DOCUMENT NO. 8

UP TO $40,000,000
CITY OF CHICAGO
WATER SYSTEM LINE OF CREDIT NOTES
SERIES ONE (2025)

Chicago City Clerk-Council Div.
2025 JUN 18 AM 11:05

DETERMINATION CERTIFICATE
OF THE CHIEF FINANCIAL OFFICER OF THE CITY OF CHICAGO

The undersigned, Jill Jaworski, certifies that I am the duly appointed and qualified Chief Financial Officer (the "**Chief Financial Officer**") of the City of Chicago (the "**City**"). This Determination Certificate (this "**Determination Certificate**") is being delivered in accordance with the hereinafter-defined Ordinance and as an accompanying certificate to the record of proceedings pertaining to the issuance by the City of up to $40,000,000 aggregate principal amount WATER SYSTEM LINE OF CREDIT NOTES, SERIES ONE (2025) (the "**Series One Note**"). All capitalized terms used and not otherwise defined herein have the respective meanings assigned thereto in the Amended and Restated Master Indenture of Trust, dated as of May 1, 2023 (the "**Amended and Restated Master Indenture**"), from the City to The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "**Trustee**").

An ordinance adopted by the City Council of the City on March 14, 2012 (the "**Ordinance**") authorized the execution and delivery by the City of the Revolving Credit Agreement, dated as of June 18, 2025 (the "**Credit Agreement**"), by and between the City and PNC Bank, National Association (the "**Bank**").

Subject to certain limitations set forth therein, the Ordinance delegated authority to the Chief Financial Officer to determine various provisions of the notes issued thereunder. The Chief Financial Officer is to determine, with respect to the Series One Note, the purpose or purposes for which the Series One Note is to be issued, the aggregate principal amount of Series One Note to be issued, the date thereof, the maturity thereof, the rate or rates of interest payable thereon or the method for determining such rate or rates, and the determinations made pursuant to the Ordinance with respect to the purpose or purposes for which the Series One Note is being issued and the amount or amounts being borrowed for each such purpose, all within the limitations established by the Ordinance.

Pursuant to Part E, Section 1.02 of the Ordinance, in connection with (i) the execution and delivery of the Credit Agreement the Chief Financial Officer is required to file in the Office of the City Clerk of the City (the "**City Clerk**") a copy of the Credit Agreement and (ii) the issuance of the Series One Note, the Chief Financial Officer is required to file in the Office of the City Clerk of the City, directed to the City Council, a Determination Certificate setting forth such terms and provisions of the Series One Note. I have determined as follows with respect to the Series One Note authorized by the Ordinance, in each case within the authority granted to me by the Ordinance.

SECTION 1. **Findings of the Chief Financial Officer**. On behalf of the City, I find and determine as follows:

(a) ***Purchase Price; Credit Agreement***. Pursuant to the Credit Agreement, the City will be issuing the Series One Note to the Bank, as the sole buyer thereof in a private placement, at an issue price of par. A copy of the Credit Agreement is attached to this Determination Certificate as Exhibit A. The Credit Agreement is in the form customarily used to provide borrowers with a revolving line of credit for the purposes described in Section 1.03 of Part E of the Ordinance.

(b) ***Financing Purposes***. The terms of the Series One Note, as specified in this Determination Certificate and the Credit Agreement, provide that the proceeds from the sale of the Series One Note will be used for the purposes specified in Section 1.03 of Part E of the Ordinance.

(c) ***Interest Rates***. The interest rates at which the Series One Note may bear interest as set forth in the Credit Agreement do not exceed the limitations set forth in the Ordinance.

(d) ***Financing Purposes Do Not Exceed Authorization***. The amount that will be needed by the City to pay the costs for the purposes specified in Section 1.03 of Part E of the Ordinance, taking into account moneys that will be available from other sources (including investment earnings on proceeds of sale of the Series One Note during the period before they are applied to pay such costs) to pay such costs, does not exceed the amount authorized by the Ordinance to be issued for such purposes.

SECTION 2. **Terms and Provisions of the Series One Note**.

(a) ***Water System Line of Credit Notes***. The Series One Note constitute Water System Line of Credit Notes as described in Section 1.02(b) of Part E of the Ordinance.

(b) ***Designation***. The Series One Note shall be designated "WATER SYSTEM LINE OF CREDIT NOTES, SERIES ONE (2025)."

(c) ***Purpose of Issuance***. The Series One Note shall be issued for the purposes specified in Section 1.03 of Part E of the Ordinance.

(d) ***Principal Amount***. The aggregate principal amount of the Series One Note shall be up to $40,000,000.

(e) ***Interest***. Interest on the Series One Note will be payable on the dates set forth in the Credit Agreement. Interest shall be computed on the basis of a 360-day year and actual days elapsed.

(f) ***Authorized Denominations, Lettering and Numbering***. The Series One Note shall be issued as a single note payable to the Bank in the denomination of the outstanding principal amount due on the Series One Note as shown on the schedule attached thereto.

(g) ***Dated Date, Maturities, Principal Amounts and Interest Rates***. The Series One Note shall be dated its date of delivery and shall mature on June 16, 2028.

(h) ***Prepayment***. The Series One Note is subject to prepayment in whole or in part at the times and in the manner specified in the Credit Agreement.

(i) ***Tax-Exempt***. The Series One Note is being issued on a tax-exempt basis.

SECTION 3. **Amounts to be Borrowed**. The amount to be borrowed through the issuance of the Series One Note to fulfill the purposes specified in Section 1.03 of Part E of the Ordinance will not exceed $40,000,000.

SECTION 4. **Payment of Debt Service**. Pursuant to Section 3.03(e) of the Amended and Restated Master Indenture, there is established a subaccount within the Line of Credit Notes Account in the Water Fund for the payment of debt service on the Series One Note. Such subaccount will be held by Amalgamated Bank of Chicago (the "Escrow Agent") pursuant to an Escrow Agreement dated as of June 18, 2025 between the City and the Escrow Agent.

SECTION 5. **Credit Agreement**. The Credit Agreement is approved and executed by me on behalf of the City.

[SIGNATURE ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, I have executed and delivered this Determination Certificate of the Chief Financial Officer of the City of Chicago in the name and on behalf of the City of Chicago as of the 18th day of June, 2025.

CITY OF CHICAGO

By: _____
Name: Jill Jaworski
Title: Chief Financial Officer

EXHIBIT A

CREDIT AGREEMENT

[Attached to the record of proceedings as Document No. 3.]

EXECUTION COPY

REVOLVING CREDIT AGREEMENT

dated as of June 18, 2025,

by and between

CITY OF CHICAGO

and

PNC BANK, NATIONAL ASSOCIATION

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EXHIBITS:

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REVOLVING CREDIT AGREEMENT

This REVOLVING CREDIT AGREEMENT, dated as of June 18, 2025 (as amended, restated, supplemented or otherwise modified in accordance with its terms, this *"Agreement"*), is entered into by and between the CITY OF CHICAGO (the *"City"*) and PNC BANK, NATIONAL ASSOCIATION, and its successors and assigns (the *"Bank"*).

RECITALS

WHEREAS, the City wishes to obtain a revolving line of credit (the *"Line of Credit"*) from the Bank hereunder and the Bank is willing, upon the terms and subject to the conditions set forth below, to provide the Line of Credit to the City to finance any purpose permitted under the Ordinance (as defined herein); and

WHEREAS, all obligations of the City to repay the Bank for extensions of credit made by the Bank under the Line of Credit and to pay all other amounts payable to the Bank arising under or pursuant to this Agreement or the promissory note to be issued to the Bank hereunder are created under and will be evidenced by this Agreement and such promissory note and will be secured by a pledge of and lien on Available Pledged Revenues (as defined herein), all in accordance with the terms and conditions hereof;

NOW, THEREFORE, in consideration of the foregoing Recitals and other consideration, the receipt and sufficiency of which is hereby acknowledged, and to induce the Bank to extend to the City the Line of Credit, the City and the Bank hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. In addition to the terms defined in the recitals and elsewhere in this Agreement, the following terms shall have the following meanings:

"Advance" means a Revolving Loan requested by the City under the Loan Commitment and the terms hereof to provide funds with respect to any Water System Purpose.

"Advance Date" means the date on which the Bank honors a Request for Advance and makes the funds requested available to the City.

"Affiliate" means, as to any Person, a corporation, partnership, association, agency, authority, instrumentality, joint venture, business trust or similar entity organized under the laws of any state or the laws of the United States that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person.

"Agreement" has the meaning set forth in the introductory paragraph hereof.

"Alternate Rate" means with respect to Loans, the sum of the Base Rate plus 0.50% per annum.

"Anti-Corruption Laws" means (a) the U.S. Foreign Corrupt Practices Act of 1977, as amended; and (b) any other Applicable Law relating to anti-bribery or anti-corruption in any jurisdiction in which the City is located.

"Anti-Money Laundering Laws" means (a) the Bank Secrecy Act and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001; and (b) any other Applicable Law relating to anti-money laundering and countering the financing of terrorism in any jurisdiction in which the City is located.

"Applicable Factor" means 79%.

"Applicable Law" means (i) all applicable common law and principles of equity and (ii) all applicable provisions of all (A) constitutions, statutes, rules, regulations and orders of all governmental and, to the extent they have the force of law, quasi-governmental bodies, (B) Governmental Approvals and (C) orders, decisions, judgments and decrees of all courts (whether at law or in equity) and arbitrators, to the extent they have the force of law.

"Applicable Spread" means, initially 59 basis points (0.59%), which is subject to maintenance of the current Water System Rating. In the event of a change in the Water System Rating, the Applicable Spread shall equal the number of basis points set forth in the Level associated with the lowest Water System Rating as set forth in the schedule below:

WATER SYSTEM RATING				APPLICABLE SPREAD BASIS POINTS (%)
	S&P	KROLL	FITCH	
Level I	A+ or higher	A+ or higher	A+ or higher	0.59%
Level II	A	A	A	0.69%
Level III	A-	A-	A-	0.84%
Level IV	BBB+	BBB+	BBB+	1.04%
Level V	BBB	BBB	BBB	1.29%
Level VI	BBB-	BBB-	BBB-	1.64% or Default Rate, as applicable
Level VII	Below BBB-	Below BBB-	Below BBB-	Default Rate

Any change in the Applicable Spread resulting from a change in the Water System Rating shall be and become effective as of and on the date of the announcement of the change in the Water System Rating. References to the Water System Rating above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any such Rating Agency, including, without limitation, any recalibration of the Water System Rating in connection with the adoption of a *"global"* rating scale, each Water System Rating from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The City acknowledges that as of the Effective Date the Applicable Spread is that specified above for Level I. With respect to Level VI above, 1.64% shall apply unless any two Rating Agencies have assigned a Water System Rating of "BBB-" and, in such case, the Default Rate shall become immediately effective upon the announcement of said change in the Water System Rating to "BBB-" by a second Rating Agency.

"Audited Financial Statements" means the audited consolidated balance sheet of the Water System for the Fiscal Year ended December 31, 2023, and the related consolidated statements of income or operations and cash flows for such Fiscal Year of the Water System, including the notes thereto.

"Authorized Officer" means the Chief Financial Officer of the City appointed by the Mayor of the City, or his or her designee.

"Available Commitment" means, on any date, an initial amount equal to $40,000,000 and thereafter such initial amount adjusted from time to time as follows: (a) downward in an amount equal to the principal amount of any Revolving Loan made to the City under the Loan Commitment; (b) upward in an amount equal to the principal amount of any Revolving Loan under the Loan Commitment that is repaid or prepaid in the manner provided herein; (c) downward in an amount equal to any reduction thereof effected pursuant to Section 2.7 or Section 8.2(a) hereof; and (d) downward to zero upon the expiration or termination of the Available Commitment in accordance with the terms hereof; *provided, that,* after giving effect to any of the foregoing adjustments the Available Commitment shall never exceed $40,000,000 at any one time.

"Available Pledged Revenues" means all moneys that may be withdrawn from the Line of Credit Notes Account of the Water Fund pursuant to the terms of the Ordinance and the Master Indenture.

"Bank" means PNC Bank, National Association, and its successors and assigns.

"Bank's Office" means the Bank's address and, as appropriate, the account as set forth in Section 9.2 hereof, or such other address or account of which the Bank may from time to time notify the City.

"Base Rate" means the highest of (a) the Prime Rate, (b) the sum of the Overnight Bank Funding Rate plus 50 basis points (0.50%), and (c) the sum of Daily Simple SOFR plus 100 basis points (1.00%), so long as Daily Simple SOFR is offered, ascertainable and not unlawful; *provided, however*, if the Base Rate as determined above would be less than zero, then such rate

shall be deemed to be zero. If and when the Base Rate as determined above changes, the rate of interest with respect to any amounts under this Note to which the Base Rate applies will change automatically without notice to the City, effective on the date of any such change.

"Bond Counsel" means Miller, Canfield, Paddock and Stone, P.L.C., or such other counsel of recognized national standing in the field of law relating to municipal bonds and the exemption from federal income taxation of interest thereon, appointed and paid by the City.

"Business Day" means any day other than (i) a Saturday, a Sunday or other day on which commercial banks located in New York, New York or Chicago, Illinois are authorized or required by law to close or (ii) a day on which The New York Stock Exchange is closed.

"Change in Law" means the occurrence, after the Effective Date, of any of the following: (a) the adoption or taking effect of any Law, rule, regulation or treaty, (b) any change in any Law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive having the force of law by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"City Council" means the City Council of the City, or any succeeding governing or legislative body of the City.

"Code" means the Internal Revenue Code of 1986, as amended or any successor thereto.

"Commercial Paper Account" has the meaning set forth in the Ordinance.

"Commitment" means the agreement of the Bank pursuant to Section 2.1 hereof to make Advances under the terms hereof for the account of the City for the purpose of providing funds to pay for any Water System Purpose.

"Commitment Expiration Date" means June 16, 2028, unless extended as provided herein.

"Compliance Authority" means the United States government or any agency thereof, including, without limitation, the U.S. Department of State, the U.S. Department of Commerce, the U.S. Department of the Treasury and its Office of Foreign Assets Control, and the U.S. Customs and Border Protection agency.

"Confidential Information" means address and account information, e-mail addresses, telephone numbers, facsimile numbers, names and signatures of officers, employees and signatories, and wire transfer instructions with respect to the Bank or any affiliate of the Bank.

"Conforming Changes" means, with respect to the use, administration of or any conventions associated with the Federal Funds Rate or any proposed alternate benchmark rate, as applicable, any conforming changes to the definition of Federal Funds Rate, timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definition of Business Day, timing of borrowing requests or prepayment, conversion or continuation notices and length of lookback periods) as may be appropriate, in the discretion of the Bank, to reflect the adoption and implementation of such applicable rate, and to permit the administration thereof by the Bank in a manner substantially consistent with market practice (or, if the Bank determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such rate exists, in such other manner of administration as the Bank determines is reasonably necessary in connection with the administration of this Agreement).

"Covered Entity" means the City.

"CP Authorization" has the meaning set forth in Part A, Article I, Section 1.02(g) the Ordinance.

"CP Notes" has the meaning set forth in the Ordinance.

"Daily 1M SOFR" means, for any day, the interest rate per annum determined by the Bank by dividing (the resulting quotient rounded upwards, at the Bank's discretion, to the nearest 1/100th of 1%) (A) the Term SOFR Reference Rate for such day for a one-month period, as published by the Term SOFR Administrator by (B) a number equal to 1.00 minus the SOFR Reserve Percentage; *provided* that if Daily 1M SOFR, determined as provided above, would be less than the Floor, then Daily 1M SOFR shall be deemed to be the Floor. The rate of interest will be adjusted automatically as of each Business Day based on changes in Daily 1M SOFR without notice to the City.

"Daily Simple SOFR" means, for any day (a *"SOFR Rate Day"*), the interest rate per annum determined by the Bank by dividing (the resulting quotient rounded upwards, at the Bank's discretion, to the nearest 1/100th of 1%) (a) SOFR for the day (the *"SOFR Determination Date"*) that is two (2) Business Days prior to (i) such SOFR Rate Day if such SOFR Rate Day is a Business Day or (ii) the Business Day immediately preceding such SOFR Rate Day if such SOFR Rate Day is not a Business Day, by (b) a number equal to 1.00 minus the SOFR Reserve Percentage, in each case, as such SOFR is published by the NYFRB (or a successor administrator of the secured overnight financing rate) on the website of the NYFRB, currently at http://www.newyorkfed.org, or any successor source identified by the NYFRB or its successor administrator for the secured overnight financing rate from time to time. If Daily Simple SOFR as determined above would be less than the Floor, then Daily Simple SOFR shall be deemed to be the Floor. If SOFR for any SOFR Determination Date has not been published or replaced with a Benchmark Replacement (as defined in Section 2.10 hereof) by 5:00 p.m. (Pittsburgh, Pennsylvania time) on the second Business Day immediately following such SOFR Determination Date, then SOFR for such SOFR Determination Date will be SOFR for the first Business Day preceding such SOFR Determination Date for which SOFR was published in accordance with the definition of "SOFR"; *provided* that SOFR determined pursuant to this sentence shall be used for purposes of calculating Daily Simple

SOFR for no more than three (3) consecutive SOFR Rate Days. If and when Daily Simple SOFR as determined above changes, any applicable rate of interest based on Daily Simple SOFR will change automatically without notice to the City, effective on the date of any such change.

"Debt" means, for any Person (without duplication), (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (d) all capital leases of such Person as determined under Generally Accepted Accounting Principles in effect as of the Effective Date, (e) all obligations of such Person to purchase securities (or other property) which arise out of or in connection with the sale of the same or substantially similar securities (or property), (f) all deferred obligations of such Person to reimburse any bank or other Person in respect of amounts paid or advanced under a letter of credit or other instrument, (g) all Debt of others secured by a Lien on any asset of such Person, including any guaranties, whether or not such Debt is assumed by such Person, (h) all Debt of others guaranteed directly or indirectly by such Person or as to which such Person has an obligation substantially the economic equivalent of a guaranty and (i) obligations in respect of Interest Rate Hedge Agreements; *provided* that in no event shall the term *"Debt"* as used herein include any indebtedness which is payable solely from payments to be made by a Person other than the City.

"Default Rate" means, for any day, a fluctuating rate per annum equal to the greatest of (i) the Prime Rate plus 3.00%, (ii) the Overnight Bank Funding Rate plus 3.50%, and (iii) 9.00%.

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

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

(ii) on the date of delivery to the City and the Bank of a written legal opinion (which opinion shall not be a "reasoned" opinion and shall be subject to only customary assumptions and exclusions) of a nationally recognized bond counsel with substantial expertise on the subject of tax-exempt municipal financings and reasonably acceptable to the City and the Bank, to the effect that an Event of Taxability shall have occurred; unless, within two hundred seventy (270) days after the receipt by the City of such written legal opinion, the City shall have delivered to the Bank (a) written evidence that the City and the Internal Revenue Service have entered into a closing agreement under the Voluntary Closing Agreement Program that maintains the exclusion from federal income taxation of the interest on the Loans that were covered by such written legal opinion, (b) an opinion of Bond Counsel that the City has taken appropriate remedial actions under Treasury Regulation 1.141-12 or Treasury Regulation 1.142-2 sufficient to maintain the exclusion from federal income taxation of the interest on the Loan that were covered by the written legal opinion or (c) a ruling or determination letter issued to or on behalf of the City by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any

other government official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

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

(iv) on the date when the City shall receive notice from a Bank that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Bank the interest on the Loans due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (iii) or (iv) hereunder unless the City has been afforded the reasonable opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; *provided further*, however, that upon demand from a Bank, the City shall promptly reimburse the Bank for any payments, including any taxes, interest, penalties or other charges, the Bank shall be obligated to make as a result of the Determination of Taxability, net of any amount due under Section 5.3 hereof.

"Dollar" and *"$"* mean lawful money of the United States.

"Effective Date" means June 18, 2025, subject to the satisfaction or waiver by the Bank of the conditions precedent set forth in Section 2.4(a) hereof.

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

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with the City within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by the City or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2)

of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the City or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; or (f) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the City or any ERISA Affiliate.

"Event of Default" with respect to this Agreement has the meaning set forth in Section 8.1 hereof and, with respect to any other Related Document, has the meaning assigned therein.

"Event of Taxability" means (i) a change in Law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the City, or the failure to take any action by the City, or the making by the City of any misrepresentation herein or in any certificate required to be given in connection with any Loans) which has the effect of causing interest paid or payable on any Loan to become includable, in whole or in part, in the gross income of the Bank for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury (or any other government agency exercising the same or a substantially similar function from time to time), which decree, judgment or action shall be final under applicable procedural Law, in either case, which has the effect of causing interest paid or payable on any Loan to become includable, in whole or in part, in the gross income of the Bank for federal income tax purposes, other than for a period during which the Bank is or was a "substantial user" of the projects financed or refinanced from proceeds of a Loan or a "related person" for purposes of Section 147(a) of the Code. An Event of Taxability does not include any event, condition or circumstance which results in interest on any Loan being an item of tax preference subject to the federal alternative minimum tax, or any other tax consequences which depend upon the Bank's particular tax status.

"Excess Interest Amount" has the meaning set forth in Section 5.5(d) hereof.

"Excluded Taxes" means, with respect to the Bank, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which the Bank is organized or in which its principal office is located, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Bank is located and (c) Illinois income taxes on interest on the Note.

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that: (a) if such day is not a Business Day, then the Federal Funds Rate for such day shall be such rate on such transactions

on the next preceding Business Day as so published on the next succeeding Business Day; and (b) if no such rate is so published on such next succeeding Business Day, then the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of one-hundredth of one percent) (1/100 of 1%) charged to the Bank on such day on such transactions as determined by the Bank.

"Fiscal Year" has the meaning set forth in the Master Indenture.

"Fitch" means Fitch Ratings, Inc., and any successor rating agency.

"Floor" means a rate of interest per annum equal to 0 basis points (0.00%).

"Generally Accepted Accounting Principles" or *"GAAP"* means generally accepted accounting principles in effect from time to time in the United States and applicable to entities such as the City.

"Governmental Approval" means an authorization, consent, approval, license, or exemption of, registration or filing with, or report to any Governmental Authority.

"Governmental Authority" means, with respect to any Person, the government of the United States or any state or political subdivision thereof or any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency or other instrumentality of any governmental entity or other entity exercising governmental regulatory powers with jurisdiction over such Person.

"Gross Revenues" has the meaning set forth in the Master Indenture.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Initial Advance" means the initial Advance of Revolving Loans under the Note made by the Bank to the City pursuant to the terms set forth in Section 2.4(b) hereof.

"Initial Commitment Amount" means $40,000,000.

"Interest Payment Date" means the last day of each Interest Period (provided that if such day is not a Business Day such payment shall be due on the next succeeding Business Day).

"Interest Period" means a period of one month (in each case, subject to the availability thereof), commencing on the date of disbursement of such amount and each successive one-month period thereafter; *provided that:*

(a) if an Interest Period would end on a day that is not a Business Day, it shall end on the next succeeding Business Day unless such day falls in the next succeeding calendar month in which case the Interest Period shall end on the next preceding Business Day;

(b) the City may not select an Interest Period that would end on a day after the Commitment Expiration Date; and

(c) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period.

"Interest Rate" means the sum of (a) product of (x) the Applicable Factor and (y) Daily 1M SOFR and (b) the Applicable Spread. The Interest Rate shall be rounded upwards, at the Bank's discretion, to the nearest 1/100th of 1%.

"Interest Rate Hedge Agreement" has the meaning set forth in the Master Indenture.

"Kroll" means Kroll Bond Rating Agency, LLC, and any successor rating agency.

"Law" means any international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case having the force of law.

"Lien" means any mortgage, deed of trust, lien, security interest, assignment, pledge, charge, hypothecation or encumbrance of any kind in respect of any Property, including the interests of a vendor or lessor under any conditional sale, capital lease or other title retention arrangement.

"Line of Credit Notes Account" has the meaning set forth in the Ordinance.

"Loan" and *"Loans"* means individually, each Revolving Loan under this Agreement, and collectively the Revolving Loans under this Agreement.

"Loan Commitment" means, on any date, an initial amount equal to $40,000,000 and thereafter such initial amount adjusted from time to time as follows: (a) downward in an amount equal to the principal amount of any Revolving Loan made to the City under the Loan Commitment; (b) upward in an amount equal to the principal amount of any Revolving Loan under the Loan Commitment that is repaid or prepaid in the manner provided herein; (c) downward in an amount equal to any reduction thereof effected pursuant to Section 2.7 or 8.2(a) hereof; and (d) downward to zero upon the expiration or termination of the Available Commitment in accordance with the terms hereof; *provided,* that, after giving effect to any of the foregoing adjustments the Loan Commitment shall never exceed $40,000,000 at any one time.

"Master Indenture" means the Amended and Restated Master Indenture of Trust securing City of Chicago Second Lien Water Revenue Bonds dated as of May 1, 2023, from the City to The

Bank of New York Mellon Trust Company, N.A., as successor trustee, as supplemented and amended in accordance with the provisions thereof and hereof.

"Material Adverse Change" means the occurrence of any event or change, including but not limited to a change revealed by a comparison of any financial statements delivered pursuant to Section 7.1 hereof to the financial statements for the most recent prior Fiscal Year, which separately or in the aggregate with the occurrence of other events, results or could reasonably be expected to result in a Material Adverse Effect.

"Material Adverse Effect" means (a) a material impairment of the ability of the City to perform its obligations under any Related Document to which it is a party; or (b) a material adverse effect upon the legality, validity, binding effect or enforceability against the City of any Related Document to which it is a party or the rights, security, interests or remedies of the Bank hereunder or under any other Related Document.

"Maturity Date" means the Commitment Expiration Date or any earlier Termination Date.

"Maximum Rate" means, with respect to Advances and other amounts payable under this Agreement, the lesser of (i) the maximum non-usurious rate of interest permitted by applicable law, or (ii) 18% per annum.

"Maximum Rate Limitation" means the limit on interest set forth in Section 5.5(a) hereof.

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the City or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

"Multiple Employer Plan" means a Plan which has two or more contributing sponsors (including the City or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

"Net Revenues" has the meaning set forth in the Master Indenture.

"Noteholder" or *"Holder"* means the holder or owner of a Note.

"Note" means the promissory note of the City to the Bank in substantially the form set forth in Exhibit A hereto, as amended or supplemented from time to time, evidencing the Loans.

"NYFRB" means the Federal Reserve Bank of New York.

"Obligations" means all Repayment Obligations, all fees, expenses and charges payable or reimbursable hereunder to the Bank (including, without limitation, any amounts to reimburse the Bank for any advances or expenditures by it under any of such documents) and all other payment obligations of the City to the Bank arising under or in relation to this Agreement or the

other Related Documents, in each, case whether now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held or acquired.

"Ordinance" means the Ordinance Authorizing the Issuance of Water Revenue Project and Refunding Bonds, Series 2012 adopted by the City Council on March 14, 2012.

"Overnight Bank Funding Rate" means, for any day, the rate comprised of both overnight federal funds and overnight Eurocurrency borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB, as set forth on its public website from time to time, and as published on the next succeeding Business Day as the overnight bank funding rate by the NYFRB (or by such other recognized electronic source (such as Bloomberg) selected by the Bank for the purpose of displaying such rate); *provided*, that if such day is not a Business Day, the Overnight Bank Funding Rate for such day shall be such rate on the immediately preceding Business Day; *provided, further*, that if such rate shall at any time, for any reason, no longer exist, a comparable replacement rate determined by the Bank at such time (which determination shall be conclusive absent manifest error). If the Overnight Bank Funding Rate determined as above would be less than zero, then such rate shall be deemed to be zero. The rate of interest charged shall be adjusted as of each Business Day based on changes in the Overnight Bank Funding Rate without notice to the City.

"Parity Debt" means Obligations having a claim for payment from the Line of Credit Notes Account of the Water Fund or from the Commercial Paper Account of the Water Fund. Parity Debt does not include Second Lien Bonds, Section 2.08 Obligations, Section 2.09 Obligations, Subordinate Lien Parity Obligations, and other obligations as described in Section 6.02 of the Ordinance.

"Participant" means any entity to which the Bank has granted a participation in the obligations of the Bank hereunder and of the City hereunder and under the Notes pursuant to Section 9.4 hereof.

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

"Pension Plan" means any employee pension benefit plan (including a Multiple Employer Plan or a Multiemployer Plan) that is maintained or is contributed to by the City and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

"Person" means any individual, corporation, not for profit corporation, partnership, limited liability company, joint venture, association, professional association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity.

"Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan), maintained for employees of the City or any ERISA Affiliate or any

such Plan to which the City or any ERISA Affiliate is required to contribute on behalf of any of its employees.

"Potential Event of Default" means an event which but for the lapse of time or the giving of notice, or both, would constitute an Event of Default.

"Prime Rate" means the rate publicly announced by the Bank from time to time as its prime rate. The Prime Rate is determined from time to time by the Bank as a means of pricing some loans to its borrowers. The Prime Rate is not tied to any external rate of interest or index and does not necessarily reflect the lowest rate of interest actually charged by the Bank to any particular class or category of customers.

"Property" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, whether now owned or hereafter acquired.

"*Proposed Borrowing Date*" has the meaning set forth in Section 2.3(c) hereof.

"Quarterly Payment Date" means the first Business Day of each January, April, July and October.

"Rating Agency" means any of S&P, Kroll and/or Fitch, as the context may require.

"Rating Documentation" has the meaning set forth in Section 2.4(a)(viii) hereof.

"Related Documents" means this Agreement, the Notes, the Ordinance, the Master Indenture and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Repayment Obligations" means any and all obligations of the City under this Agreement to repay the principal of and interest on the Loans and the Notes, pursuant to and in accordance with this Agreement.

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the thirty (30)-day notice period has been waived.

"Request for Advance" means any request for an Advance made by the City to the Bank, in the form of Exhibit B hereto, executed and delivered on behalf of the City by the manual or facsimile signatures of any Authorized Officer.

"Revolving Loan" has the meaning set forth in Section 3.1 hereof.

"S&P" means S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, and any successor rating agency.

"Sanctioned Jurisdiction" means, at any time, a country, area, territory, or jurisdiction that is the subject or target of comprehensive U.S. sanctions.

"Sanctioned Person" means any Person that is (a) located in, organized under the laws of, or ordinarily resident in a Sanctioned Jurisdiction; (b) identified on any sanctions-related list maintained by any Compliance Authority; or (c) a target of Sanctions due to their ownership or control by a Sanctioned Person(s).

"Second Lien Bonds" has the meaning set forth in the Master Indenture.

"Section 2.08 Obligations" has the meaning set forth in the Master Indenture.

"Section 2.09 Obligations" has the meaning set forth in the Master Indenture.

"SOFR" means a rate equal to the secured overnight financing rate as administered by the NYFRB (or a successor administrator of the secured overnight financing rate).

"SOFR Determination Date" has the meaning set forth in the definition of *"Daily Simple SOFR."*

"SOFR Rate Day" has the meaning set forth in the definition of *"Daily Simple SOFR"*.

"SOFR Reserve Percentage" means, for any day, the maximum effective percentage in effect on such day, if any, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including, without limitation, supplemental, marginal and emergency reserve requirements) with respect to SOFR funding.

"State" means the State of Illinois.

"Subordinate Lien Parity Obligations" has the meaning set forth in the Master Indenture.

"Taxable Date" means the date on which interest on any Loan is first includable in gross income of any holder thereof (including the Bank) as a result of an Event of Taxability as such a date is established pursuant to a Determination of Taxability.

"Taxable Period" has the meaning set forth in Section 5.3 hereof.

"Tax Certificate" means that certain Tax Regulatory Agreement dated the date of the Initial Advance, by the City, relating to the Loans, as the same may be amended or supplemented from time to time.

"Taxable Rate" means the sum of (a) Daily 1M SOFR and (b) the Applicable Spread.

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

"Termination Date" means the earliest of (i) the Commitment Expiration Date, as such date may be extended pursuant to Section 2.8 hereof, (ii) the date on which the Commitment is terminated or the Available Commitment reduced to zero in accordance with Section 2.7 hereof and (iii) the date the Commitment terminates by its terms in accordance with Section 8.2 hereof.

"Term SOFR Administrator" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Bank in its reasonable discretion).

"Term SOFR Reference Rate" means the forward-looking term rate based on SOFR.

"United States" means the United States of America.

"Unutilized Fee" has the meaning set forth in Section 2.6(a) hereof.

"Unutilized Fee Rate" means, initially 17.5 basis points (0.175%), which is subject to maintenance of the current Water System Rating. In the event of a change in the Water System Rating, the Unutilized Fee Rate shall equal the number of basis points set forth in the Level associated with the lowest Water System Rating as set forth in the schedule below:

WATER SYSTEM RATING				UNUTILIZED FEE RATE
	S&P	KROLL	FITCH	
Level I	A+ or higher	A+ or higher	A+ or higher	0.175%
Level II	A	A	A	0.20%
Level III	A-	A-	A-	0.25%
Level IV	BBB+	BBB+	BBB+	0.35%
Level V	BBB	BBB	BBB	0.50%
Level VI	BBB-	BBB-	BBB-	0.65% or Default Rate, as applicable
Level VII	Below BBB-	Below BBB-	Below BBB-	Default Rate

Any change in the Unutilized Fee Rate resulting from a change in the Water System Rating shall be and become effective as of and on the date of the announcement of the change in the Water System Rating. References to the Water System Rating above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any such Rating Agency, including, without limitation, any recalibration of the

Water System Rating in connection with the adoption of a *"global"* rating scale, each Water System Rating from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The City acknowledges that as of the Effective Date the Unutilized Fee Rate is that specified above for Level I. With respect to Level VI above, 1.64% shall apply unless any two Rating Agencies have assigned a Water System Rating of "BBB-" and, in such case, the Default Rate shall become immediately effective upon the announcement of said change in the Water System Rating to "BBB-" by a second Rating Agency.

"Water Fund" has the meaning set forth in the Master Indenture.

"Water System" means all property, real, personal or otherwise, owned or to be owned by the City or under the control of the City and used for water supply, distribution or collection purposes, including the Projects, any and all further extensions, improvements and additions to the foregoing.

"Water System Line of Credit Agreement" has the meaning set forth in the Ordinance.

"Water System Line of Credit Notes" has the meaning set forth in the Ordinance.

"Water System Obligations" means bonds, notes or other evidences of indebtedness of the City payable from or secured by Net Revenues.

"Water System Purpose" means any of the purposes set forth in Section 1.03 of Part E of the Ordinance.

"Water System Rating" means the long-term unenhanced rating (without regard to any bond insurance policy or credit enhancement) assigned by Fitch, Kroll, or S&P to the Second Lien Bonds.

Section 1.2. Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared, in accordance with GAAP. If, after the Effective Date, there shall occur any change in GAAP from those used in the preparation of the financial statements referred to in Sections 7.1 hereof and such change shall result in a change in the method of calculation of any financial covenant, standard or term found in this Agreement including, without limitation, a recharacterization of operating leases to the effect that certain operating leases are to be treated as capital leases, either the City or the Bank may by notice to the other party hereto, require that the Bank and the City negotiate in good faith to amend such covenants, standards, and terms so as equitably to reflect such change in accounting principles, with the desired result being that the criteria for evaluating the financial condition of the City shall be the same as if such change had not been made. No delay by the City or the Bank in requiring such negotiation shall limit their right to so require such a negotiation at any time after such a change in accounting principles. Until any such covenant, standard, or term is amended in accordance with this Section 1.2, financial covenants shall be computed and determined in accordance with GAAP in effect prior to such change in accounting principles.

Section 1.3. Interpretation. The following rules shall apply to the construction of this Agreement unless the context requires otherwise: (i) the singular includes the plural, and the plural the singular; (ii) words importing any gender include the other gender; (iii) references to statutes are to be construed as including all statutory provisions consolidating and amending, and all regulations promulgated pursuant to, such statutes; (iv) references to "writing" include printing, photocopy, typing, lithography and other means of reproducing words in a tangible visible font; (v) the words "including," "includes" and "include" shall be deemed to be followed by the words "without limitation"; (vi) references to the introductory paragraph, recitals, articles, sections (or clauses or subdivisions of sections), exhibits, appendices, annexes or schedules are to those of this Agreement unless otherwise indicated; (vii) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments, but only to the extent that such amendments and other modifications are permitted or not prohibited by the terms of this Agreement; (viii) section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose; (ix) references to Persons include their respective permitted successors and assigns; and (x) in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding." All references to "funds" herein shall include all accounts and subaccounts therein unless the context clearly requires otherwise. Unless otherwise specified, all references herein to times of day shall be references to Illinois time (daylight or standard, as applicable).

Section 1.4. Relation to Other Documents; Acknowledgment of Different Provisions of Related Documents; Incorporation by Reference. (a) Nothing in this Agreement shall be deemed to amend, or relieve the City of its obligations under, any Related Document to which it is a party. Conversely, to the extent that the provisions of any Related Document allow the City to take certain actions, or not to take certain actions, with regard for example to permitted liens, transfers of assets, maintenance of financial ratios and similar matters, the City nevertheless shall be fully bound by the provisions of this Agreement.

(b) Except as provided in subsection (c) of this Section 1.4, all references to other documents shall be deemed to include all amendments, modifications and supplements thereto to the extent such amendment, modification or supplement is made in accordance with the provisions of such document and this Agreement.

(c) All provisions of this Agreement making reference to specific Sections of any Related Document shall be deemed to incorporate such Sections into this Agreement by reference as though specifically set forth herein (with such changes and modifications as may be herein provided) and shall continue in full force and effect with respect to this Agreement notwithstanding payment of all amounts due under or secured by the Related Documents, the termination or defeasance thereof or any amendment thereto or any waiver given in connection therewith, so long as this Agreement is in effect and until all Obligations are paid in full. No amendment, modification, consent, waiver or termination with respect to any of such Sections shall be effective as to this Agreement until specifically agreed to in writing by the parties hereto with specific reference to this Agreement.

ARTICLE II

FACILITIES; APPLICATION AND ISSUANCE OF THE LOANS; PAYMENTS

Section 2.1. Revolving Credit Commitments. Subject to the terms and conditions hereof, the Bank, by its acceptance hereof, agrees to make Loans in U.S. Dollars to the City from time to time on a revolving basis up to the amount of the Available Commitment, subject to any reductions thereof pursuant to the terms hereof, before the Termination Date. The sum of the aggregate principal amount of Loans at any time outstanding shall not exceed the Available Commitment. Revolving Loans may be repaid and the principal amount thereof reborrowed before the Termination Date, subject to the terms and conditions hereof.

Section 2.2. Application. The City hereby applies to the Bank for and authorizes and instructs the Bank to issue for its account, the Commitment in an initial amount equal to the Initial Commitment Amount.

Section 2.3. Making of Advances; Use of Proceeds. (a) Subject to the terms and conditions of this Agreement, the Bank agrees to make Advances from time to time on any Business Day, commencing on the Effective Date and ending on the Termination Date, in amounts not to exceed at any time outstanding the Available Commitment; *provided,* that the Bank shall not be required to make more than four Advances during any calendar month. Each Advance requested shall be in a minimum principal amount of $500,000. Each Advance shall be made solely for the purpose of providing funds for any Water System Purpose.

(b) *Reborrowing.* Within the limits of this Section 2.3, the City may borrow, repay pursuant to Section 3.4 hereof, prepay pursuant to Section 3.5 hereof and reborrow under this Section 2.3. Upon any prepayment of the related Revolving Loan, the related Available Commitment shall be reinstated as set forth in the definition thereof.

(c) *Method of Borrowing.* With respect to any borrowing, upon receipt of a Request for Advance by the Bank not later than 10:00 a.m. Illinois time, one (1) Business Day immediately prior to the day of the proposed borrowing (the *"Proposed Borrowing Date"*), the Bank, subject to the terms and conditions of this Agreement, shall be required to make an advance by 3:00 p.m. Illinois time on the Proposed Borrowing Date for the account of the City in an amount equal to the amount of the requested borrowing. Notwithstanding the foregoing, in the event such Request for Advance is received by the Bank after 10:00 a.m. Illinois time on the Business Day which is one (1) Business Day immediately prior to the day of the Proposed Borrowing Date, the Bank shall be required to make the related Advance by 3:00 p.m. Illinois time on the second Business Day immediately succeeding the date that the Request for Advance was received by the City. Any Request for Advance shall be signed by an Authorized Officer. Pursuant to Section 3.3 hereof, the Bank shall determine the Interest Rate for the Advance two (2) Business Days prior to the related Advance Date. Each Advance shall be made by the Bank by wire transfer of immediately available funds in accordance with written instructions provided by the City to the Bank. If, after examination, the Bank shall have determined that a Request for Advance does not conform to the terms and conditions hereof, then the Bank shall use its best efforts to give notice to the City to the effect that documentation was not in accordance with the terms and conditions hereof and stating

the reasons therefor. The City may attempt to correct any such nonconforming Request for Advance, if, and to the extent that, the City is entitled (without regard to the provisions of this sentence) and able to do so.

Section 2.4. Conditions Precedent.

(a) *Conditions Precedent to Effective Date.* The obligations of the Bank to make the Commitment available hereunder shall be subject to the fulfillment of each of the following conditions precedent on or before the Effective Date in a manner satisfactory to the Bank:

(i) The Bank shall have received the following documents, each dated and in form and substance as is satisfactory to the Bank:

(1) a certified copy of the Ordinance;

(2) certified copies of all approvals, authorizations and consents of any trustee, or holder of any indebtedness or obligation of the City or any Governmental Authority, if any, necessary for the City to enter into each of the Related Documents and the transactions contemplated herein and therein;

(3) the Audited Financial Statements, together with the internally prepared budget reports for the first, second and third fiscal quarters ended since the end of such Fiscal Year;

(4) a certificate of the City dated the Effective Date certifying (A) as to the authority, incumbency and specimen signatures of the Authorized Officers authorized to sign this Agreement, the Note and any other documents to be delivered by it hereunder and who will be authorized to represent the City in connection with this Agreement, upon which the Bank may rely until it receives a new such certificate, (B) that the amount of Note that is authorized to be issued under this Agreement, when combined with any outstanding Parity Debt, will not exceed the amount of the CP Authorization, and (C) the City's Chief Financial Officer has determined that the City's execution, delivery and performance of this Agreement, on the terms hereof and subject to the conditions herein, are in the best interests of the City.

(5) a determination certificate executed by the Authorized Officer dated the Effective Date certifying as to the matters set forth in Section 1.02(f) of Part E of the Ordinance;

(6) an executed original or certified copy, as applicable, of each of the Related Documents;

(7) the executed Note; and

(8) an IRS Form W-9 duly completed by the City.

(ii) The Bank shall have received a written description of all actions, suits or proceedings pending or threatened against the City in any court or before any arbitrator of any kind or before or by any governmental or non-governmental body which could reasonably be expected to result in a Material Adverse Effect, and such other statements, certificates, agreements, documents and information with respect thereto as the Bank may reasonably request.

(iii) The Bank shall have received an opinion addressed to the Bank and dated the Effective Date from the Corporation Counsel of the City, in form and substance reasonably satisfactory to the Bank and its counsel, which provides for, among other opinions, the following: (1) the City is a unit of local government duly organized and validly existing under the laws of the State, (2) the execution, delivery and performance by the City of this Agreement, the Note and the other Related Documents are within the City's powers, have been duly authorized by all necessary action, and require no action by or in respect of, or filing with, any governmental body, agency or official that has not been accomplished, (3) this Agreement, the Note and the other Related Documents have been duly authorized, executed and delivered and are valid, binding and enforceable against the City, and (4) such other matters as the Bank may reasonably request, in form and substance satisfactory to the Bank and its counsel.

(iv) The following statements shall be true and correct on the Effective Date, and the Bank shall have received a certificate signed by an Authorized Officer, dated the Effective Date, certifying that: (A) the representations and warranties of the City contained in each of the Related Documents and each certificate, letter, other writing or instrument delivered by the City to the Bank pursuant hereto or thereto are true and correct in all material respects on and as of the Effective Date as though made on and as of such date; (B) no Potential Event of Default or Event of Default has occurred and is continuing or would result from the City's execution and delivery of this Agreement, the Note or the other Related Documents or the acceptance of the Commitment by the City; (C) the Audited Financial Statements, as heretofore delivered to the Bank correctly and fairly present the financial condition of the Water System as of said date and the results of the operations of the City for such period, have been prepared in accordance with GAAP consistently applied except as stated in the notes thereto; (D) since the release of the Audited Financial Statements, no material adverse change has occurred in the financial condition of the City prior to the Effective Date, and on and prior to the Effective Date no material transactions or obligations (not in the ordinary course of business) shall have been entered into by the City with respect to the Water System, other than as previously advised in writing to the Bank; (E) the acceptance of the Commitment by the City pursuant to this Agreement is an arm's length commercial transaction between the City and the Bank; (F) the City has consulted with its own respective legal and financial advisors in connection with the acceptance of the Commitment by the City pursuant to this Agreement; and (G) the Bank has not acted as a municipal advisor or fiduciary in favor of the City with respect to this Agreement, the Related Documents, the Note or the acceptance of the Commitment by the City; and (H) to the best knowledge of the City, the Water System Ratings assigned by all of the Rating Agencies have not been reduced, withdrawn or suspended since the dated date of the Rating Documentation (as hereinafter defined).

(v) All necessary action on the part of the City shall have been taken as required for the assignment and pledge of a lien on the Available Pledged Revenues for the benefit of the Bank, as the holder of the Note.

(vi) All other legal matters pertaining to the adoption of the Ordinance and the execution and delivery of this Agreement and the Note shall be satisfactory to the Bank and its counsel. The Bank shall have received evidence satisfactory to the Bank that all conditions precedent to the issuance of the Note as Water System Line of Credit Notes pursuant to the Ordinance have been satisfied.

(vii) The Bank shall have received evidence from the Rating Agencies confirming that the Water System Ratings by all of the Rating Agencies is at least "A" (or its equivalent) (referred to herein as the *"Rating Documentation"*).

(viii) On or prior to the Effective Date, (1) the Bank shall have received reimbursement of the Bank's fees and expenses and any other fees incurred in connection with the transaction contemplated by this Agreement due on the Effective Date, if any, and (2) Chapman and Cutler LLP, as counsel to the Bank, shall have received payment of its legal fees and expenses and disbursements incurred in connection with the preparation, review, negotiation, execution and delivery of the Related Documents.

(ix) (1) the City shall not request the assignment of a separate rating by any Rating Agency on the Note, (2) the Note shall be registered with The Depositary Trust Company or any other securities depository or (3) the City shall not request the assignment of a CUSIP number by Standard & Poor's CUSIP Service on the Note. No offering document or official statement shall be prepared with respect to the Note.

(x) The Bank shall have received such other documents, certificates, opinions, approvals and filings with respect to this Agreement, the Note and the other Related Documents as the Bank may reasonably request.

(b) *Conditions Precedent to Each Advance*. The obligation of the Bank to make an Advance on any date is subject to the conditions precedent that on the date of such Advance:

(i) the Bank shall have received a Request for Advance as provided in Section 2.3(c) hereof setting forth the wire instructions as confirmed by the Bank with the City prior to the date of such requested Advance;

(ii) all representations and warranties of the City as set forth in Article VI hereof shall be true and correct in all material respects as though made on the date of such Request for Advance and on the date of the proposed Advance and no Potential Event of Default or Event of Default shall have occurred and be continuing;

(iii) after giving effect to any Revolving Loan, the aggregate principal amount of all Loans outstanding hereunder shall not exceed the Initial Commitment Amount (or,

following a reduction of the Available Commitment pursuant to Section 2.7 hereof, the Available Commitment as so reduced);

(iv) no Material Adverse Change shall have occurred;

(v) (A) in connection with the Initial Advance, the Bank shall have received an executed copy of the Tax Certificate and Bond Counsel shall deliver to the Bank an opinion addressed to the Bank and dated the date of the Initial Advance as to due authorization, execution and delivery of the Note, as to validity and enforceability with respect to the City of the Note, and the exclusion of interest on the Loans, as evidenced by such Note, from gross income for federal income tax purposes, in form and substance satisfactory to the Bank, and such opinion shall cover any Advances under the Note, so long as no portion of any Revolving Loan has been repaid and (B) in connection with any Revolving Loan made subsequent to the repayment of all or a portion of a prior Revolving Loan, Bond Counsel shall deliver to the Bank a new opinion to satisfy the condition set forth in this Section 2.4(b);

(vi) for any advance after the Initial Advance, neither the City nor the Bank shall have received actual notice (either verbal or written) from Bond Counsel that the opinion delivered pursuant to Section 2.4(b)(v) hereof may no longer be relied upon;

(vii) with respect to the Initial Advance made following the repayment of all or a portion of a prior Revolving Loan, the Bank shall have received evidence that an IRS Form 8038-G has been (i) duly completed and signed by the City and (ii) filed with the IRS; and

(viii) the Commitment and the obligation of the Bank to make an Advance hereunder shall not have terminated pursuant to Section 8.2 hereof or pursuant to Section 2.7 hereof. Unless the City shall have otherwise previously advised the Bank in writing, delivery to the Bank of a Request for Advance shall be deemed to constitute a representation and warranty by the City that on the date of such Request for Advance and on the date of the proposed Advance each of the foregoing conditions has been satisfied and that all representations and warranties of the City as set forth in Article VII hereof are true and correct in all material respects as though made on the date of such Request for Advance and on the date of the proposed Advance and, to the knowledge of the Authorized Officers signing such Request for Advance, no Potential Event of Default or Event of Default shall have occurred and be continuing on the date of such Request for Advance or on the date of the proposed Advance and the City has not received actual notice (either verbal or written) from Bond Counsel that the opinion delivered pursuant to Section 2.4(a)(v) or 2.4(a)(vii) hereof may no longer be relied upon.

Section 2.5. Reserved.

Section 2.6. Fees.

(a) *Unutilized Fees.* The City agrees to pay to the Bank a nonrefundable annual unutilized fee (the *"Unutilized Fee"*) accruing at the Unutilized Fee Rate multiplied by the daily Available Commitment in effect on each day during the preceding quarterly period, payable quarterly in arrears on each Quarterly Payment Date and on the Commitment Expiration Date. The Unutilized Fee shall be calculated on the basis of a 360-day year and actual days elapsed.

(b) *Costs, Expenses and Taxes.* The City will promptly pay on demand (i) the reasonable fees, costs and expenses of the Bank incurred in connection with the preparation, negotiation, execution and delivery of this Agreement, the Note and the other Related Documents, (ii) the reasonable fees and disbursements of Chapman and Cutler LLP counsel to the Bank, incurred in connection with the preparation, execution, filing and administration and delivery of this Agreement and the other Related Documents not in excess of $55,000, (iii) the reasonable fees and disbursements of counsel or other reasonably required consultants to the Bank with respect to advising the Bank as to the rights and responsibilities under this Agreement and the other Related Documents after the occurrence of any Potential Event of Default or an Event of Default, (iv) a fee for each amendment to this Agreement or any other Related Document or any consent or waiver by the Bank with respect to any Related Document, in each case, in an amount of $2,500 plus the reasonable fees and expenses of counsel to the Bank; (v) all reasonable costs and expenses, if any, in connection with any waiver or amendment of, or the giving of any approval or consent under, or any response thereto or the enforcement of this Agreement, the Related Documents and any other documents which may be delivered in connection herewith or therewith, including in each case the reasonable fees and disbursements of counsel to the Bank or other reasonably required consultants, and (vi) any amounts advanced by or on behalf of the Bank to the extent required to cure any Potential Event of Default, Event of Default or event of nonperformance hereunder or any Related Document, together with interest at the Default Rate. In addition, the City shall pay any and all stamp taxes, transfer taxes, documentary taxes, and other taxes and fees payable or determined to be payable in connection with the execution and delivery of this Agreement and the security contemplated by the Related Documents (other than taxes based on the net income or share capital of the Bank) and agrees to indemnify and hold the Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying, or omission to pay, such taxes and fees, including interest and penalties thereon; *provided, however,* that the City may reasonably contest any such taxes or fees with the prior written consent of the Bank, which consent, if an Event of Default does not then exist, shall not be unreasonably withheld. In addition, the City agrees to pay, after the occurrence of an Event of Default, all reasonable costs and expenses (including reasonable attorneys' fees and costs of settlement) incurred by the Bank in enforcing any obligations or in collecting any payments due from the City hereunder by reason of such Event of Default or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "workout" or of any collection, insolvency, bankruptcy proceedings or other enforcement proceedings resulting therefrom.

(c) If the City shall fail to pay any amount payable under this Section 2.6 as and when due, each such unpaid amount shall bear interest for each day from and including the date it was due until paid in full at the applicable Default Rate. The obligations of the City under this Section 2.6 shall survive the termination of this Agreement.

Section 2.7. Reduction and Termination. (a) The Available Commitment shall be reduced from time to time as requested by the City within three (3) days of the City's written notice to the Bank requesting such reduction in the form of Exhibit E hereto; *provided* that (i) each such reduction amount shall be in an amount equal to $1,000,000 or an integral multiple thereof, and (ii) any reduction in the Available Commitment shall not be effective until the Bank delivers to the City a notice in the form attached hereto as Exhibit F reflecting such reduction.

(b) The City may at any time and at its sole option terminate the Commitment upon three (3) Business Days' prior written notice to the Bank. As a condition to any such termination, the City shall pay or cause to be paid all Obligations owed to the Bank; *provided* that if the City shall terminate the Commitment (except for a termination of the Commitment by the City pursuant to Section 2.7(c) hereof) prior to the one year anniversary of the Effective Date, the City shall pay to the Bank a termination fee in an amount equal to the product of (A) the Unutilized Fee Rate in effect hereunder on the date of termination or replacement, (B) the Available Commitment on the date of termination or replacement, and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such termination or replacement to and including the one year anniversary of the Effective Date, and the denominator of which is 365 (or 366 days if February 29 of a leap year is included in the computation), payable on the date the Agreement is terminated or replaced in immediately available funds.

(c) In the event that the Bank has delivered notice to the City as provided in Section 2.7(a)(ii) hereof, upon receipt of such notice by the City and at any time thereafter prior to the Termination Date, the City shall have the right to terminate the Commitment pursuant to Section 2.7(b) hereof, and notwithstanding anything to the contrary contained therein, without the obligation to pay any termination fees or other fees, costs or penalties associated with such termination.

Section 2.8. Extension of Commitment Expiration Date. The City may request a one-year extension of the Commitment Expiration Date in writing in the form of Exhibit C hereto no later than one hundred twenty (120) days prior to the then current Commitment Expiration Date; *provided, however*, that the City may only request a maximum of two (2) such extensions. The Bank will make reasonable efforts to respond to such request within thirty (30) days after receipt of all information necessary, in the Bank's judgment, to permit the Bank to make an informed credit decision. If the Bank fails to definitively respond to such request within such thirty (30)-day period, the Bank shall be deemed to have refused to grant the extension requested. The Bank may, in its sole and absolute discretion, decide to accept or reject any such proposed extension and no extension shall become effective unless the Bank shall have consented thereto in writing in the form of Exhibit G hereto or otherwise. The Bank's consent, if granted, shall be conditioned upon the preparation, execution and delivery of documentation in form and substance satisfactory to the Bank (which may include, but shall not be limited to the delivery of a "no adverse effect opinion" of Bond Counsel to the Bank with respect to the tax-exempt status of the Loans).

Section 2.9. Payments. All payments to be made by the City shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the City hereunder shall be made to the Bank at the Bank's Office in Dollars and in immediately available funds not later than 1:00 p.m., Illinois time,

on the date specified herein. All payments received by the Bank after 1:00 p.m., Illinois time, shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the City shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

Section 2.10. Conforming Changes; Benchmark Replacement Provisions. The Bank shall have the right to make any technical, administrative or operational changes from time to time that the Bank decides may be appropriate to reflect the adoption and implementation of any other Benchmark (as defined below) or to permit the use and administration of any other Benchmark by the Bank in a manner substantially consistent with market practice or in such other manner as the Bank decides is reasonably necessary. The Bank shall provide reasonably prompt notice to the City of any amendments implementing such technical, administrative or operational changes to become effective and any such amendments are contingent upon receipt by the Bank of an opinion of Bond Counsel that such amendments will not, in and of themselves, impair the federal income tax exemption available thereto in relation to any Note or the validity and enforceability of any Note.

If the applicable interest rate under this Agreement is based on a Benchmark and the Bank determines (which determination shall be final and conclusive) that (A) such Benchmark cannot be determined pursuant to its definition other than as a result of a Benchmark Transition Event (as defined below), or (B) any enactment, promulgation or adoption of or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by a governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank with any guideline, request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impracticable for the Bank to make or maintain or fund loans based on that Benchmark, then the Bank shall give notice thereof to the City. Thereafter, until the Bank notifies the City that the circumstances giving rise to such determination no longer exist, (a) the availability of such Benchmark shall be suspended, and (b) the interest rate for all amounts then bearing interest under such Benchmark shall be converted to the Alternate Rate either (i) on the last day of the then current applicable interest period(s) if the Bank may lawfully continue to maintain or fund loans based on that Benchmark to such day, or (ii) immediately if the Bank may not lawfully continue to maintain or fund loans based on that Benchmark.

If the Bank determines (which determination shall be final and conclusive) that a Benchmark Transition Event has occurred with respect to a Benchmark, the Bank may amend, with notice of such amendment to the City, this Agreement to replace such Benchmark with a Benchmark Replacement; and any such amendment shall be in writing, shall specify the date that the Benchmark Replacement is effective and the Bank shall provide each such amendment implementing such Conforming Changes to the City reasonably promptly before such amendment becomes effective. Until the Benchmark Replacement is effective, amounts bearing interest with reference to a Benchmark will continue to bear interest with reference to such Benchmark as long as such Benchmark is available, and otherwise such amounts automatically will bear interest at the Alternate Rate. The effectiveness of any Conforming Changes are contingent upon receipt of an

opinion of Bond Counsel that such Conforming Changes will not impair the federal income tax exemption available thereto or the validity and enforceability of the Note.

For purposes of this Section 2.10, the following terms have the meanings set forth below:

"Benchmark" means, at any time, any interest rate index (or tenor of an interest rate index) then used in the determination of an interest rate under the terms of this Agreement. Once a Benchmark Replacement becomes effective under this Agreement, it is a Benchmark. As of the Effective Date, the Benchmark is Daily 1M SOFR.

"Benchmark Replacement" means, for any Benchmark, the sum of (a) an alternate benchmark rate and (b) an adjustment (which may be a positive or negative value or zero), in each case that has been selected by the Bank as the replacement for such Benchmark giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the official sector or any official sector-sponsored committee or working group, for U.S. dollar-denominated credit facilities at such time; *provided* that, if the Benchmark Replacement as determined pursuant to the foregoing would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Related Documents.

"Benchmark Transition Event" means a public statement or publication by or on behalf of the administrator of a Benchmark, the regulatory supervisor of such administrator, the Board of Governors of the Federal Reserve System, NYFRB, an insolvency official or resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, announcing or stating that (a) such administrator has ceased or will cease to provide such Benchmark permanently or indefinitely, provided that at the time of such statement or publication there is no successor administrator that will continue to provide such Benchmark or (b) such Benchmark is or will no longer be representative.

ARTICLE III

REVOLVING LOANS

Section 3.1. Making of Revolving Loans. Each Advance shall constitute a loan made by the Bank to the City on the date of such Advance and identified by the City in a Request for Advance (individually, a *"Revolving Loan"* and collectively, the *"Revolving Loans"*). Each Revolving Loan shall constitute a borrowing under Section 1.02(b) of Part E of the Ordinance.

Section 3.2. Revolving Loans Evidenced by the Note. (a) The Loan shall be evidenced by the Note to be issued on the Effective Date, payable to the Bank in a principal amount up to the Available Commitment on the Effective Date and otherwise duly completed. All Revolving Loans

made by the Bank and all payments and prepayments made on account of principal thereof shall be recorded by the Bank on the schedule (or a continuation thereof) attached to the Note (a copy of which schedule will be sent to the City promptly after each new entry upon the request of the City), it being understood, however, that failure by the Bank to make any such endorsement or provide such requested schedule shall not affect the obligations of the City hereunder or under the Note in respect of unpaid principal and interest on any Revolving Loan. Each entry on the Note with respect to a Revolving Loan schedule shall reflect the applicable principal amount and the applicable interest rate.

(b) The Note issued by the City in accordance with the provisions of this Agreement and the Ordinance shall constitute "Water System Line of Credit Notes" as described in Section 1.02(b) of Part E of the Ordinance. This Agreement shall constitute a "Water System Line of Credit Agreement" as described in Section 1.02(a) of Part E of the Ordinance.

Section 3.3. Interest on Revolving Loans. The interest payable on each Loan shall be limited by the Maximum Rate Limitation. Each Loan made or maintained by the Bank shall bear interest during each Interest Period it is outstanding (computed on the basis of a year of 360 days and actual days elapsed) on the unpaid principal amount thereof. Each Loan shall bear interest at a rate per annum equal to the Interest Rate. The Interest Rate shall be determined by the Bank for each such Interest Period. Interest on each Loan shall be payable by the City on each Interest Payment Date and on the Maturity Date.

Section 3.4. Repayment of Revolving Loans. The principal of each Revolving Loan shall be repaid in full on the Maturity Date.

Section 3.5. Prepayment of Revolving Loans. Subject to Section 2.11, the City may prepay any Loan, in whole or in part, on any Business Day, without cost, penalty or premium, provided at least three (3) days' written notice is provided by the City to the Bank. Each such notice of optional prepayment shall be irrevocable and shall bind the City to make such prepayment in accordance with such notice. All prepayments of principal shall include accrued interest to the date of prepayment.

ARTICLE IV

RESERVED

ARTICLE V

CITY'S OBLIGATIONS; PAYMENTS

Section 5.1. Pledges Securing Note; Limited Obligations. (a) The Note shall be a limited obligation of the City, shall be payable as to both principal and interest from, and shall be secured by a pledge of, lien on and security interest in all Available Pledged Revenues, subject to the terms and provisions in this Agreement, which pledge, lien and security interest shall be on parity with the CP Notes while junior and subordinate to the pledge, lien and security interest created by the

Master Indenture in favor of the Second Lien Bonds, the Section 2.08 Obligations and the Section 2.09 Obligations and to the pledge, lien and security interest created in favor of any Subordinate Lien Parity Obligations.

(b) The Available Pledged Revenues are hereby pledged to the payment of the Note and Parity Debt, without priority or distinction of one over the other.

(c) The Line of Credit Notes Account of the Water Fund shall constitute a trust fund for the security and payment of the principal of and interest on the Note. The fees and charges payable to the Bank under this Agreement shall be paid by amounts on deposit in the Line of Credit Notes Account and the City hereby agrees to deposit from Available Pledged Revenues a sufficient amount into the Line of Credit Notes Account when such fees and charges are due and payable.

(d) The pledge of Available Pledged Revenues herein made shall be irrevocable until the Note has been paid and retired. The granting of this pledge by the City does not limit in any manner the right of the City (i) to issue from time to time Parity Debt; (ii) to issue or incur any other obligations subordinated in right of payment to the Note; or (iii) to grant a security interest in the Available Pledged Revenues to any other Person in connection with such additional obligations; *provided* that such security interest shall be (A) not greater than on parity to the security interest of the Note to the extent that such interest is granted with respect to Parity Debt, and (B) subordinate to the security interest of the Note to the extent that such interest is granted to any obligations subordinated in right of payment to the Note.

(e) No obligation of the City under this Agreement or under the Note shall constitute indebtedness or a loan of credit of the City within the meaning of any constitutional or statutory limitations. Neither the full faith and credit nor the taxing power of the City, the State or any political subdivision thereof is pledged to the payment of any obligations under the Agreement or the Note.

Section 5.2. Obligations Absolute. Subject to the provisions of Section 5.1 hereof, the obligations of the City to repay the Loans and the other amounts owing under this Agreement shall be unconditional and irrevocable, and shall be performed in accordance with the terms of this Agreement, under all circumstances whatsoever, including without limitation the following circumstances:

(a) any lack of validity or enforceability of the Note, this Agreement, the Ordinance or any of the other Related Documents;

(b) any amendment, waiver, release or termination of, or any consent to or departure from, all or any of the Ordinance or the other Related Documents, other than any amendment, waiver, release or consent agreed to by the Bank in writing;

(c) any statement or any other document presented under this Agreement proving to be forged, fraudulent, invalid or insufficient in any respect, or any statement therein being untrue or inaccurate in any respect;

(d) payment under a Request for Advance by the Bank against presentation of a draft or certificate that does not strictly comply with the terms of this Agreement; or

(e) any other circumstance or happening whatsoever, whether or not similar to the foregoing;

provided, however, that the foregoing shall not exculpate the Bank from the liability to the City as may, be finally, judicially determined in an independent action or proceeding brought by the City against the Bank following payment of the City's obligations under this Agreement.

Section 5.3. Taxable Gross-up. (i) In the event a Taxable Date occurs, the City hereby agrees to pay to the Bank, any Participant or the Noteholder on demand therefor (1) an amount equal to the difference between (A) the amount of interest that would have been paid to the Bank, such Participant or the Noteholder, as applicable, on the Note during the period for which interest on the Note is includable in the gross income of the Bank, such Participant or the Noteholder, as applicable, if the Note had borne interest at the Taxable Rate, beginning on the Taxable Date (the *"Taxable Period"*), and (B) the amount of interest actually paid to the Bank, such Participant or the Noteholder, as applicable, during the Taxable Period, and (2) an amount equal to any interest, penalties or charges owed by the Bank, any Participant or a Noteholder, as applicable, as a result of interest on the Note becoming includable in the gross income of the Bank, such Participant or such Noteholder, as applicable, together with any and all reasonable attorneys' fees, court costs, or other out-of-pocket costs incurred by the Bank, such Participant or such Noteholder, as applicable, in connection therewith. On and after the first date on or after the Taxable Date, such Note shall bear interest at the Taxable Rate.

(ii) Subject to the provisions of clauses (iii) and (iv) below, the Bank shall afford the City the opportunity, at the City's sole cost and expense, to contest (1) the validity of any amendment to the Code which causes the interest on any Note to be includable in the gross income of the Bank, any Participant or the Noteholder or (2) any challenge to the validity of the tax exemption with respect to the interest on any Note, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals).

(iii) As a condition precedent to the exercise by the City of its right to contest set forth in clause (ii) above, the City shall, on demand, immediately reimburse the Bank, such Participant or the Noteholder, as applicable, for any and all expenses (including reasonable attorneys' fees for services that may be required or desirable) that may be incurred by the Bank, such Participant or the Noteholder, as applicable, in connection with any such contest, and shall, on demand, immediately reimburse the Bank, such Participant or the Noteholder, as applicable, for any and all penalties or other charges payable by the Bank, such Participant or the Noteholder, as applicable, for failure to include such interest in its gross income; and

(iv) The obligations of the City under this Section 5.3 shall survive the termination of the Commitment and this Agreement.

Section 5.4. Net of Taxes, Etc. (a) Any and all payments to the Bank by the City hereunder shall be made free and clear of and without deduction or withholding for any and all Indemnified

Taxes. If the City shall be required by law to deduct or withhold any Indemnified Taxes imposed by the United States of America or any political subdivision thereof from or in respect of any sum payable hereunder, then (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Bank receives an amount equal to the sum it would have received had no such deductions been made, (ii) the City shall make such deductions and (iii) the City shall timely pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the City shall, subject to Section 5.1, make any payment under this Section to or for the benefit of the Bank with respect to Indemnified Taxes and if the Bank shall claim any credit or deduction for such Indemnified Taxes against any other taxes payable by the Bank to any taxing jurisdiction in the United States of America then Bank shall pay to the City an amount equal to the amount by which such other taxes are actually reduced; *provided,* that the aggregate amount payable by the Bank pursuant to this sentence shall not exceed the aggregate amount previously paid by the City with respect to such Indemnified Taxes. In addition, the City agrees to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America or any state of the United States from any payment made hereunder or from the execution or delivery of this Agreement or otherwise with respect to this Agreement (hereinafter referred to as *"Other Taxes"*). The Bank shall provide to the City within a reasonable time a copy of any written notification it receives with respect to Indemnified Taxes or Other Taxes owing by the City to the Bank hereunder; *provided,* that the Bank's failure to send such notice shall not relieve the City of its obligation to pay such amounts hereunder except to the extent the City is prejudiced thereby.

(b) The City shall, to the fullest extent permitted by law and subject to the provisions hereof, pay the Bank for the full amount of Indemnified Taxes and Other Taxes including any Indemnified Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section paid by the Bank or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally asserted; *provided,* that the City shall not be obligated to pay the Bank for any penalties, interest or expenses relating to Indemnified Taxes or Other Taxes arising from the Bank's gross negligence or willful misconduct. The Bank agrees to give notice to the City of the assertion of any claim against the Bank relating to such Indemnified Taxes or Other Taxes as promptly as is practicable after being notified of such assertion; *provided,* that the Bank's failure to notify the City promptly of such assertion shall not relieve the City of its obligation under this Section except to the extent the City is prejudiced thereby. Payments by the City pursuant to this Section shall be made within ninety (90) days from the date the Bank makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. The Bank agrees to repay to the City any refund (including that portion of any interest that was included as part of such refund) with respect to Indemnified Taxes or Other Taxes paid by the City pursuant to this Section received by the Bank for Indemnified Taxes or Other Taxes that were paid by the City pursuant to this Section and to contest, with the cooperation and at the expense of the City, any such Indemnified Taxes or Other Taxes which the Bank or the City reasonably believes not to have been properly assessed.

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

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

Section 5.5. Calculation of Interest and Fees; Maximum Interest Rate; Default Rate.

(a) No Loan, no Note and no Obligation shall bear interest at a rate per annum in excess of the Maximum Rate.

(b) Interest on Loans and fees payable hereunder shall be calculated on the basis of a year of 360 days based on the actual number of days elapsed.

(c) Any and all amounts remaining unpaid when due under this Agreement shall bear interest at the Default Rate until repaid and shall be payable upon demand. Any such amounts which constitute interest remaining unpaid when due shall bear interest at the Default Rate until repaid and shall be payable upon demand. Upon the occurrence and during the continuance of an Event of Default, the Loans and all other Obligations shall bear interest at the Default Rate, which shall be payable by the City to the Bank upon demand therefor and be calculated on the basis of a 360 days and actual days elapsed.

(d) In the event that the rate of interest payable on a Note, Loan or Obligation shall exceed the Maximum Rate for any period for which interest is payable, then (i) interest at the Maximum Rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof and (B) the Maximum Rate (the *"Excess Interest Amount"*), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed the Maximum Rate, at which time the City shall pay to the Bank, with respect to amounts then payable to the Bank that are required to accrue interest hereunder, such portion of the deferred Excess Interest Amount as will cause the rate of interest then paid to the Bank, to equal the Maximum Rate, which payments of deferred Excess Interest Amount shall continue to apply to such unpaid amounts hereunder until the earlier of (i) the date of payment in full of such Loan, Note or Obligation (other than an Excess Interest Amount with respect to such Loan, Note or Obligation that has not been paid) and (ii) the date on which all of the Excess Interest Amount with respect to such Loan, Note or Obligation is paid in full.

Section 5.6. Increased Costs Generally. (a) If any Change in Law shall:

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

(ii) subject the Bank to any Taxes of any kind whatsoever with respect to this Agreement or the Note, or change the basis of taxation of payments to the Bank in respect thereof (except for Indemnified Taxes covered by Section 5.4 hereof and the imposition of, or any change in the rate of any Excluded Tax payable by the Bank); or

(iii) impose on the Bank any other condition, cost or expense affecting this Agreement;

and the result of any of the foregoing shall be to increase the cost to the Bank of making, continuing or maintaining any Revolving Loan, or to reduce the amount of any sum received or receivable by the Bank hereunder (whether of principal, interest or any other amount) then, upon request of the Bank, the City will pay to the Bank, such additional amount or amounts as will compensate the Bank, for such additional costs incurred or reduction suffered.

(b) *Capital Requirements.* If the Bank determines that any Change in Law affecting the Bank or its offices, as described in Section 9.2, or the Bank's holding company, if any, regarding capital or liquidity requirements has the effect of reducing the rate of return on the Bank's capital or on the capital of the Bank's holding company, if any, as a consequence of this Agreement, the Revolving Loans made by the Bank, to a level below that which the Bank or the Bank's holding company could have achieved but for such Change in Law (taking into consideration the Bank's policies and the policies of the Bank's holding company with respect to capital adequacy), then from time to time the City will pay to the Bank, as the case may be, such actual, provable, additional amount or amounts as will compensate the Bank or the Bank's holding company for any such reduction suffered.

(c) *Certificates for Reimbursement.* A certificate of the Bank setting forth the amount or amounts necessary to compensate the Bank or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the City shall be conclusive absent manifest error. Subject to Section 5.1, the City shall pay the Bank the amount shown as due on any such certificate within ninety (90) days after receipt thereof.

(d) *Delay in Requests.* Failure or delay on the part of the Bank to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of the Bank's right to demand such compensation; *provided* that the City shall not be required to compensate the Bank pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than six (6) months prior to the date that the Bank, notifies the City of the Change in Law giving rise to such increased costs or reductions and of the Bank's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six (6) month period referred to above shall be extended to include the period of retroactive effect thereof). Notwithstanding anything in this Section 5.6 to the contrary, the Bank shall not request compensation from the City pursuant to this Section 5.6 unless the Bank is requesting compensation for increased costs or reductions from other customers similarly situated under similar circumstances; *provided* that the immediately foregoing clause shall not be construed to require the Bank or its parent or holding company to disclose to the City the identity of any other customer or details with respect to its lending relationship with any other customer.

Section 5.7. Survival. All of the City's obligations under this Article V shall survive termination of this Agreement, the cancellation of the Note and the repayment, satisfaction or discharge of all other Obligations for a period of one (1) calendar year.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

Section 6.1. Representations and Warranties of the City. The City hereby represents and warrants to the Bank that:

(a) *Due Authorization.* The City has (1) full legal right, power and authority to (x) have adopted the Ordinance, (y) enter into, execute and deliver this Agreement and the other Related Documents to which it is a party as provided herein and in the Ordinance, and (z) to own and operate the Water System and to carry on its business with respect thereto, and has all material governmental licenses, authorizations and approvals presently required with respect thereto, and (2) duly authorized and approved the execution and delivery of this Agreement, the Note and the other Related Documents to which it is a party and the performance by the City of its obligations thereunder and hereunder.

(b) *Enforceability.* No further authorization or approval is required for the City's execution and delivery of this Agreement or the other Related Documents to which it is a party, and this Agreement and the other Related Documents to which the City is a party constitute, when duly executed and delivered by the parties hereto and thereto, legal, valid and binding obligations of the City, enforceable against the City in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, reorganization, insolvency, moratorium or other laws relating to or affecting the enforcement of creditors' rights generally or by general principles of equity; and no further authorization or approval is required with respect to the enforceability of the City's obligations hereunder or thereunder.

(c) *Ordinance.* The City Council has duly adopted the Ordinance which is in full force and effect. The Master Indenture has been duly authorized, executed and delivered by authorized officers of the City, and constitutes a legal, valid and binding obligation of the City, enforceable against the City in accordance with its terms, except as such enforcement may be limited by bankruptcy, reorganization, insolvency, moratorium or other laws relating to or affecting the enforcement of creditors' rights generally or by general principles of equity; and no further authorization or approval is required with respect to the enforceability of the City's obligations thereunder.

(d) *Consents.* All approvals, consents and orders of, and registration, declarations and filings (except, if any, under applicable state blue sky or securities laws) with, any Federal, State or other governmental commission, board, regulatory body or instrumentality having jurisdiction, which would constitute a condition precedent to the

performance by the City of its obligations hereunder, under the Ordinance or under the other Related Documents to which the City is a party have been obtained or made.

(e) *No Violation.* The adoption of the Ordinance and the performance and compliance with the provisions thereof do not, and the execution, delivery and performance of this Agreement and the other Related Documents to which the City is a party and the performance by the City of its obligations under the Master Indenture or the Related Documents to which the City is a party do not and will not, violate any existing law or administrative regulation of the State or of any department, division, agency or instrumentality thereof or of the United States, or any court or administrative regulation, judgment, decree or order to which the City is subject, or conflict with in a material manner or constitute on the part of the City a material breach of, or a material default under, any material provision of any material agreement, indenture, mortgage, lease, note, ordinance, resolution, agreement or other instrument to which the City is subject or by which it is bound.

(f) *Litigation.* Except as disclosed in writing prior to the execution of this Agreement, no action, suit or proceeding, at law or in equity, or before any court, public board or body is pending (or to the knowledge of the City after due inquiry threatened) against the City or any officers of the City in their respective capacities as such (i) seeking to restrain or enjoin the delivery by the City of this Agreement or the Note, (ii) questioning the authority of the City to issue, or the issuance or validity of, the Note, the Master Indenture or the Related Documents to which the City is a party, (iii) questioning the validity of any proceedings authorizing the issuance of the Note or the execution and delivery of the Master Indenture or the Related Documents to which the City is a party, (iv) questioning the collection or deposit, or proposed collection or deposit, of any material portion of the Gross Revenues or Available Pledged Revenues, as applicable, (v) questioning the constitutionality of any statute or the validity of any proceedings, authorizing the issuance of the Note or this Agreement, (vi) questioning the constitutionality, validity or enforceability of any of the legislation referred to in Section 6.1(o) hereof, (vii) questioning the validity or enforceability of the Master Indenture or the Ordinance or any other Related Document to which the City is a party, or (viii) which could reasonably be expected to result in a Material Adverse Effect; *provided, however*, that if an action, suit or proceeding is filed or threatened after the Effective Date, such action, suit or proceeding shall not be deemed a breach of this representation if the City delivers to the Bank an opinion of counsel (such counsel to be reasonably acceptable to the Bank) that such action, suit or proceeding is without merit, is unlikely to be successful, or, if successful, is unlikely to have any of the effects described in clauses (i)-(vii).

(g) *Security; No Prior Lien.* The pledge of and lien on the Available Pledged Revenues as described in Section 5.1 hereof is authorized by the Ordinance and the Master Indenture and is valid and binding. No filing, registration or recording of the Ordinance, this Agreement, the Master Indenture or any other instrument is required to establish the pledge of Available Pledged Revenues described in Section 5.1 hereof or to create, protect or maintain the lien created thereby on the Available Pledged Revenues.

(h) *Organization.* The City is a municipal corporation and "home rule unit" as that term is defined in Section 6 of Article VII of the 1970 Constitution of the State.

(i) *Financial Statements.* The Audited Financial Statements, which financial statements heretofore furnished to the Bank, which are consistent in all material respects with the audited financial statements of the Water System for the Fiscal Year ended December 31, 2022, fairly present the financial condition of the Water System in all material respects as of such dates and the results of its operations for the periods then ended in conformity with GAAP. Since the date of the Audited Financial Statements, there has been no material adverse change in the financial condition or operations of the Water System that would reasonably be expected to result in a Material Adverse Effect.

(j) *Absence of Default.* The City is (i) not in default under any provision of the Master Indenture, the Ordinance, or this Agreement, or not in default under any provision of any other Related Document to which the City is a party, or under any other material agreements or instruments relating to the Water System, to which the City is a party (to the extent such default could reasonably be expected to result in a Material Adverse Effect). No Potential Event of Default or Event of Default has occurred or is continuing hereunder.

(k) *No Existing Water System Obligations Subject to Acceleration.* No Water System Obligations currently outstanding are subject to mandatory acceleration of the payment thereof before the scheduled due date thereof at the direction or option of the owners of such Water System Obligations or any trustee for such owners.

(l) *Environmental Laws.* The City has not received notice to the effect that the operations of the Water System are not in compliance with any of the requirements of applicable Federal, state or local environmental, health and safety statutes and regulations, or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action would reasonably be expected to result in a Material Adverse Effect.

(m) *CP Authorization.* Prior to the Effective Date, no Parity Debt is outstanding. The amount of Note that is authorized to be issued under this Agreement will not exceed the CP Authorization as in effect on the Effective Date.

(n) *Use of Proceeds.* The City will apply the proceeds of the Note in accordance with the terms and provisions of the Ordinance.

(o) *Legislation.* All legislation necessary to fulfill the terms and conditions of, and to carry out the transactions contemplated by, this Agreement, the Note, the Master Indenture, the Ordinance and the other Related Documents is in full force and effect.

(p) *Liens.* The Net Revenues have not been pledged by the City to the payment of any other obligation, except as permitted by the Ordinance and the Master Indenture.

(q) *No Proposed Legal Changes.* To the knowledge of the Authorized Officer, there is no amendment or proposed amendment certified for placement on a statewide ballot, to the Constitution of the State or any published administrative interpretation of the Constitution of the State or any State law, or any legislation that has passed either house of the State legislature, or any published judicial decision interpreting any of the foregoing, the effect of which could reasonably be expected to result in a Material Adverse Effect.

(r) *Compliance with Laws. The* City is in compliance in all material respects with the requirements of all laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. A failure to comply is deemed material if it could reasonably result in regulatory penalties, sanctions, reputational harm, or any other adverse consequence for the Bank.

(s) *Complete and Correct Information.* No document, certificate or financial statement furnished to the Bank by or on behalf of the City in connection herewith or any other Related Document to which the City is a party contains, as of the date of delivery thereof, any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements contained herein and therein, in the light of the circumstances under which they were made, not misleading; *provided that*, with respect to projected financial information, the City represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

(t) *Federal Reserve Regulations.* No part of the proceeds of any Advance will be used for the purpose of purchasing or carrying any margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System, as amended from time to time).

(u) *Solvency.* The Water System is solvent and able to pay its debts as they become due.

(v) *Sanctions.* The City represents and warrants continuously throughout the term of this agreement that: (a) the City is not a Sanctioned Person; (b) the City is not owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, a Sanctioned Person; (c) the City has instituted, maintains and complies with policies, procedures and controls reasonably designed to assure compliance with Sanctions; and (d) to the best of City's knowledge, after due care and inquiry, the City is not under investigation for an alleged violation of Sanction(s) by a Governmental Authority that enforces Sanctions. The City shall notify the Bank in writing not more than ten (10) Business Days after an Authorized Officer first has actual knowledge of any breach of this subsection.

(w) *Anti-Money Laundering and Anti-Corruption Laws.* The City represents and warrants continuously throughout the term of this Agreement that: (a) the City has

instituted, maintains and complies with policies, procedures and controls reasonably designed to assure compliance with Anti-Money Laundering Laws and Anti-Corruption Laws; and (b) to the best of City's knowledge, after due care and inquiry, the City is not under investigation for an alleged violation of Anti-Money Laundering Laws or Anti-Corruption Laws by a governmental authority that enforces such laws.

(x) *Ratings.* The Water System Rating assigned by each of the Rating Agencies is "A+" (or its equivalent) or higher.

(y) *No Existing Right to Accelerate.* As of the Effective Date, no Person, including, without limitation, any credit facility provider or liquidity provider, either of which provides credit enhancement or liquidity support to any Parity Debt, or any holder of Parity Debt, has a right under any indenture, or supplemental indenture relating to any such Parity Debt or under any other document or agreement relating to any Parity Debt, to direct the trustee to cause a mandatory acceleration of such Parity Debt, or to otherwise declare the principal of and interest on any Parity Debt to be immediately due and payable, prior to its maturity.

(z) *Determination of Best Interests.* The City's Chief Financial Officer has determined that the City's execution, delivery and performance of this Agreement, on the terms hereof and subject to the conditions herein, are in the best interests of the City.

ARTICLE VII

COVENANTS OF THE CITY

During the term of this Agreement, and until the Obligations of the City to the Bank are paid in full and the Note has terminated, the City hereby covenants and agrees that, unless the Bank shall otherwise consent in writing:

Section 7.1. Information. The City shall deliver to the Bank or ensure that they have been posted electronically on a website to which the Bank has access, as soon as available, the following documents:

(a) within two hundred ten (210) days after the close of each of its Fiscal Years, the financial statements of the Water System certified by independent certified public accountants of recognized national standing covering the operations of the Water System for such Fiscal Year and containing statements of net assets, statements of revenues, expenses and changes in net assets and statements of cash flows of the Water System for such Fiscal Year, all prepared in accordance with generally accepted accounting principles;

(b) concurrently with the delivery of the financial statements referred to in clause (a) above, an authorized financial officer of the City shall deliver a certificate stating that no Event of Default or Potential Event of Default shall have occurred and is continuing, or if an Event of Default or Potential Event of Default shall have occurred and is

continuing, a certificate indicating the nature of such event and the action which the City proposes to take with respect thereto;

(c) within thirty (30) days after the close of each of its Fiscal Years, the ordinance of the City authorizing the budget for the next Fiscal Year for the Water System;

(d) from time to time such additional information regarding the financial condition, operations, business or prospects of the Water System as the Bank may reasonably request;

(e) promptly following a request by the Bank, a copy of its filings required pursuant to its Continuing Disclosure Agreements under Rule 15c2-12(b)(5) of the Securities and Exchange Act of 1934, as amended, entered into in connection with the Water System Obligations;

(f) in accordance with Section 4.05 of the Master Indenture, a copy of any rate study required to be prepared for the Water System, including rate changes identified in such rate study as necessary to comply with the rate covenant of the Master Indenture, and the actions recommended to the City Council by the Office of Budget and Management of the City and the Chief Financial Officer of the City based on such rate study, within thirty (30) days of the preparation by the City thereof; and

(g) the annual customer report described in Section 5.06 of the Ordinance within thirty (30) days of the preparation by the City thereof.

Section 7.2. Compliance with Law. The City shall comply with all laws, ordinances, orders, rules and regulations that may be applicable to it if the failure to comply with such would have a Material Adverse Effect on the security for the Note, or the City's ability to repay when due the Obligations, any of the Note or its obligations under any of the Related Documents to which the City is a party.

Section 7.3. Notices. The City shall promptly furnish, or cause to be furnished, to the Bank, (i) written notice of the occurrence of any Event of Default or Potential Event of Default within ten (10) Business Days of an Authorized Officer or the Commissioner of the City's Department of Water Management having knowledge of such of the occurrence thereof, (ii) each notice required to be given to the Bank pursuant to any Related Document to which the City is a party by the date such notice is required to be delivered therein, and (iii) notice of any litigation or administrative proceeding that would reasonably be expected to result in a Material Adverse Effect, within ten (10) Business Days after the City has determined that the subject litigation or proceeding would reasonably be expected to result in a Material Adverse Effect.

Section 7.4. Credit. The City shall use all reasonable efforts to refinance or repay the Note in the event the Bank shall decide not to extend the Termination Date in accordance with the provisions of Section 2.8 hereof.

Section 7.5. Maintenance of Approvals; Filings, Etc. The City at all times shall maintain in effect, renew and comply with all the terms and conditions of all consents, licenses, approvals and authorizations as may be necessary under any applicable law or regulation for its execution and delivery of (i) this Agreement, and (ii) with respect to the Master Indenture and the Related Documents to which the City is a party, to the extent that failure to do so could reasonably be expected to result in a Material Adverse Effect.

Section 7.6. Amendments to the Master Indenture or the Related Documents. The City shall not amend or modify, or permit to be amended or modified, the Master Indenture, any of the other Related Documents or, after the Initial Advance, the Tax Certificate in a manner which would reasonably be expected to have a Material Adverse Effect on the security (including, without limitation, the lien position) for the Note or any other Obligations, or the City's ability to pay the Obligations or perform its obligations under this Agreement, the Master Indenture or any other Related Document, or on the rights or remedies of the Bank, without the prior written consent of the Bank (which consent shall not be unreasonably withheld, conditioned or delayed).

Section 7.7. Compliance with Other Covenants. From and after the date hereof and so long as this Agreement is in effect, except to the extent compliance in any case or cases is waived in writing by the Bank, the City agrees that it will, for the benefit of the Bank, comply with in all material respects and abide by all the agreements, covenants, obligations and undertakings contained in the Note, the Ordinance, the Tax Certificate and the Master Indenture, as well as all other agreements, covenants, obligations and undertakings contained in the Master Indenture (to the extent that such documents remain in force and effect) where the failure to so comply would reasonably be expected to result in a Material Adverse Effect.

Section 7.8. Books and Records; Inspection Rights. (a) The City shall with respect to the Water System keep adequate records and books of account, in which complete entries will be made, reflecting all material financial transactions of the City relating to the Water System. (b) The City shall at any reasonable time during normal business hours and from time to time upon reasonable notice thereof, permit the Bank or any agents or representatives thereof, to examine and make copies of and abstracts from the records and books of account of, and to the extent permitted by applicable law, visit the properties of, the City relating to the Water System and to discuss the affairs, finances and accounts of the Water System with any of the City's officers to discuss with the Bank or its agents or representatives, the affairs, finances and accounts of the Water System; *provided, however*, that following the occurrence of an Event of Default notice given two (2) Business Days prior to any such visit shall constitute reasonable notice.

Section 7.9. Issuance of Additional Second Lien Bonds, Subordinate Lien Parity Obligations and Parity Debt.

(a) The City may from time to time issue one or more series of Second Lien Bonds upon satisfaction of the applicable requirements for the issuance of a series of Second Lien Bonds as set forth in Section 2.03, Section 2.05, Section 2.06 and Section 4.06 of the Master Indenture as in effect on the Effective Date. The City shall file with the Bank notice of the issuance of any Second Lien Bonds. Except for this subsection (a), nothing

in this Agreement limits the right of City to issue Second Lien Bonds, to incur Section 2.08 Obligations or to incur Section 2.09 Obligations.

(b) The City may from time to time issue one or more series of Subordinate Lien Parity Obligations upon satisfaction of the applicable requirements for the issuance of a series of Subordinate Lien Parity Obligations as set forth in Section 6.01(b) of Part D of the Ordinance, as in effect on the Effective Date. The City shall file with the Bank notice of the issuance of any Subordinate Lien Parity Obligations. Except for this subsection (b), nothing in this Agreement limits the right of City to issue Subordinate Lien Parity Obligations.

(c) The City may from time to time issue one or more series of Parity Debt in an amount when combined with any outstanding Parity Debt will not exceed the CP Authorization amount and with a final maturity no later than November 1, 2030, and upon satisfaction of the applicable requirements for the issuance of a series of Parity Debt as set forth in the Ordinance, as in effect on the Effective Date; *provided, however,* that the City will obtain the Bank's prior written consent before issuing any CP Notes. The City shall file with the Bank notice of the issuance of any Parity Debt. Except for this subsection (c) and any requirements for the issuance of Parity Debt as set forth in the Ordinance or the Master Indenture, nothing in this Agreement limits the right of City to issue Parity Debt.

Section 7.10. Rate Covenant. The City will establish, maintain and collect at all time fees, charges and rates for the use and service of the Water System sufficient at all times to ensure compliance with the covenants set forth in Section 5.02 of the Ordinance and Section 4.05 of the Master Indenture.

Section 7.11. Preservation of Lien. The City shall take all necessary action to maintain and preserve the Lien on the Available Pledged Revenues to secure the Note.

Section 7.12. Permissible Use of Proceeds of Note. The proceeds of Note shall be applied solely for Water System Purposes.

Section 7.13. Operation and Maintenance. In the event that the City determines to enter into a long-term lease with respect to the operation and maintenance of the Water System or otherwise ceases to operate and maintain the Water System, the City shall cause, on or before the effective date of such lease or such cessation, the principal and interest on the outstanding Note (if any) to be paid in full, and any and all amounts owing under this Agreement and/or the Note to be paid in full to the Bank.

Section 7.14. Maintenance of Tax-Exempt Status of the Note. The City will not take any action or omit to take any action which, if taken or omitted, would adversely affect the exclusion of interest on the Note (subject to the inclusion of any exception contained in the opinion delivered upon the original issuance of the Note from gross income for purposes of federal income taxation).

Section 7.15. Interest Rate Hedge Agreement Termination Payments. The City shall not permit any Lien on any portion of the Net Revenues securing any termination payments with

respect to any Interest Rate Hedge Agreement be senior to the Lien on the Net Revenues securing Second Lien Bonds created pursuant to the Master Indenture.

Section 7.16. Certain Information. The City shall not include in any offering document for the Note any information concerning the Bank that is not supplied in writing, or otherwise consented to, by the Bank expressly for inclusion therein.

Section 7.17. Sale or Encumbrance of Water System. The City shall not sell, dispose of or create any Lien, security interest or other encumbrance on all or substantially all of the Water System or on any of its Gross Revenues, except as may be permitted by the terms of the Ordinance or the Master Indenture. Net proceeds from any such disposition shall be applied in accordance with the terms of the Master Indenture.

Section 7.18. Underlying Rating. The City shall at all times maintain a long-term unenhanced rating on the Second Lien Bonds from at least two Rating Agencies.

Section 7.19. Parity Debt Limitation. Anything in this Agreement to the contrary notwithstanding, in no event shall the City issue or incur additional Parity Debt (exclusive of any Parity Debt issued to repay any outstanding Parity Debt) if such issuance or incurrence thereof would cause the aggregate principal amount of Parity Debt outstanding at such time to be in excess of an amount equal to $200,000,000, without the prior written consent of the Bank; *provided, however,* that the City will obtain the Bank's prior written consent before issuing any CP Notes.

Section 7.20. Other Agreements.

(a) In the event the City grants the remedy of acceleration to any of the owners of Water System Obligations or any trustee for such owners after the Effective Date, the City covenants and agrees to grant such remedy to the Bank under Section 8.2 hereof with respect to the Loans and the Note.

(b) In the event the City after the Effective Date grants a period of less than ninety (90) days as set forth in Section 8.1(g) or Section 8.1(h) hereof to any of the owners of the Water System Obligations or any trustee for such owners after the Effective Date, the City covenants and agrees to grant such lesser day count to the Bank under such Section 8.1(g) or Section 8.1(h) hereof.

(c) Notwithstanding the foregoing, in the event that the City shall covenant with any other Person at any time, in connection with any Parity Debt, to maintain any financial test, covenant or ratio, such financial test, covenant or ratio, together with the related definitions of terms, shall be incorporated by reference in this Agreement for the benefit of the Bank. To the extent that any such incorporated provision permits any Person to waive compliance with such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to any Person (or comply with any requirement), for purposes of this Agreement, such document, opinion or other instrument and such event or condition (or requirement) shall be acceptable or satisfactory to the Bank.

Section 7.21. Source of Repayment. The City shall not fund any repayment of any of the Obligations with proceeds, or provide as collateral any property, that is directly or indirectly derived from any transaction or activity that is prohibited by Sanctions, Anti-Money Laundering Laws or Anti-Corruption Laws, or that could otherwise cause the Bank or any other party to this agreement to be in violation of Sanctions, Anti-Money Laundering Laws or Anti-Corruption Laws.

Section 7.22. CP Authorization. In no event shall the City increase the amount of the CP Authorization without the Bank's prior written consent.

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 8.1. Events of Default. The occurrence and continuance of any one or more of the following events shall be an Event of Default:

(a) (i) the City fails to pay, or cause to be paid, when due any principal of or interest on any Note, or (ii) the City fails to pay, or cause to be paid, when due any other Obligation and such failure continues for three (3) Business Days;

(b) any representation or warranty made by the City in this Agreement, or any statement or representation made by the City in any Related Document to which the City is a party delivered hereunder, shall prove to have been incorrect in any material respect when made or deemed made and the effect of such incorrectness would reasonably be expected to have a Material Adverse Effect;

(c) an event of default shall have occurred and be continuing under any Related Document to which the City is a party;

(d) (i) the City shall fail to pay when due any principal of or interest on Water System Obligations of the City, (ii) the City shall default in the observance or performance of any other agreement or condition relating to any Water System Obligations or any agreement evidencing the same, the effect of which is to permit the holder or holders (or a trustee on behalf of such holders) of any Water System Obligations of the City to cause, any such Water System Obligation to become due prior to its stated maturity (whether by mandatory tender, mandatory redemption, acceleration or otherwise), or (iii) any event of default by the City or automatic termination event (however designated) shall occur and be continuing under any Interest Rate Hedge Agreement that results in a termination payment from the City in an amount greater than $25,000,000 (after giving the City credit for net obligations owed to the City under such Interest Rate Hedge Agreement and obligations of the City under such Interest Rate Hedge Agreement that are fully collateralized) and such termination payment shall remain unpaid for a period of ninety (90) days after its due date;

(e) the City shall fail to perform or observe any term, covenant or agreement set forth in Section 7.1, 7.3, 7.6, 7.8(b), 7.9, 7.10, 7.15, 7.16, 7.17, 7.18, 7.19 or 7.22 hereof;

(f) the City shall default in any material respect in the due and punctual performance of any other of the covenants, agreements and provisions contained in the Master Indenture, this Agreement or in any other Related Document to be performed by the City and such default shall continue for thirty (30) days after the earlier of (i) the City's actual knowledge of such default or (ii) the City's receipt of written notice from the Bank specifying such default;

(g) (i) the City shall (A) institute any proceeding seeking an order for relief under the United States Bankruptcy Code, as amended, to adjudicate it as insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, (B) become insolvent or admit in writing its inability to pay its debts as they mature, (C) or apply for, consent to or acquiesce in the appointment of a trustee or receiver for itself or any part of its property or the Water System, or (D) shall take any action to authorize or effect any of the foregoing, or (ii) a trustee or receiver shall be appointed for it or for a substantial part of the City's or the Water System's property or revenues and shall not be discharged within a period of ninety (90) days; (iii) all, or any substantial part, of the property of the Water System shall be condemned, seized, or otherwise appropriated; or (iv) a debt moratorium, debt restructuring, debt adjustment or comparable restriction is imposed on the repayment when due and payable of the principal of or interest on any Debt of the City by the City or any Governmental Authority with appropriate jurisdiction;

(h) any bankruptcy, reorganization, debt arrangement or other proceeding under any bankruptcy or insolvency law or any dissolution or liquidation proceeding shall be instituted by or against the City or the Water System (or any action shall be taken to authorize or effect the institution by it of any of the foregoing) and if instituted against it, shall be consented to or acquiesced in by it, or shall not be dismissed within a period of ninety (90) days following service of process or, when service of process is not required, such other form of notice as required by Applicable Law, of such proceeding received by the City, with such dismissal period being extended for an additional ninety (90) days, as long as the City continues to assert, with reasonable diligence, its rights under any Applicable Law (including the City's right to contest on jurisdictional grounds the institution of such proceeding against the City) (provided, however, that, in no event, shall the forgoing time period exceed one hundred eighty (180) days), or an order for relief shall be entered against the City or the Water System under the United States Bankruptcy Code;

(i) (i) any funds on deposit in, or otherwise to the credit of, any of the funds or accounts established under the Ordinance shall become subject to any writ, judgment, warrant or attachment, execution or similar process, or (ii) one or more final, unappealable judgments against the City payable out of Gross Revenues for the payment of money in excess of three percent (3.00%) of the Gross Revenues from the prior Fiscal Year, or attachments against the Water System property of the City, shall remain unpaid, unstayed, undischarged, unbonded or undismissed for a period of sixty (60) days;

(j) any material provision of the Master Indenture, this Agreement or any of the other Related Documents shall cease to be valid and binding, or any Governmental Authority with jurisdiction, or the City shall contest the validity of any such provision, or the City, or any agent or trustee on behalf of the City shall deny that it has any or further liability under the Master Indenture, this Agreement or any of the other Related Documents;

(k) (i) any two of Fitch, Kroll or S&P (to the extent any such Rating Agency is then providing such a rating) shall have downgraded its rating of any of the Second Lien Bonds to below "BBB" (or its equivalent); or (ii) any of Fitch, Kroll or S&P (to the extent any such Rating Agency is then providing such a rating) shall downgrade its rating of any of the Second Lien Bonds to below "BBB-" (or its equivalent) or shall suspend or withdraw such rating; or

(l) (i) an ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of the City or any ERISA Affiliate under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of $25,000,000 that has not been paid or as to which adequate provisions for such payment have not been made, or (ii) the City or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of the $25,000,000 which failure remains uncured;

Section 8.2. Rights and Remedies upon Default. Upon the occurrence of an Event of Default hereunder, the Bank, may take any or all of the following actions:

(a) by written notice to the City, reduce the Available Commitment to zero and thereafter the Bank will have no further Obligation to make Loans hereunder and/or terminate the Commitment;

(b) petition a court of competent jurisdiction to issue a mandamus order to the City to compel specific performance of the covenants of the City contained in the Master Indenture (to the extent noncompliance with such provision has been the cause of the Event of default and continued noncompliance would have a material adverse effect on the security for the Note or this Agreement or the City's ability to pay when due the Obligations or the rights and remedies of the Bank) and any of the Related Documents to which the City is a party; and/or

(c) give written notice of the occurrence of an Event of Default to the City and exercise any rights and remedies available to the Bank at law, equity or under the Master Indenture and any Related Document to which the City is a party.

ARTICLE IX

MISCELLANEOUS

Section 9.1. Amendments and Waivers. No amendment or waiver of any provision of this Agreement or the Note, nor consent to any departure by the City therefrom, shall in any event be effective unless the same shall be in writing and signed by the Authorized Officer of the City and the Bank. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 9.2. Notices. All notices, requests and other communications to any Person hereunder shall be given by United States certified or registered mail, by telecopier or by other telecommunication device capable of creating written record of such notice and its receipt. Notices hereunder shall be given to such Person at its address or telecopier number set forth below or such other address or telecopier number as such Person may hereafter specify for such purpose by notice to the City and the Bank. Each such notice, request, or communication shall be effective (i) if given by telecopy, when such telecopy is transmitted to the telecopy number specified below and the appropriate answerback is received, (ii) if given by mail five (5) calendar days after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid and sent by certified or registered mail, or (iii) if given by any other means, when delivered at the address specified below:

If to the Bank, to:

PNC Bank, National Association
Two Tower Center Boulevard
East Brunswick, New Jersey 08816
Attention: Jonathan Casiano
Telephone: (312) 338-2295
Email: Jonathan.casiano@pnc.com

If to the City, to:

City of Chicago
121 North LaSalle Street, Seventh Floor
Chicago, Illinois 60602
Attention: Chief Financial Officer
Telephone: (312) 744-7159
Telecopy: (312) 744-4877

with copies to:

City of Chicago Department of Law
121 North LaSalle Street, Room 600
Chicago, Illinois 60602
Attention: City of Chicago Corporation Counsel, Finance and Economic Development Division
Telephone: (312) 744-0220
Telecopy: (312) 744-7310

Section 9.3. No Waiver; Remedies. No failure on the part of the Bank to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other further exercise thereof or the exercise of any other right. The remedies herein *provided* are cumulative and not exclusive of any remedies provided by law or in equity.

Section 9.4. Successors and Assigns.

(a) *Successors and Assigns Generally.* This Agreement is binding on the City's and the Bank's successors and assignees. The City and Bank each agree that it may not assign this Agreement or the Note without the City or the Bank's, as applicable, prior written consent (except in the case of an assignment by the Bank, no such consent of the City will be required if an Event of Default has occurred and is continuing). The Bank may sell participations in this Agreement and the Note without the City's prior written consent, and may exchange information about the City (including, without limitation, any information regarding any hazardous substances) with actual or potential participants; *provided, however,* that (i) no such participation by any such Participant shall in any way affect the obligations of the Bank hereunder; (ii) the Bank shall provide the City with written notice of such proposed participation or assignment five (5) Business Days before the effectiveness thereof; and (iii) the City shall be required to deal only with the Bank, with respect to any matters under this Agreement and the other Related Documents and no such Participant shall be entitled to enforce any provision hereunder against the City. The City agrees that each Participant or assignee, as applicable, shall be entitled to the benefits of Sections 5.4, 5.6 and 9.5 hereof to the same extent as if it were the Bank hereunder; *provided, however*, that a Participant or assignee, as applicable, shall not be entitled to receive any greater payment under Sections 5.4 and 5.6 hereunder than the Bank would have been entitled to receive in proportion to the participation sold to such Participant.

(b) *Certain Pledges.* In addition to the rights of the Bank set forth above, the Bank may at any time pledge or assign a security interest in all or any portion of its rights or interests under this Agreement (including under the Note, if any) to secure obligations of the Bank or an Affiliate of the Bank, including any pledge or assignment to secure obligations to a Federal Reserve Bank or to any state or local governmental entity or with respect to public deposits; *provided* that no such pledge or assignment shall release the Bank from any of its obligations hereunder or substitute any such pledgee or assignee for the Bank as a party hereto.

Section 9.5. Costs and Expenses; Damage Waiver. (a) The City shall pay (i) all reasonable out-of-pocket expenses incurred by the Bank and its Affiliates, in connection with the preparation, negotiation, execution, delivery and administration of this Agreement and the other Related Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the Bank in connection with the issuance, amendment, renewal or extension of this Agreement or the Note or any demand for payment thereunder and (iii) all reasonable out-of-pocket expenses incurred by the Bank (including the fees, charges and disbursements of any counsel for the Bank), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Related Documents, including its rights under this Section, or (B) in connection with the Advances made or the Note issued hereunder, including all such reasonable out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Advances or the Note issued hereunder.

(b) *Indemnification by the City.* To the extent permitted by applicable law, the City shall indemnify the Bank and each Related Party of the Bank (each such Person being called an *"Indemnitee"*) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the City) other than such Indemnitee and its Related Parties arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Related Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or, in the case of the Bank (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Related Documents (including in respect of any matters addressed in Section 2.1 hereof), (ii) any Advance or the Note or the use or proposed use of the proceeds therefrom (including any refusal by the Bank to honor a demand for payment under this Agreement or the Note if the documents presented in connection with such demand do not strictly comply with the terms of this Agreement or the Note), or (iii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the City, and regardless of whether any Indemnitee is a party thereto; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee.

(c) *Waiver of Consequential Damages, Etc.* To the extent permitted by applicable law, each of the City and the Bank shall not assert, and hereby waives, and acknowledges that no other Person shall have, any claim against any such other party, 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 other Related Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Advance or the Note or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee

through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Related Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(d) *No Liability of the Bank.* Neither the Bank nor any of its officers or directors shall be liable or responsible for: (a) the use which may be made of the Advances; (b) the validity or genuineness of documents, or of any endorsement(s) thereon, even if such documents should in fact prove to be in any or all respects invalid, fraudulent or forged; or (c) payment by the Bank against presentation of documents which do not comply with the terms hereunder. In furtherance and not in limitation of the foregoing, the Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

(e) *Payments.* All amounts due under this Section shall be payable not later than ninety (90) calendar days after demand therefor.

(f) *Survival.* The agreements in this Section shall survive the termination of the term of this Agreement and the repayment, satisfaction or discharge of all the other Obligations.

Section 9.6. Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 9.7. Governing Law. THIS AGREEMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE.

Section 9.8. Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER RELATED DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER RELATED DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 9.9. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 9.10. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but both or all of which, when taken together, shall constitute but one instrument, and shall become effective when copies hereof which, when taken together, bear the signatures of each of the parties hereto shall be delivered to the City and the Bank.

Section 9.11. Entire Agreement. This Agreement represents the final agreement between the parties hereto and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreement of the parties hereto.

Section 9.12. Further Assurances. The City and the Bank each agree to execute, acknowledge where appropriate, and deliver, and cause to be executed, acknowledged where appropriate, and delivered, from time to time, promptly at the written request of the other party, all such instruments and documents as in the reasonable judgment of the requesting party are necessary to comply with this Agreement and the other Related Documents.

Section 9.13. Sovereign Immunity. To the fullest extent permitted by law, the City represents that it is subject to suit with respect to its Obligations under this Agreement and that no sovereign immunity exists under Illinois law, as of the date that this Agreement is executed and delivered by the City, with respect to the City's contractual obligations under this Agreement. Notwithstanding any other provision of this Agreement, (i) pursuant to any laws of the State, the City shall not waive any sovereign immunities from time to time available under the laws of the State as to jurisdiction, procedures and remedies, but this Agreement shall otherwise be fully enforceable as a valid and binding contract as and to the extent provided by applicable law and the City may not claim sovereign immunity with respect to any Obligations under this Agreement; and (ii) nothing in this Agreement shall be deemed to create any rights of action for persons or entities not a party to this Agreement or to circumvent any of the immunities contained in the Local Government and Governmental Employees Tort Immunity Act, 745 ILCS 10/1-101 *et seq.*, as amended.

Section 9.14. Electronic Signatures. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or "printouts," if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means a manually-signed original signature that is then

transmitted by electronic means; "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a "pdf" (portable document format) or other replicating image attached to an e-mail message; and, "electronically signed document" means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

Section 9.15. Patriot Act Notice. The Bank is subject to the Patriot Act and hereby notifies the City that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies the City, which information includes the name and address of the City and other information that will allow the Bank to identify the City in accordance with the Patriot Act. The City hereby agrees that it shall promptly provide such information upon request by the Bank.

Section 9.16. No Advisory or Fiduciary Relationship. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Related Document), the City acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a) (i) the services regarding this Agreement provided by the Bank and any Affiliate thereof are arm's-length commercial transactions between the City, on the one hand, and the Bank and its Affiliates, on the other hand, (ii) the City has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the City is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Related Documents; (b) (i) the Bank and its Affiliates each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary, for the City, or any other Person and (ii) neither the Bank nor any of its Affiliates has any obligation to the City with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Related Documents; and (c) the Bank and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the City, and neither the Bank nor any of its Affiliates has any obligation to disclose any of such interests to the City.

Section 9.17. US QFC Stay Rules.

(a) *Recognition of U.S. Resolution Regimes.* In the event that any party that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of this Agreement (and any interest and obligation in or under this Agreement and any property securing this Agreement) from such Covered Entity will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement (and any such interest, obligation and property) were governed by the laws of the United States or a state of the United States. In the event that any party that is a Covered Entity or a BHC Act Affiliate of such party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights against such party with respect to this Agreement are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States. The requirements of this paragraph (a) apply notwithstanding the provisions of paragraph (b).

(b) *Limitation on the Exercise of Certain Rights Related to Affiliate Insolvency Proceedings.* Notwithstanding anything to the contrary in this Agreement or any related agreement, but subject to the requirements of paragraph (a), no party to this Agreement shall be permitted to exercise any Default Right against a party that is a Covered Entity with respect to this Agreement that is related, directly or indirectly, to a BHC Act Affiliate of such Covered Entity becoming subject to Insolvency Proceedings, except to the extent the exercise of such Default Right would be permitted under 12 C.F.R. § 252.84, 12 C.F.R. § 47.5, or 12 C.F.R. § 382.4, as applicable. After a BHC Act Affiliate of a party that is a Covered Entity has become subject to Insolvency Proceedings, any party that seeks to exercise a Default Right against such Covered Entity with respect to this Agreement shall have the burden of proof, by clear and convincing evidence, that the exercise of such Default Right is permitted hereunder.

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Covered Entity" means any of the following:

(a) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(b) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(c) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"Insolvency Proceeding" means a receivership, insolvency, liquidation, resolution, or similar proceeding.

"U.S. Special Resolution Regime" means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

Section 9.18. EMMA Postings. In the event the City files with EMMA, this Agreement, any other Related Document or any description of the material terms thereof or notice of any agreement to covenants, events of default, remedies, priority rights or other similar terms, either voluntarily or as required pursuant a continuing disclosure agreement or Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the *"Rule"*) (each such posting, an *"EMMA Posting"*), the City shall redact Confidential Information from such EMMA Posting.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.]

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 above written.

[SEAL]

ATTEST:

By: Andrea M. Valencia
Name: Andrea M. Valencia
Its: City Clerk

CITY OF CHICAGO

By:
Name: Jill Jaworski
Its: Chief Financial Officer

PNC BANK, NATIONAL ASSOCIATION

By: _____

Name: Jonathan Casiano

Title: Senior Vice President
and Managing Director

EXHIBIT A

FORM OF NOTE

UNITED STATES OF AMERICA

CITY OF CHICAGO
WATER SYSTEM LINE OF CREDIT NOTE
SERIES ONE (2025)

$40,000,000 June 18, 2025

CITY OF CHICAGO (the *"City"*) hereby promises to pay to the order of PNC Bank, National Association (the *"Bank"*) in the manner and on the dates provided in the hereinafter defined Agreement in lawful money of the United States of America and in immediately available funds the aggregate principal amount set forth above or such lesser amount as is actually loaned to the City and not repaid to the Bank, all in accordance with the terms of the Agreement (as defined below), plus accrued interest thereon. Terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Revolving Credit Agreement dated as of June 18, 2025 (as it may be amended, restated, supplemented or otherwise modified from time to time, the *"Agreement"*), between the City and the Bank. Pursuant to Section 9.4 of the Agreement, this Note may be assigned, subject to the written consent of the City.

This Note is issued pursuant to the authority of Article VII, Section 6(a) of the Illinois Constitution of 1970 and by virtue of the Ordinance Authorizing the Issuance of Water Revenue Project and Refunding Bonds, Series 2012 adopted by the City Council on March 14, 2012 (as the same may be amended, restated, or otherwise modified in accordance with the terms thereof and hereof, the *"Ordinance"*).

This Note is a limited obligation of the City secured by and payable from "Available Pledged Revenues". "Available Pledged Revenues" means all moneys that may be withdrawn from the Line of Credit Notes Account created and established within the Water Fund and pursuant to the provisions of the Ordinance and the Amended and Restated Master Indenture of Trust securing City of Chicago Second Lien Water Revenue Bonds dated as of May 1, 2023, from the City to The Bank of New York Mellon Trust Company, N.A., as successor trustee.

This Note, together with interest hereon and any other amounts payable with respect hereto, shall not constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation as to indebtedness and shall have no claim to be paid from taxes of the City.

The City hereby authorizes the Bank to make appropriate notations on Schedule 1 attached hereto of all Loans evidenced hereby and all principal payments and prepayments made hereunder and of the date which interest hereon has been paid; *provided, however,* that the Bank's failure to make any such notation or any defect therein shall not affect the obligations of the City to pay the full amount of the principal of and interest on all Loans.

Reference is hereby made to the Agreement for the provisions, among other things, with respect to the nature and extent of the security for this Note, the manner and enforcement of such security, the custody and application of the proceeds of this Note and the rights, duties and obligations of the City and the Bank.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and to be performed, precedent to and in the issuance of this Note, do exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of Illinois. This Note shall be governed by and construed in accordance with the internal laws of the State of Illinois.

IN WITNESS WHEREOF, the City, by authority of its City Council, has caused this Note to be signed for and on its behalf and in its name by the Mayor, as of the ____ day of June, 2025.

[SEAL]

CITY OF CHICAGO

ATTEST:

By:_____
Andrea M. Valencia, City Clerk

By:_____
Brandon Johnson, Mayor

SERIES ONE
SCHEDULE 1

LOANS AND
REPAYMENTS OF LOANS

DATE	AMOUNT OF LOAN	INDEX RATE WITH RESPECT THERETO	AMOUNT OF PRINCIPAL REPAID	UNPAID PRINCIPAL BALANCE OF LOANS	NOTATION MADE BY

EXHIBIT B

[FORM OF REQUEST FOR ADVANCE]

REQUEST FOR ADVANCE AND REVOLVING LOAN

PNC Bank, National Association

Ladies and Gentlemen:

The undersigned, an Authorized Officer, refers to the Revolving Credit Agreement, dated as of June 18, 2025 (together with any amendments or supplements thereto, the *"Agreement"*), by and between the City of Chicago (the *"City"*) and PNC Bank, National Association (the *"Bank"*) (the terms defined therein being used herein as therein defined) and hereby requests, pursuant to Section 2.3 of the Agreement, that the Bank make an Advance under the Agreement, and in that connection sets forth below the following information relating to such Advance (the *"Proposed Advance"*):

1. The Business Day of the Proposed Advance is _____, 20__ (the *"Advance Date"*), which complies with the timeline set forth for such Advance in Section 2.3 of the Agreement.

2. The principal amount of the Proposed Advance is $_____, which is not greater than the Available Commitment as of the Advance Date set forth in 1 above.

3. The aggregate amount of the Proposed Advance shall be used solely for **[Water System Purposes]**.

4. The Proposed Advance is hereby identified as a Revolving Loan.

5. The principal amount of the Proposed Advance set forth in 2 above does not exceed the Available Commitment as of the Advance Date set forth in 1 above.

6. After giving effect to the Proposed Advance, the aggregate principal amount of all Loans outstanding under the Agreement will not exceed the Available Commitment.

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the Advance Date, before and after giving effect thereto:

(a) the undersigned is an Authorized Officer;

(b) the representations and warranties of the City set forth in Article VI of the Agreement are true and correct in all material respects as though made on the date hereof and on the date of Advance Date;

(c) no Potential Event of Default or Event of Default has occurred and is continuing;

(d) no Material Adverse Change has occurred;

(e) after giving effect to the Proposed Advance, the aggregate principal amount of all Loans outstanding under the Agreement will not exceed **[the Initial Commitment Amount] [(or, following a reduction of the Available Commitment pursuant to Section 2.7 of the Agreement) the Available Commitment]**. The proposed amount of the Proposed Advance does not exceed the Available Commitment; or

(f) the City has not received actual notice (either verbal or written) from Bond Counsel that the opinion delivered pursuant to Section 2.4(b)(v) of the Agreement may no longer be relied upon. The Bank shall have received satisfactory evidence that all representations and certifications of the City that the Bank deems necessary to maintain the tax-exempt status of the interest on any Loan have been delivered and are true and correct.

The Proposed Advance shall be made by the Bank by wire transfer of immediately available funds to the undersigned in accordance with the instructions set forth below:

[Insert wire instructions]

_____

_____

Very truly yours,

CITY OF CHICAGO

By: _____
Its: Chief Financial Officer

EXHIBIT C

[FORM OF REQUEST FOR EXTENSION]

REQUEST FOR EXTENSION

[Date]

PNC Bank, National Association

Ladies and Gentlemen:

Reference is made to the Revolving Credit Agreement dated as of June 18, 2025 (together with any amendments or supplements thereto, the *"Agreement"*) by and between the undersigned, the City of Chicago (the *"City"*) and PNC Bank, National Association (the *"Bank"*). All terms defined in the Agreement are used herein as defined therein.

The City hereby requests, pursuant to Section 2.8 of the Agreement, that the Commitment Expiration Date with respect to the Available Commitment as of the date hereof be extended by one year to _____ ___, _____. Pursuant to such Section 2.8, we have enclosed with this request the following information:

1. A reasonably detailed description of any and all Events of Default that have occurred and are continuing;

2. Confirmation that all representations and warranties of the City as set forth in Article VI of the Agreement and each Related Document are true and correct in all material respects as though made on the date hereof and that no Potential Event of Default or Event of Default has occurred and is continuing on the date hereof; and

3. Any other pertinent information previously requested in accordance with the terms of the Agreement by the Bank.

The Bank is asked to notify the City of its decision with respect to this request within thirty (30) days of the date of receipt hereof. If the Bank fails to notify the City of the Bank's decision within such 30-day period, the Bank shall be deemed to have rejected such request.

Very truly yours,

CITY OF CHICAGO

By: _____
Its: Chief Financial Officer

EXHIBIT D

[FORM OF NOTICE OF TERMINATION]

NOTICE OF TERMINATION

City of Chicago
33 North LaSalle Street, Sixth Floor
Chicago, Illinois 60602
Attention: Chief Financial Officer

Ladies and Gentlemen:

We refer to the Revolving Credit Agreement dated as of June 18, 2025 (together with any amendments or supplements thereto, the *"Agreement"*) by and between the City of Chicago (the *"City"*) and the undersigned, PNC Bank, National Association. Any term below which is defined in the Agreement shall have the same meaning when used herein.

We hereby notify you that an Event of Default has occurred under Section 8.1(__) of the Agreement. As a result, unless and until you have been advised otherwise by us:

1. The Available Commitment **[has been automatically]/[is hereby]** reduced to $0.00, and the Bank has no further obligation to make Advances under the Agreement; and

2. The Commitment **[has been automatically]/[is]** terminated and will no longer be reinstated.

IN WITNESS WHEREOF, we have executed and delivered this Notice as of the ____ day of _____, 20__.

Very truly yours,

PNC BANK, NATIONAL ASSOCIATION

By:_____
Name: _____
Title: _____

EXHIBIT E

[FORM OF NOTICE OF TERMINATION OR REDUCTION]

NOTICE OF TERMINATION OR REDUCTION

[Date]

PNC Bank, National Association

Ladies and Gentlemen:

Re: Revolving Credit Agreement dated as of June 18, 2025

The City of Chicago (the *"City"*), through its undersigned, an Authorized Officer, hereby certifies to PNC Bank, National Association (the *"Bank"*), with reference to the Revolving Credit Agreement dated as of June 18, 2025 (together with any amendments or supplements thereto, the *"Agreement"*) by and between the City and the Bank (the terms defined therein and not otherwise defined herein being used herein as therein defined):

[(1) The City hereby informs you that the Commitment is terminated in accordance with the Agreement.]

OR

[(1) The City hereby informs you that the Available Commitment is reduced from [insert amount as of the date of Certificate] to [insert new amount], such reduction to be effective on _____.]

IN WITNESS WHEREOF, the City has executed and delivered this Notice this _____ day of _____, _____.

Very truly yours,

CITY OF CHICAGO

By: _____
Its: Chief Financial Officer

EXHIBIT F

[FORM OF NOTICE OF REDUCTION]

NOTICE OF REDUCTION

[Date]

City of Chicago
33 North LaSalle Street, Sixth Floor
Chicago, Illinois 60602
Attention: Chief Financial Officer

Ladies and Gentlemen:

We hereby notify you that pursuant to Section 2.7(a) of the Revolving Credit Agreement, dated as of June 18, 2025, by and between the City of Chicago (the *"City"*) and PNC Bank, National Association (the *"Bank"*), the Available Commitment is reduced from **[insert amount as of the date of Certificate]** to **[insert new amount]**, such reduction to be effective on _____.

Very truly yours,

PNC BANK, NATIONAL ASSOCIATION

By:_____
Name: _____
Title: _____

EXHIBIT G

[FORM OF NOTICE OF EXTENSION]

NOTICE OF EXTENSION

[Date]

City of Chicago
33 North LaSalle Street, Sixth Floor
Chicago, Illinois 60602
Attention: Chief Financial Officer

Ladies and Gentlemen:

We hereby notify you that pursuant to Section 2.8 of the Revolving Credit Agreement, dated as of June 18, 2025, by and between the City of Chicago (the *"City"*) and the undersigned, PNC Bank, National Association (the *"Bank"*), the Commitment Expiration Date with respect to the Commitment as of the date hereof shall be extended _____ to _____, _____. Your acknowledgment hereof shall be deemed to be your representation and warranty that all your representations and warranties contained in Article VI of the Agreement and each other Related Document are true and correct in all material respects and will be true and correct as of the date hereof and that no Potential Event of Default or Event of Default has occurred and is continuing.

Very truly yours,

PNC BANK, NATIONAL ASSOCIATION

By:_____
Name: _____
Title: _____

Acknowledged as of _____, _____ by

Very truly yours,

CITY OF CHICAGO

By: _____
Its: Chief Financial Officer