WIFIA Loan Number)
{6000}	Originator to Beneficiary Information – Line 2	
{6000}	Originator to Beneficiary Information – Line 3	
{6000}	Originator to Beneficiary Information – Line 4	

* The financial institution address for Treasury’s routing number is 33 Liberty Street, New York, NY 10045

Agency Contact:

Collections Inquiry Mailbox
 US Environmental Protection Agency
 Office of the Controller
 Fees and Collections Branch
Collections_Inquiry_Mailbox@epa.gov

Attachment 2 - ACH Credit Gateway Form and Instructions

Please provide the following instructions to your Financial Institution for the remittance of Automated Clearing House (ACH) credits to the United States Environmental Protection Agency.

NACHA Record Type Code	NACHA Field	NACHA Data Element Name	Required Information
5	3	Company Name	
5	6	Standard Entry Class Code	CCD
5	9	Effective Entry Date	
6	2	Transaction Code*	22
6	3 & 4	Receiving DFI Identification (ABA routing #) @	051036706
6	5	DFI Account Number	868010099000
6	6	Amount	<i>(enter payment amount)</i>
6	8	Receiving Company Name	US EPA FEE TYPE – WIFIA (Loan Number-Fee Type)

ACH bank information:

Name: Credit Gateway – ACH Receiver
 Address: 33 Livingston Ave. St. Paul, MN 55107
 Phone number: 1-877-815-1206

Agency Contact:

Collections Inquiry Mailbox
 Fees and Collections Branch
 Office of the Controller
 US Environmental Protection Agency
 Collections_Inquiry_Mailbox@epa.gov

[EPA W-9 to be inserted]

**[SCHEDULE 12(f)
LITIGATION]²⁷**

No.	Parties	Date Initiated	Description	Venue

²⁷ Include only if applicable.

SCHEDULE 12(n)
EXISTING CONSTRUCTION CONTRACTS²⁸

Contract	Date	Parties	Description

²⁸ To be completed by Borrower.

**[SCHEDULE 12(p)
ENVIRONMENTAL MATTERS]²⁹**

²⁹ Include only if applicable.

EXHIBIT A
WIFIA DEBT SERVICE³⁰

[See attached]

³⁰ WIFIA Lender to provide on the WIFIA Loan Agreement Effective Date.

EXHIBIT L
FORM OF WIFIA SUPPLEMENT

[Attached]

ORDINANCE NO. _____

**[_____] SUPPLEMENTAL ORDINANCE TO THE
MASTER ORDINANCE ESTABLISHING THE
CITY OF PFLUGERVILLE, TEXAS
UTILITY SYSTEM REVENUE FINANCING PROGRAM
AUTHORIZING THE ISSUANCE OF THE
CITY'S UTILITY SYSTEM REVENUE BOND
(CITY OF PFLUGERVILLE MASTER PROGRAM –
WATER AND WASTEWATER CIP TRANCHE [____])**

Adopted [_____]

Exhibit L-2

3876111.5 047282 CTR

ORDINANCE NO. _____

**[_____] SUPPLEMENTAL ORDINANCE TO THE
MASTER ORDINANCE ESTABLISHING THE
CITY OF PFLUGERVILLE, TEXAS
UTILITY
SYSTEM REVENUE FINANCING PROGRAM
AUTHORIZING THE ISSUANCE OF THE
CITY'S UTILITY SYSTEM REVENUE BOND
(CITY OF PFLUGERVILLE MASTER PROGRAM –
WATER AND WASTEWATER CIP TRANCHE [____])**

**THE STATE OF TEXAS §
COUNTIES OF TRAVIS AND WILLIAMSON §
CITY OF PFLUGERVILLE §**

WHEREAS, on September 14, 2021, the City Council of the City of Pflugerville, Texas (the “City”), adopted a “Master Ordinance Establishing the City of Pflugerville, Texas Utility System Revenue Financing Program” (referred to herein as the “Master Ordinance”);

WHEREAS, in order to enable the City to provide for the financing of the utility system projects authorized by Chapter 1502, Texas Government Code, as amended, and any other applicable provisions of State law, the Master Ordinance establishes a revenue financing program pursuant to which the City can issue and enter into obligations, including bonds and other types of obligations, secured by and payable from a pledge of and lien on all or part of the Security (as defined herein);

WHEREAS, for such purposes, the City deems it necessary to issue Parity Debt (as defined herein) pursuant to this “[_____] Supplemental Ordinance to the Master Ordinance establishing the City of Pflugerville, Texas Utility System Revenue Financing Program” (this “[_____] Supplement”);

WHEREAS, the City has requested that the United States Environmental Protection Agency, an agency of the United States of America, acting by and through the Administrator of the Environmental Protection Agency (the “WIFIA Lender”), make the WIFIA Loan (as defined herein) in a principal amount not to exceed \$[_____] (the “WIFIA Loan”) to be used to pay a portion of the Eligible Project Costs (as defined herein) related to the Project (as defined in the WIFIA Loan Agreement);

WHEREAS, the WIFIA Lender proposes to approve WIFIA financial assistance for the Project in the form of a direct loan in an aggregate principal amount not to exceed \$[_____];

WHEREAS, the WIFIA Lender proposes to extend credit upon the terms and conditions contained in the WIFIA Loan Agreement (as defined herein) and the WIFIA Master Agreement (as defined herein);

WHEREAS, the City agrees to repay any amount due pursuant to the WIFIA Loan Agreement and the WIFIA Bond (as defined herein) in accordance with the terms and provisions of the WIFIA Loan Agreement and the WIFIA Bond;

WHEREAS, the City desires to adopt this [_____] Supplement to set forth the terms of the City’s obligations to the WIFIA Lender relating to the issuance by the City of the WIFIA Bond authorized herein which is being issued to evidence any advances to be made by the WIFIA Lender under the WIFIA Loan Agreement, a contract allowing for the construction of Utility System facilities pursuant to Section 1502.002(b) of the Texas Government Code, as amended, and a contract in connection with providing funds for the construction of Utility System facilities pursuant to Section 1502.051(c) of the Texas Government Code, as amended;

WHEREAS, as contemplated by the Master Ordinance, including Section 7 thereof, this [_____] Supplement relates to the execution, issuance and delivery of the WIFIA Bond as Parity Debt as provided herein;

WHEREAS, the City further finds and determines that all terms and conditions for the issuance of the obligations herein authorized as Parity Debt have been or can be met and satisfied;

WHEREAS, the City held a public hearing on [_____] prior to the adoption of this [_____] Supplement in accordance with the City Charter; and

WHEREAS, the obligations authorized by this [_____] Supplement are to be issued and delivered pursuant to the Enabling Act (as defined herein) and other applicable State laws, including Chapter 1371, Texas Government Code, as amended (collectively, the “Acts”).

NOW THEREFORE, BE IT ORDAINED BY THE CITY OF PFLUGERVILLE, TEXAS THAT:

**ARTICLE I
BONDS ISSUED UNDER UTILITY SYSTEM
REVENUE FINANCING PROGRAM**

Section 1.01. DEFINITIONS. (a) Definitions. The capitalized terms used herein and not otherwise defined shall have the meanings given in the Master Ordinance or in Exhibit “A” to this [_____] Supplement. The recitals to this [_____] Supplement and the exhibits hereto are incorporated herein and made a part hereof for all purposes.

(b) Construction of Terms. If appropriate in the context of this [] Supplement, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, words of the masculine, feminine, or neuter gender shall be considered to include the other genders, and words importing persons shall include firms, associations, and corporations.

Section 1.02. ESTABLISHMENT OF FINANCING PROGRAM AND ISSUANCE OF PARITY DEBT.

(a) [] Supplement. By adoption of the Master Ordinance, the City has established the City of Pflugerville, Texas Utility System Revenue Financing Program for the purpose of enabling the City to provide for the financing of utility system projects authorized by the Enabling Act and any other applicable provisions of State law pursuant to which the City may issue and enter into obligations, including bonds and other types of obligations, secured by and payable from a pledge of and lien on all or part of the Security. This [] Supplement provides for the authorization, form, characteristics, provisions of payment and redemption, and security of the WIFIA Loan Agreement and the WIFIA Bond. This [] Supplement is subject to the terms of the Master Ordinance and the terms of the Master Ordinance are incorporated herein by reference and as such are made a part hereof for all purposes.

(b) Parity Debt. As required by Section 7 of the Master Ordinance governing the issuance of Parity Debt such as the WIFIA Bond, the City hereby finds that, upon the issuance of the WIFIA Bond, the Security will be sufficient to meet the financial obligations relating to the Financing Program, including Security in amounts sufficient to satisfy the Annual Debt Service Requirements of the Financing Program. The WIFIA Bond is hereby declared to be Parity Debt under the Master Ordinance.

(c) Security. In order to ensure that the Administrator is and shall be in compliance with the provisions of 40 C.F.R. § 35.10045, the City shall not pledge any grants, donations or income received or to be received from the United States Government as security for the WIFIA Loan Agreement and the WIFIA Bond. Any attempted or purported pledge of any such amounts which results in a pledge of any such amounts as security for the WIFIA Loan Agreement and the WIFIA Bond in violation of the provisions of 40 C.F.R. § 35.10045 shall be null and void and otherwise ineffective.

Section 1.03. [] SUPPLEMENT TO CONSTITUTE A CONTRACT; EQUAL SECURITY.

In consideration of the execution of the WIFIA Loan Agreement by the WIFIA Lender and the acceptance of the WIFIA Bond by the WIFIA Lender and by those who shall hold the same from time to time in the future, this [] Supplement shall be deemed to be and shall constitute a contract between the City and the WIFIA Lender, as well as with any future Owner, and the pledge made in this [] Supplement by the City and the covenants and agreements set forth in this [] Supplement to be performed by the City shall be for the equal and proportionate benefit, security, and protection of all Owners from time to time, without preference, priority, or distinction as to security or otherwise by reason of time of issuance, sale, or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this [] Supplement and the Master Ordinance.

Section 1.04. LIMITATION OF BENEFITS WITH RESPECT TO THIS [] SUPPLEMENT. With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this [] Supplement, the WIFIA Loan Agreement, the WIFIA Master Agreement or the WIFIA Bond is intended or should be construed to confer upon or give to any person other than the City, the Owner, and the Paying Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason of or in respect to this [] Supplement or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This [] Supplement and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the City, the Owner, and the Paying Agent/Registrar as herein and therein provided.

ARTICLE II WIFIA LOAN AGREEMENT AND WIFIA BOND AUTHORIZATION

Section 2.01. AUTHORIZATION. (a) The WIFIA Loan Agreement, a substantially final draft of which is attached hereto as Exhibit “B”, together with the WIFIA Master Agreement, constitute a contract allowing for the construction of Utility System facilities pursuant to Section 1502.002(b) of the Texas Government Code, as amended, and contracts in connection with providing funds for the construction of Utility System facilities pursuant to Section 1502.051(c) of the Texas Government Code, as amended. The WIFIA Loan Agreement and the WIFIA Bond evidencing amounts due under the WIFIA Loan Agreement are hereby authorized in the maximum aggregate principal amount not to exceed \$[] to be used to provide funds for paying a portion of the Eligible Project Costs related to the Project.

(b) The authority for an Authorized Representative to execute the Award Certificate for the WIFIA Bond and the WIFIA Loan Agreement shall expire at 5:00 p.m. Central Time on []. So long as the Award Certificate is executed on or before such date and time, the WIFIA Bond and the WIFIA Loan Agreement may be executed and delivered to the WIFIA Lender after such date. The WIFIA Loan Agreement, together with the WIFIA Bond, are authorized pursuant to authority conferred by and in conformity with State law, particularly the provisions of the Acts, as applicable.

(c) In order to satisfy the requirements of the WIFIA Lender in connection with the delivery of the WIFIA Bond and WIFIA Loan Agreement, the term sheet in connection therewith is hereby authorized to be executed and delivered by an Authorized Representative in substantially the form attached here to as attached here as Exhibit “C”.

(d) The City has previously approved, executed and delivered the WIFIA Master Agreement which sets forth certain common terms and conditions applicable to the WIFIA Loan Agreement as further set forth in the WIFIA Loan Agreement. The City hereby confirms the effectiveness and applicability of the WIFIA Master Agreement in conjunction with the delivery of the WIFIA Loan Agreement.

Section 2.02. TERMS OF WIFIA BOND AND WIFIA LOAN AGREEMENT AND AWARD CERTIFICATE.

(a) Initially there shall be issued and delivered hereunder one bond, payable to the WIFIA Lender, in the principal amount not to exceed \$[_____]. The WIFIA Bond shall be designated the “City of Pflugerville, Texas Utility System Revenue Bond (City of Pflugerville Master Program - Water and Wastewater CIP - Tranche [____]), Series 20[____]” and shall be numbered consecutively from R-1 upward. Advances made pursuant to the WIFIA Loan Agreement, which shall be evidenced by the WIFIA Bond, shall mature not later than 40 years from the date of the initial delivery of the WIFIA Bond, all as further set forth in the WIFIA Bond and the WIFIA Loan Agreement. All principal of the WIFIA Bond shall be payable as provided, and in the manner required or indicated, in the WIFIA Loan Agreement.

(b) As authorized by the Acts, each Authorized Representative is hereby authorized, appointed, and designated to act on behalf of the City delivering the WIFIA Loan Agreement and the WIFIA Bond and carrying out the other procedures specified in this [_____] Supplement, including determining and fixing the WIFIA Loan Agreement Effective Date, which shall be the delivery date of the WIFIA Bond, any additional or different designation or title by which the WIFIA Bond shall be known, the years in which the WIFIA Bond will mature, the principal amount to mature or otherwise be payable in each of such years, the aggregate principal amount of WIFIA Bond, the rate or rates of interest to be borne by any maturity, the interest payment periods, and all other matters relating to the issuance, sale, and delivery of the WIFIA Bond and the WIFIA Loan Agreement, all of which shall be specified in the Award Certificate; provided that the WIFIA Bond shall not bear interest at a rate greater than the Highest Lawful Rate. The Award Certificate, when executed and delivered, is hereby incorporated into and made a part of this [_____] Supplement.

It is further provided, however, that notwithstanding the foregoing provisions, the WIFIA Bond shall not be delivered unless, prior to delivery, the WIFIA Bond has been rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long term obligations, as required by Section 1371.001(5), Texas Government Code.

In satisfaction of Sections 1201.022(a)(3) and Section 1371.056(c), Texas Government Code, as applicable, the City hereby determines that the delegation of the authority to each Authorized Representative to approve the final terms and conditions of the WIFIA Loan Agreement and the WIFIA Bond as set forth in this [_____] Supplement and the decisions made by each Authorized Representative pursuant to such delegated authority and incorporated in the Award Certificate will be, in the best interests and shall have the same force and effect, as if such determination were made by the City Council, and each Authorized Representative is hereby authorized to make and include in each Award Certificate an appropriate finding to that effect.

(c) The WIFIA Bond (i) may and shall be prepaid prior to the respective scheduled payment dates pursuant to the respective optional and mandatory prepayment requirements in the

WIFIA Loan Agreement, (ii) may not be assigned or transferred except as provided in the WIFIA Bond and the WIFIA Loan Agreement, (iii) shall have the characteristics, (iv) shall be signed and sealed, and (v) shall be payable, as to the principal thereof and interest thereon, all as provided, and in the manner required or indicated, in the Master Ordinance, this [_____] Supplement, the WIFIA Bond and the WIFIA Loan Agreement.

Section 2.03. PAYMENT OF WIFIA BOND; PAYING AGENT/REGISTRAR.

(a) The City appoints [_____] (the “Paying Agent/Registrar”) to act as the paying agent/registrar for the WIFIA Bond. By accepting the appointment as Paying Agent/Registrar, the Paying Agent/Registrar acknowledges receipt of copies of the Master Ordinance and this [_____] Supplement and is deemed to have agreed to the provisions thereof and hereof. The principal of, premium, if any, and the interest on the WIFIA Bond shall be payable, without exchange or collection charges to the Owner thereof, in any coin or currency of the United States of America that at the time of payment is legal tender for the payment of public and private debts.

(b) The Paying Agent/Registrar Agreement by and between the City and the Paying Agent/Registrar in substantially the form set forth in Exhibit “D” hereto is hereby approved, and the Mayor is hereby authorized to complete, amend, modify, execute and deliver such Paying Agent/Registrar Agreement.

(c) The City agrees and covenants to cause to be kept and maintained at the designated office of the Paying Agent/Registrar a Security Register, all as provided herein, in accordance with the terms and provisions of the Paying Agent/Registrar Agreement and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. In addition, to the extent required by law, the City covenants to cause to be kept and maintained the Security Register or a copy thereof in the State.

(d) The City expressly reserves the right to appoint one or more successor Paying Agent/Registrars, by filing with the Paying Agent/Registrar a certified copy of a resolution or ordinance of the City making such appointment. The City further expressly reserves the right to terminate the appointment of the Paying Agent/Registrar by filing a certified copy of a resolution of the City giving notice of the City’s termination of the City’s agreement with such Paying Agent/Registrar and appointing a successor. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the WIFIA Bond is paid and discharged, and any successor Paying Agent/Registrar shall be a bank, trust company, financial institution, or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the WIFIA Bond. If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Security Register (or a copy thereof) and all other pertinent books and records relating to the WIFIA Bond to the successor Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar, the City agrees promptly to cause a written notice thereof to be sent to the Owner of the WIFIA Bond by

United States mail, first-class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

(e) The principal of, premium, if any, and interest on the WIFIA Bond due and payable by reason of maturity, redemption, or otherwise, shall be payable only to the Owner thereof appearing on the Security Register, and, to the extent permitted by law, neither the City nor the Paying Agent/Registrar, nor any agent of either, shall be affected by notice to the contrary.

(f) The WIFIA Bond and the WIFIA Loan Agreement shall not be issued in book-entry-only form.

(g) An authorized representative of the Paying Agent/Registrar shall, before the delivery of any WIFIA Bond issued in exchange for any WIFIA Bond Number R-1 or any other WIFIA Bond issued under this [_____] Supplement, date and manually sign the Paying Agent/Registrar's Authentication Certificate attached to such WIFIA Bond, and no such WIFIA Bond shall be deemed to be issued or outstanding under this [_____] Supplement unless such certificate is so authenticated. The Paying Agent/Registrar's Authentication Certificate shall be in the form set forth in the WIFIA Master Agreement. Notwithstanding the first sentence of this paragraph, WIFIA Bond Number R-1 shall not need an executed Trustee's Authentication Certificate but shall be outstanding, when delivered, if an executed Registration Certificate of the Comptroller of Public Accounts of the State of Texas is attached thereto.

Section 2.04. FORM OF WIFIA BOND. The form of the WIFIA Bond shall be substantially as set forth in the WIFIA Master Agreement (including the form of the Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the WIFIA Bond Number R-1) with such appropriate variations, omissions, or insertions as are permitted or required by the WIFIA Loan Agreement and the Award Certificate. It is specifically provided that the provisions of the WIFIA Bond to be provided in the Award Certificate shall be incorporated into the form of the executed WIFIA Bond.

ARTICLE III PAYMENTS AND NO RESERVE ACCOUNT

Section 3.01. PAYMENTS. Semiannually on or before each principal or interest payment date while any of the WIFIA Bond is outstanding and unpaid, commencing on the first interest payment date for the WIFIA Bond, the City shall make available from the Interest and Sinking Account to the Paying Agent/Registrar, money sufficient to pay such interest on and such principal of the WIFIA Bond as will accrue or mature, or be subject to mandatory redemption prior to maturity, on such principal, redemption, or interest payment date. The Paying Agent/Registrar shall cancel all paid WIFIA Bonds and shall furnish the City with an appropriate certificate of cancellation.

Section 3.02. NO RESERVE ACCOUNT. In accordance with Section 3(e) of the Master Ordinance, no reserve account or subaccount is created for the purpose of paying or securing the Parity Debt authorized under this [] Supplement.

**ARTICLE IV
TAXABLE BOND**

Section 4.01. TAXABLE BOND. It is the intention of the City that the WIFIA Bond and the WIFIA Loan Agreement not be obligations described in section 103 of the Internal Revenue Code of 1986 interest on which is excludable from the gross income of the holders and, in that regard, the City is not required to file a form 8038-G, or any comparable information return relating to tax-exempt obligations, with the Internal Revenue Service and hereby agrees not to make any such filing.

**ARTICLE V
MISCELLANEOUS**

Section 5.01. CONSTRUCTION FUND. (a) There is hereby created, established and maintained on the books of the City, a separate fund to be entitled the “City of Pflugerville, Texas Series 20[] WIFIA Bond Construction Fund” (hereinafter called the “Construction Fund”). The Construction Fund shall constitute a sub-account of the Bond Proceeds Account.

(b) Proceeds of the WIFIA Bond deposited for credit to the Construction Fund shall be used by the City to reimburse a portion of the Eligible Project Costs related to the Project in accordance with the WIFIA Loan Agreement.

Section 5.02. MAILED NOTICES. Except as otherwise required herein, all notices required or authorized to be given to the City or the Paying Agent/Registrar pursuant to this [] Supplement shall be in writing and shall be sent by registered or certified mail, postage prepaid, to the following addresses or otherwise given in a manner deemed, in writing, acceptable to the party to receive the notice:

1. to the City:
City of Pflugerville, Texas
100 East Main Street, Suite 300
Pflugerville, Texas 78691-0589
Attn: City Manager
Telephone: (512) 990-6101
Facsimile: (512) 990-4364

2. to the Paying Agent/Registrar:
[]
[]
[]

[_____]
Attn: [_____]
Telephone: [_____]
Facsimile: [_____]

Section 5.03. FURTHER PROCEDURES. Each Authorized Representative is hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this [_____] Supplement, the WIFIA Loan Agreement, the WIFIA Master Agreement and the WIFIA Bond, the sale and delivery of the WIFIA Bond, and attending to all details in connection therewith, and the Paying Agent/Registrar Agreement, and the City Secretary is hereby authorized to provide any necessary attestation for any of the foregoing. In connection with the issuance and delivery of each the Bonds, the above-stated officers, with the advice of the City Attorney and Bond Counsel to the City, are hereby authorized to approve, subsequent to the date of the adoption of this [_____] Supplement, any amendments to the above named documents, and any technical amendments to this [_____] Supplement required by the State Attorney General’s Office or any rating agency, and each Authorized Representative is hereby authorized to execute this [_____] Supplement to evidence approval of such changes.

Section 5.04. EFFECT OF SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS. Whenever this [_____] Supplement requires any action to be taken on a Saturday, Sunday, or legal holiday, such action shall be taken on the first business day occurring thereafter. Whenever in this [_____] Supplement the time within which any action is required to be taken or within which any right will lapse or expire shall terminate on a Saturday, Sunday, or legal holiday, such time shall continue to run until midnight on the next succeeding business day.

Section 5.05. PARTIAL INVALIDITY. If any one or more of the covenants or agreements or portions thereof provided in this [_____] Supplement on the part of the City should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, or such agreement or agreements, or such portions thereof, shall be deemed severable from the remaining covenants and agreements or portions thereof provided in this [_____] Supplement and the invalidity thereof shall in no way affect the validity of the other provisions of this [_____] Supplement or of the Bonds, but the Owner of the WIFIA Bonds shall retain all the rights and benefits accorded to them hereunder and under any applicable provisions of law.

Section 5.06. NO RULE 15C2-12 CONTINUING DISCLOSURE UNDERTAKING. The sale of the WIFIA Bond is exempt from Rule 15c2-12. Consequently, the City makes no undertaking with respect to Rule 15c2-12 or with respect to the provision of on-going financial and operating data under Rule 15c2-12.

Section 5.07. SOVEREIGN IMMUNITY WAIVER. To the fullest extent permitted by applicable law and pursuant to Section 1371.059(c) of the Texas Government Code, as amended, with respect to its obligations arising under the WIFIA Bond which evidences amounts due under the WIFIA Loan Agreement, the City hereby waives sovereign immunity from suit and liability for the purpose of adjudicating a claim to enforce its duties and obligations under the WIFIA Bond or for damages for breach of the WIFIA Bond.

Section 5.08. DEFAULT AND REMEDIES. Each Master Program Event of Default and each Project Event of Default with respect to the Project is hereby declared to be an Event of Default under this [] Supplement and the Master Ordinance. Upon the occurrence of a Master Program Event of Default or a Project Event of Default with respect to the Project, the Owner may exercise any and all remedies set forth in and in accordance with the Master Ordinance and the WIFIA Loan Agreement.

Section 5.09. DISCLOSURE OF FINANCIAL OBLIGATIONS. The execution and delivery of the WIFIA Loan Agreement and the issuance and delivery of the WIFIA Bond will constitute the incurrence of a “financial obligation” by the City pursuant to existing continuing disclosure undertakings of the City under Rule 15c2-12. Accordingly, the City’s Finance Director as the City’s appointed disclosure officer is hereby authorized and directed to file or cause to be filed the executed WIFIA Loan Agreement, WIFIA Master Agreement and any other appropriate notice or description of the financial obligation thereunder on the Electronic Municipal Market Access system, which is the prescribed electronic format for disclosures established and maintained by the Municipal Securities Rulemaking Board and can be accessed at www.emma.msrb.org, no more than ten business days after the WIFIA Loan Agreement Effective Date.

Section 5.10. RULES OF INTERPRETATION. For purposes of this [] Supplement, except as otherwise expressly provided or the context otherwise requires:

(a) The words “herein,” “hereof” and “hereunder” and other similar words refer to this [] Supplement as a whole and not to any particular Article, Section, or other subsection.

(b) The definitions in an Article are applicable whether the terms defined are used in the singular or the plural.

(c) All accounting terms that are not defined in this [] Supplement have the meanings assigned to them in accordance with then applicable accounting principles.

(d) Any pronouns used in this [] Supplement include both the singular and the plural and cover both genders.

(e) Any terms defined elsewhere in this [] Supplement have the meanings attributed to them where defined.

(f) The captions or headings are for convenience only and in no way define, limit or describe the scope or intent, or control or affect the meaning or construction, of any provisions or sections hereof.

(g) Any references to Section numbers are to Sections of this [_____] Supplement unless stated otherwise.

Section 5.11. INDIVIDUALS NOT LIABLE. All covenants, stipulations, obligations, and agreements of the City contained in this [_____] Supplement shall be deemed to be covenants, stipulations, obligations, and agreements of the Financing Program, the Utility System and the City to the full extent authorized or permitted by State law. No covenant, stipulation, obligation, or agreement herein contained shall be deemed to be a covenant, stipulation, obligation, or agreement of any member of the City Council or agent or employee of the City in his or her individual capacity and neither the members of the City Council, nor any officer, employee, or agent of the City shall be liable personally on the WIFIA Bond, the WIFIA Loan Agreement or the WIFIA Master Agreement when issued and/or delivered, or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 5.12. PAYMENT OF ATTORNEY GENERAL FEE. The City hereby authorizes the disbursement of a fee equal to the lesser of (i) one-tenth of one percent of the principal amount of the WIFIA Bond or (ii) \$[_____], provided that such fee shall not be less than \$750, to the Attorney General of Texas Public Finance Division for payment of the examination fee charged by the State of Texas for the Attorney General's review and approval of public securities and credit agreements, as required by Section 1202.004 of the Texas Government Code. The Authorized Representative is hereby instructed to take the necessary measures to make this payment. The City is also authorized to reimburse the appropriate City funds for such payment from proceeds of the WIFIA Bond as a cost of issuance thereof.

[The Remainder of This Page is Intentionally Left Blank]

FINALLY PASSED, APPROVED AND EFFECTIVE on first and final reading in accordance with Section 1201.028, Texas Government Code, on this [_____].

Mayor,
City of Pflugerville, Texas

ATTEST:

City Secretary,
City of Pflugerville, Texas

APPROVED AS TO FORM:

City Attorney

The City has caused this [_____] Supplement to be executed by an Authorized Representative.

CITY OF PFLUGERVILLE, TEXAS

By: _____
Authorized Representative

EXHIBIT A

DEFINITIONS

As used in this [_____] Supplement, the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

“Acts” – As defined in the recitals hereto.

“Administrator” – As defined in the recitals hereto.

“Authorized Representative” - Means the Mayor, City Manager, any Assistant City Manager, Chief Financial Officer or such other individuals so designated by the City to perform the duties of an Authorized Representative under this [_____] Supplement.

“Award Certificate” – The certificate to be executed and delivered by an Authorized Representative pursuant to Sections 2.01 and 2.02 of this [_____] Supplement in connection with the WIFIA Bond and the WIFIA Loan Agreement.

“Chief Financial Officer” - Means the Finance Director or such other officer or employee of the City or such other individual so designated by the City to perform the duties of Chief Financial Officer under this [_____] Supplement.

“Construction Fund” – The sub-account of the Bond Proceeds Account created pursuant to Section 5.01(a) hereof.

“Eligible Project Costs” - As defined in the WIFIA Loan Agreement.

“[_____] Supplement” - This [_____] Supplemental Ordinance, which was adopted pursuant to authority reserved by the City under the Master Ordinance.

“Highest Lawful Rate” – The maximum net effective interest rate permitted by law to be paid on obligations issued or incurred by the City in the exercise of its borrowing powers (prescribed by Chapter 1204, Texas Government Code, or any successor provisions).

“Master Ordinance” - The “Master Ordinance Establishing the Utility System Revenue Financing Program,” adopted by the City on September 14, 2021, as may be amended or supplemented from time to time.

“Master Program Event of Default” - as defined and as set forth in the WIFIA Master Agreement.

“Owner” – As applicable, the registered owner of the WIFIA Bond as shown on the Security Register and the WIFIA Lender acting under the WIFIA Loan Agreement or any successor thereto as permitted under such agreement.

“Paying Agent” - The agent selected and appointed by the City for purposes of paying the principal of, premium, if any, and interest on the WIFIA Bond to the Owner thereof, as identified in Section 2.03 hereof and any successor to such agent.

“Paying Agent/Registrar” - Collectively, the Paying Agent and the Registrar designated in Section 2.03 hereof or any successor to such agent.

“Paying Agent/Registrar Agreement” - The agreement having such name executed by and between the City and the Paying Agent/Registrar.

“Project” – As defined in the WIFIA Loan Agreement.

“Project Event of Default” - as defined and as set forth in the WIFIA Master Agreement.

“Registrar” - The agent selected and appointed by the City for purposes of keeping and maintaining books and records relating to the registration, transfer, exchange, and payment of the WIFIA Bond and interest thereon, as identified in Section 2.03 hereof and any successor to such agent.

“Rule 15c2-12” - Securities and Exchange Commission Rule 15c2-12.

“Section” - Unless the context clearly requires otherwise, refers to a Section of this [_____] Supplement.

“Security” – As defined in the Master Ordinance, subject to the provisions of Section 1.02(c) of this [_____] Supplement.

“Security Register” - The books and records kept and maintained by the Registrar relating to the registration, transfer, exchange, and payment of the Bonds and the interest thereon.

“WIFIA Bond” - The bond authorized by this [_____] Supplement relating to the WIFIA Loan Agreement.

“WIFIA Lender” - As defined in the recitals hereto.

“WIFIA Loan” - As defined in the recitals hereto.

“WIFIA Loan Agreement” – The WIFIA Loan Agreement between the WIFIA Lender and the City executed and delivered in connection with the WIFIA Bond.

“WIFIA Loan Agreement Effective Date” – The date on which the WIFIA Bond is first delivered to the WIFIA Lender.

“WIFIA Master Agreement” – The WIFIA Master Agreement between the WIFIA Lender and the City pursuant to which the parties thereto have set forth certain common terms and conditions applicable to the WIFIA Loan and the Project.

EXHIBIT B
WIFIA LOAN AGREEMENT

EXHIBIT C
TERM SHEET

EXHIBIT D
PAYING AGENT/REGISTRAR AGREEMENT

EXHIBIT E
WIFIA MASTER AGREEMENT