

**CONTRACT CONDITIONS:**

The loan contract's Time of Performance shall be one year. If during that one-year period, the Borrower has issued a WGFP Financing in the form of senior lien indebtedness, then the Time of Performance

shall be adjusted as necessary to cover the expected complete construction duration. If at the end of the one-year period a WGFP Financing has not been issued, the loan contract shall be substantially

completed (closed out) at the disbursed amount (plus the 1% service fee). The loan funds (not disbursed) will remain eligible for a new and separate loan contract at a new CWCB Board approved rate. The rate shall be based on the market rate for a 30-year AA Bond at the time of a subsequent request.

The CWCB shall be provided the executed Allotment Contracts (12 in total) of each WGFP participant. The contracts shall include, but not be limited to, the following requirements:

- 1) Each Loan Allottee shall to the fullest extent permitted by law, fix rates, charges or assessments so that such Loan Allottee will at all times have sufficient money to meet its obligations under its Allotment Contract and confirms that payment of its obligations under its Allotment Contract constitutes an operation and maintenance expense of such Loan Allottee and that as an operation and maintenance expense there are no liens, charges or encumbrances thereon, or priority of payments with respect thereto, prior to the payment of amounts under its Allotment Contract.
- 2) All payments owed to the Borrower under the Allotment Contracts shall be subject to take-or-pay and step-up provisions.

This loan will be subordinate to the payments of the revenue bonds issued as senior lien indebtedness