

NEW ISSUE **Draft 10/20/25**  
(BOOK ENTRY ONLY)

S&P: [AAA]  
Moody's: [Aaa]  
Fitch: [AAA]  
See "Ratings" herein.

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to IBank, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Series 2025 Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Series 2025 Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Series 2025 Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel to IBank, under existing statutes, interest on the Series 2025 Bonds is exempt from personal income taxes imposed by the State of California. See "TAX MATTERS" herein.



**\$557,325,000\***  
**CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK**  
**CLEAN WATER AND DRINKING WATER STATE REVOLVING FUND**  
**REVENUE BONDS SERIES 2025 (GREEN BONDS)**



**Dated: Date of Issuance**

**Due:** October 1, as shown on the inside front cover

The California Infrastructure and Economic Development Bank ("IBank") is issuing its \$557,325,000\* Clean Water and Drinking Water State Revolving Fund Revenue Bonds Series 2025 (Green Bonds) (the "Series 2025 Bonds") pursuant to an Amended and Restated Master Trust Indenture, dated as of March 1, 2022, by and between IBank and the Treasurer of the State of California, as Trustee (the "Trustee") (the "Master Trust Indenture") and a Series 2025 Indenture, dated as of \_\_\_\_\_ 1, 2025, by and between IBank and the Trustee (the "Series Indenture" and, together with the Master Trust Indenture, the "Indenture"). The Series 2025 Bonds are being issued for the purpose of financing CWSRF Project Obligations (as such term is hereinafter defined). The payment of principal, premium, if any, and interest on the Series 2025 Bonds are secured by payments made under the Amended and Restated Master Payment and Pledge Agreement, dated as of March 1, 2022, by and between the State Water Resources Control Board (the "State Water Board") and IBank (the "Master Payment and Pledge Agreement"). Additional Bonds on a parity with the Series 2025 Bonds and IBank's currently Outstanding Bonds may be issued in accordance with the Master Trust Indenture.

The Series 2025 Bonds will mature in the principal amounts in the years, and will bear interest at the respective rates of interest per annum, as set forth on the inside cover page hereof. IBank will pay interest on the Series 2025 Bonds on April 1 and October 1 of each year, commencing \_\_\_\_\_ 1, 2025. The Series 2025 Bonds will be delivered in book entry form only and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2025 Bonds. Individual purchases of the Series 2025 Bonds will be made in book entry form only. Purchasers of the Series 2025 Bonds will not receive certificates representing their ownership interests in the Series 2025 Bonds purchased. Principal and interest payments represented by the Series 2025 Bonds are payable directly to DTC by the Trustee. Upon receipt of payments of principal and interest, DTC will in turn distribute such payments to the beneficial owners of the Series 2025 Bonds. See Appendix G – "BOOK ENTRY SYSTEM" attached hereto.

The Series 2025 Bonds are subject to redemption prior to their maturity as set forth herein.

Bonds (as defined herein), including the Series 2025 Bonds, are special limited obligations of IBank, generally payable from and secured by a pledge of the Pledged Assets which consist primarily of Pledged Revenues derived from the Pledged Project Obligations. See "SECURITY AND SOURCE OF PAYMENT FOR BONDS" herein. The Series 2025 Bonds do not constitute a debt or liability of the State or any political subdivision thereof, but are limited obligations of IBank and the State Water Board that are payable solely from Pledged Assets. Neither the State, IBank, nor the State Water Board shall be obligated to pay the principal of, or interest on, the Bonds, except from the funds provided therefor under the Master Payment and Pledge Agreement and the Indenture, and neither the faith and credit nor the taxing power of the State, IBank, the State Water Board, or of any political subdivision thereof is pledged to the payment of the principal of, or interest on, the Series 2025 Bonds. The issuance of the Series 2025 Bonds shall not directly, indirectly, or contingently obligate the State or any political subdivision thereof to levy or to pledge any form of taxation. Neither IBank nor the State Water Board has any taxing power.

This cover page contains information for quick reference only. It is not a summary of this issue. Potential purchasers must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Series 2025 Bonds will be offered when, as and if executed, delivered, and received by the Initial Purchaser, subject to the approval as to their legality by Hawkins Delafield & Wood LLP, Los Angeles, California, Bond Counsel to IBank, and certain other conditions. Certain matters with respect to the Official Statement will be passed on by Hawkins Delafield & Wood LLP, Los Angeles, California, Disclosure Counsel to IBank. Certain legal matters will be passed upon for IBank by General Counsel to IBank and for the State Water Board by Chief Counsel to the State Water Board. It is anticipated that the Series 2025 Bonds will be available through the facilities of DTC on or about \_\_\_\_\_, 2025.

BIDS TO BE RECEIVED ON \_\_\_\_\_, 2025. SEE APPENDIX I – "NOTICE OF SALE"

Dated: \_\_\_\_\_, 2025

\* Preliminary, subject to change.

This Preliminary Offering Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Offering Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

**\$557,325,000\***  
**CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK**  
**CLEAN WATER AND DRINKING WATER STATE REVOLVING FUND**  
**REVENUE BONDS SERIES 2025 (GREEN BONDS)**

**MATURITY SCHEDULE**

<b>Initial CUSIP** (13034A)</b>	<b>Due (October 1)*</b>	<b>Principal Amount*</b>	<b>Interest Rate</b>	<b>Yield</b>
	2026	\$ 4,000,000		
	2027	12,590,000		
	2028	13,220,000		
	2029	13,880,000		
	2030	14,575,000		
	2031	15,305,000		
	2032	16,070,000		
	2033	16,875,000		
	2034	17,720,000		
	2035	18,605,000		
	2036	19,535,000		
	2037	20,510,000		
	2038	21,535,000		
	2039	22,615,000		
	2040	23,745,000		
	2041	24,930,000		
	2042	26,175,000		
	2043	27,485,000		
	2044	28,860,000		
	2045	30,015,000		
	2046	31,215,000		
	2047	32,465,000		
	2048	33,765,000		
	2049	35,115,000		
	2050	36,520,000		

\* Preliminary, subject to change.

\*\*CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (CGS), which is managed on behalf of the American Bankers Association by FactSet Research Systems, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with the State and are included solely for the convenience of the registered owners of the applicable Bonds. Neither the IBank, the State Water Board nor the Initial Purchaser are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2025 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds CUSIP data, copyright, American Bankers Association.

This Official Statement, which includes the cover page, inside cover page, and appendices hereto, does not constitute an offer to sell the Series 2025 Bonds in any jurisdiction in which or to any person to whom it is unlawful to make such an offer. No dealer, salesperson, or other person has been authorized by IBank or the State Water Board to give any information or to make any representations, other than those contained herein, in connection with the offering of the Series 2025 Bonds and, if given or made, such information or representations must not be relied upon.

The information set forth in the Section entitled “THE INFRASTRUCTURE BANK” and “MISCELLANEOUS — Litigation – IBank” has been obtained from IBank. All other information set forth herein has been obtained from the State Water Board and other sources that are believed to be current and reliable, but the accuracy or completeness of such information has not been independently verified by, is not guaranteed by, and is not to be construed as a representation by, IBank. Estimates and opinions are included and should not be interpreted as statements of fact. Summaries of documents do not purport to be complete statements of their provisions. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made pursuant hereto shall, under any circumstances, create any implication that there has been no change in the affairs of IBank or the State Water Board or the information herein pertaining to the SRFs since the date hereof.

Certain statements included or incorporated by reference in this Official Statement constitute projections or “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget,” or other similar words. Such statements include, but are not limited to, certain statements contained in the information under the captions “THE STATE REVOLVING FUND PROGRAMS,” “SECURITY AND SOURCE OF PAYMENT FOR BONDS,” “CASH FLOW SCHEDULE,” “THE RECIPIENTS,” and the statements contained in APPENDIX A — “PLEGGED PROJECT OBLIGATIONS” to this Official Statement.

The achievement of certain results or other expectations contained in such projections or forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such projections or forward-looking statements. The State Water Board takes no responsibility for, and the State Water Board does not plan to issue, any updates or revisions to those projections or forward-looking statements if or when its expectations, or events, conditions, or circumstances on which such statements are based, change.

The Notice of Sale with respect to the Series 2025 Bonds provides that each Initial Purchaser will certify as to the following: The Initial Purchaser has not undertaken any responsibility for the contents of the Preliminary Official Statement or the Official Statement. The Initial Purchaser, in accordance with and as part of its responsibilities under Federal securities laws, has reviewed the information in the Preliminary Official Statement and the Official Statement and did not notify the State Water Board or IBank of the need to modify or supplement the Preliminary Official Statement on or before the bid date and has not notified the State Water Board or IBank of the need to modify or supplement the Official Statement on or before the closing date.

IN CONNECTION WITH THIS OFFERING, AN INITIAL PURCHASER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2025 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. AN INITIAL PURCHASER MAY OFFER AND SELL SERIES 2025 BONDS TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT PRICES LOWER THAN THE PUBLIC

OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF, AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY AN INITIAL PURCHASER.

THE SERIES 2025 BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE SERIES 2025 BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. THE SERIES 2025 BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL, STATE OR FOREIGN SECURITIES COMMISSION OR REGULATORY AUTHORITY, AND THE FOREGOING AUTHORITIES HAVE NEITHER REVIEWED NOR CONFIRMED THE ACCURACY OF THIS DOCUMENT.

Neither the information on websites referred to herein, nor any other information on the State Water Board's website, is incorporated herein by this reference.

The information contained on any website mentioned in this Official Statement is not a part of this Official Statement and is not incorporated in this Official Statement, whether or not the web address for such website appears as an active hyperlink. No website mentioned in this Official Statement is intended to be an active hyperlink. Readers should not rely upon information other than that provided in this Official Statement, including information presented on any such website, in determining whether to purchase the Series 2025 Bonds.

This Preliminary Official Statement is available as public information on the State Treasurer's investor relations website at <http://www.buycaliforniabonds.com>

**CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK**

**BOARD OF DIRECTORS**

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Dorene D'Adamo  
*Vice Chair*

Sean Maguire  
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**Division of Financial Assistance**

Joe Karkoski  
*Deputy Director*

Michael Downey  
*Assistant Deputy Director*

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## OFFICIAL STATEMENT

\$557,325,000\*

California Infrastructure and Economic Development Bank  
Clean Water and Drinking Water State Revolving Fund  
Revenue Bonds Series 2025 (Green Bonds)

### INTRODUCTION

This Official Statement, including the cover page and the appendices hereto, provides certain information concerning \$557,325,000\* original principal amount of Clean Water and Drinking Water State Revolving Fund Revenue Bonds Series 2025 (Green Bonds) (the “Series 2025 Bonds”) issued by the California Infrastructure and Economic Development Bank (“IBank”), a public instrumentality of the State of California (the “State”). IBank is organized and existing under Division 1 (commencing with Section 63000) of Title 6.7 of the California Government Code, as amended (the “IBank Act”) and is authorized to issue the Series 2025 Bonds at the request of the State Water Resources Control Board (the “State Water Board”) in connection with the State Water Pollution Control Revolving Fund (“CWSRF”) created by Chapter 6.5 (commencing at Section 13475) of Division 7 of the California Water Code (the “State Clean Water Act”) and the Safe Drinking Water State Revolving Fund (“DWSRF”) created by Chapter 4.5 (commencing at Section 116760) of Division 104 of the California Health and Safety Code (the “State Safe Drinking Water Act”). Capitalized terms used and not otherwise defined herein shall have the meanings set forth in APPENDIX D — “SUMMARY OF THE MASTER TRUST INDENTURE AND THE MASTER PAYMENT AND PLEDGE AGREEMENT.”

The Series 2025 Bonds will be issued and secured pursuant to an Amended and Restated Master Trust Indenture (the “Master Trust Indenture”) dated as of March 1, 2022, and the Series 2025 Indenture, dated as of \_\_\_\_\_ 1, 2025 (the “Series 2025 Indenture” and, collectively with the Master Trust Indenture as further supplemented and amended from time to time, the “Indenture”), each between IBank and the Treasurer of the State of California, as trustee (the “Trustee”). The Bonds heretofore and hereafter issued under the Indenture, including the Series 2025 Bonds (collectively, the “Bonds”), are secured under an Amended and Restated Master Payment and Pledge Agreement, dated as of March 1, 2022, by and between IBank and the State Water Board (the “Master Payment and Pledge Agreement”).

Purpose of Series 2025 Bonds. The Series 2025 Bonds are being issued for the purpose of financing CWSRF Project Obligations (as such term is hereinafter defined). For a description of the Series 2025 Financings, see “ESTIMATED SOURCES AND USES OF FUNDS — Use of Proceeds.”

Security for Series 2025 Bonds. The Bonds, including the Series 2025 Bonds, are limited obligations of IBank, payable from and secured by a pledge under the Master Trust Indenture of the Pledged Assets, consisting of all of IBank’s right, title and interest in and to the Master Payment and Pledge Agreement (other than Board Reserved Rights and IBank Reserved Rights), the Pledged Revenues, and the funds and accounts established under the Master Trust Indenture

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\* Preliminary, subject to change.

(except amounts on deposit in the Rebate Fund). See “SECURITY AND SOURCE OF PAYMENT FOR BONDS” herein.

IBank has issued Bonds to fund projects for the CWSRF and the DWSRF. See “OUTSTANDING BONDS AND FUTURE BOND ISSUANCE” for a description of outstanding Bonds issued and Bonds anticipated to be issued by IBank for the CWSRF and the DWSRF.

**The Bonds do not constitute a debt or liability of the State or any political subdivision thereof, but are limited obligations of IBank and the State Water Board that are payable solely from Pledged Assets. Neither the State, IBank, nor the State Water Board shall be obligated to pay the principal of, or interest on, the Bonds, except from Pledged Assets, and neither the faith and credit nor the taxing power of the State, IBank, the State Water Board, or of any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on, the Series 2025 Bonds. The issuance of the Series 2025 Bonds shall not directly, indirectly, or contingently obligate the State or any political subdivision thereof to levy or to pledge any form of taxation. Neither IBank nor the State Water Board has any taxing power.**

Under the Master Trust Indenture, IBank may establish a Debt Service Reserve Fund Requirement with respect to the Bonds. A Debt Service Reserve Fund Requirement will not be initially established in connection with the issuance of the Series 2025 Bonds. See “SECURITY AND SOURCE OF PAYMENT FOR BONDS — No Debt Service Reserve Fund Requirement for Series 2025 Bonds.”

#### Modifications of Notice of Sale for the Series 2025 Bonds

Bids for the purchase of the Series 2025 Bonds will be received by the Honorable Fiona Ma, Treasurer of the State of California (the "State Treasurer") on \_\_\_\_\_, \_\_\_\_\_, 2025. See APPENDIX I – "NOTICE OF SALE." The State Treasurer, IBank and the State Water Board reserve the right, prior to the acceptance of a bid, to modify or amend the Notice of Sale with respect to the Series 2025 Bonds (the “Notice of Sale”), including (but not limited to) changing the maturity schedule, including the aggregate principal amount of the Series 2025 Bonds offered for sale, the terms of redemption of the Series 2025 Bonds and the requirements relating to the interest rates on or purchase price of the Series 2025 Bonds, as more particularly described in APPENDIX I – "NOTICE OF SALE." Any such modifications or amendments will be disseminated via MuniOS ([www.munios.com](http://www.munios.com)) and posted on Parity not later than 1:00 p.m., California time on \_\_\_\_\_, \_\_\_\_\_, 2025. Any such modification or amendment will also be available on the State Treasurer’s investor relations website at <http://www.buycaliforniabonds.com>. Any delay in making such modification or amendment, or the failure of any bidder to receive such notice, or the failure to make available such notice on the investor relations website shall not affect the validity of the sale of the Series 2025 Bonds. Bidders are required to bid upon the Series 2025 Bonds in accordance with the Notice of Sale, as it may be amended. The State Treasurer, IBank and the Board reserve the right to postpone or cancel the sale of the Series 2025 Bonds at any time. See APPENDIX I – "NOTICE OF SALE."

## State Water Board Programs

CWSRF. Title VI of the Federal Water Pollution Control Act of 1972, as amended (33 U.S.C. Sections 1251 *et seq.*) (the “Federal Clean Water Act”), part of the federal water pollution control program, provides for the creation of water pollution control revolving fund programs. To implement the Federal Clean Water Act, the State established the CWSRF program under the supervision of the State Water Board pursuant to the State Clean Water Act. The State Water Board enters into loan contracts, installment sale agreements, and similar contracts (“CWSRF Project Obligations”) with local governments and other qualified program participants (the “Recipients”) in order to provide low-cost financing for projects and activities permitted under the Federal Clean Water Act and the State Clean Water Act (the “CWSRF Eligible Projects”).

DWSRF. The Safe Drinking Water Act of 1974, as amended (42 U.S.C. § 300 *et seq.*) (the “Federal Safe Drinking Water Act”), provides for the creation of drinking water revolving fund programs. To implement the Safe Drinking Water Act, the State established the DWSRF program (the “DWSRF” and, together with the CWSRF, the “SRFs”) under the supervision of the State Water Board pursuant to the State Safe Drinking Water Act. The State Water Board enters into loan contracts, installment sale agreements, and similar contracts (“DWSRF Project Obligations” and, together with the CWSRF Project Obligations, the “Project Obligations”) with the Recipients in order to provide low-cost financing for projects and activities permitted under the Federal Safe Drinking Water Act and the Safe Drinking Water Act (the “DWSRF Eligible Projects” and, together with the CWSRF Eligible Projects, the “Eligible Projects”).

See “THE STATE REVOLVING FUND PROGRAMS.”

Role of IBank. IBank serves as a conduit issuer of Bonds for the benefit of the State Water Board. IBank may issue Bonds to provide additional moneys to the State Water Board for the CWSRF that would be used by the State Water Board to fund CWSRF Project Obligations or for the DWSRF that would be used by the State Water Board to fund DWSRF Project Obligations to provide additional funds to Recipients for Eligible Projects. See “THE INFRASTRUCTURE BANK.”

Amendment of Master Trust Indenture. Under certain circumstances IBank may amend the Master Trust Indenture without the consent of Owners for a number of reasons, including to provide for the issuance of Bonds to finance other State programs. See “SECURITY AND SOURCE OF PAYMENT FOR BONDS — Master Trust Indenture Modifications and Change” and APPENDIX D — “SUMMARY OF THE MASTER TRUST INDENTURE AND THE MASTER PAYMENT AND PLEDGE AGREEMENT — Master Trust Indenture and Series 2025 Indenture — Supplemental Indentures Not Requiring Consent of Owners.” The Master Trust Indenture has been amended to facilitate the issuance of a Series of Bonds that includes a State Match Portion and to segregate repayments of Bond financed Pledged Project Obligations previously deposited in the Restricted Assets Fund into the Related Bond Proceeds Fund established for a Series of Bonds. Repayments on Pledged Project Obligations that are not Bond financed will continue to be deposited in the Restricted Assets Fund.

## THE INFRASTRUCTURE BANK

IBank is an entity within the Governor’s Office of Business and Economic Development, organized and existing pursuant to the IBank Act. IBank is authorized and empowered pursuant to the IBank Act to issue the Series 2025 Bonds, to loan the proceeds thereof to the State Water Board, to secure the Series 2025 Bonds by a pledge of the Pledged Assets and to enter into the Master Payment and Pledge Agreement, the Series 2025 Indenture and the Master Trust Indenture pursuant to which the Series 2025 Bonds are to be issued.

IBank is governed by a five-member board of directors consisting of the Director of the Governor’s Office of Business and Economic Development, who serves as Chair, the Director of the State’s Department of Finance, the State Treasurer, the Secretary of the State Transportation Agency, or their respective designees, and an appointee of the Governor of the State. The directors serve without compensation, provided, however, that the directors may be reimbursed for actual and necessary expenses incurred in the performance of their duties. The business and affairs of the Infrastructure Bank are managed and conducted by its Executive Director. IBank has no taxing power.

The Bonds, including the Series 2025 Bonds, are limited obligations of IBank and the State Water Board that are payable solely from the Pledged Assets consisting of all of IBank’s right, title and interest in and to the Master Payment and Pledge Agreement (other than Board Reserved Rights and IBank Reserved Rights), the Pledged Revenues, and the funds and accounts established under the Master Trust Indenture (except amounts on deposit in the Rebate Fund).

**Except for the information included in this section and in the section titled “MISCELLANEOUS — Litigation — IBank,” IBank has not independently verified and makes no representations with respect to the accuracy, adequacy or completeness of the statements and information set forth herein.**

## STATE WATER RESOURCES CONTROL BOARD

The State Water Board was created in 1967 by merging the State Water Rights Board and the State Water Quality Control Board, thus integrating water rights and water quality decision-making authority. In 2014, the State’s drinking water program responsibilities were transferred from the Department of Public Health to the State Water Board to further integrate oversight of water issues in California. The mission of the State Water Board is to preserve, enhance, and restore the quality of California’s water resources and drinking water for the protection of the environment, public health, and all beneficial uses, and to ensure proper water resource allocation and efficient use, for the benefit of present and future generations. The State Water Board and the nine Regional Water Quality Control Boards (the “Regional Water Boards”) work together to protect California’s water.

The nine Regional Water Boards develop and enforce water quality objectives and implementation plans which will best protect the beneficial uses of the State’s waters, recognizing local differences in climate, topography, geology, and hydrology. Each Regional Water Board makes critical water quality decisions for its region. These decisions include setting standards, issuing waste discharge requirements, determining compliance with those requirements, and

taking appropriate enforcement actions. Regional Water Boards develop “basin plans” for their hydrologic areas, govern the issuance of waste discharge permits, take enforcement action against violators, and monitor water quality. Each Regional Water Board has seven part-time members appointed by the Governor and confirmed by the State Senate.

Certain activities of each Recipient are regulated by the State Water Board and may also be regulated by the Regional Water Boards for the region in which the Recipient is located. The State Water Board’s role in protecting water includes setting statewide policy, coordinating and supporting the Regional Water Boards’ efforts, reviewing petitions contesting Regional Water Boards’ actions, regulating public water systems and enforcing drinking water standards, and administering several financial assistance programs, including, but not limited to, the CWSRF and the DWSRF. The State Water Board is also solely responsible for allocating certain surface water rights.

The United States Environmental Protection Agency (the “U.S. EPA”), in cooperation with the State, has also designated the State Water Board as the “primacy agency” to implement and enforce the Federal Safe Drinking Water Act. As the state primacy agency, the State Water Board regulates more than 7,200 Public Water Systems (“PWS”) located throughout the State. To assist in this effort, the State Water Board has delegated its primacy authority to approximately 25 local health departments, known as local primacy agencies, to regulate PWSs serving less than 200 service connections. The State Water Board also promotes safe and reliable drinking water through drought preparedness and water conservation measures; promoting water recycling projects; certifying drinking water treatment and distribution operators; supporting and promoting water system security; providing for small water system technical assistance; and mandating minimum standards for PWS technical, managerial, and financial capacity.

The State Water Board is authorized by the State Safe Drinking Water Act to use moneys in the DWSRF for purposes permitted by the Federal Safe Drinking Water Act, and by the State Clean Water Act to use moneys in the CWSRF for purposes permitted by the Federal Clean Water Act. The Division of Financial Assistance administers the SRFs with approximately 124 full-time equivalent staff and management positions assigned to such purpose. The SRFs provide financial assistance in the form of low-interest financing, additional subsidy, and other technical assistance derived from federal capitalization grants, associated state match, and revolving principal and interest repayments, to eligible Recipients to improve public water and wastewater systems and to construct other eligible projects. The DWSRF also funds, in part, the State Water Board’s Public Water System Supervision and Capacity Development Programs within its Division of Drinking Water. The State Water Board’s telephone number for activities relating to the SRFs is (916) 327-9978 and the address is State Water Resources Control Board, Division of Financial Assistance, 1001 I Street, 16th Floor, Sacramento, CA 95814.

The State Water Board consists of five full-time salaried members, each filling a different specialty position. State Water Board members are appointed to four-year terms by the Governor and confirmed by the State Senate. The current State Water Board members are:

<u>Name</u>	<u>Position</u>	<u>Type</u>	<u>Term Expires (January 15)</u>
E. Joaquin Esquivel	Chair	Public	2029
Dorene D'Adamo	Vice Chair	Public/Water quality expert	2026
Sean Maguire	Member	Sanitary engineer	2028
Laurel Firestone	Member	Attorney	2027
Nichole Morgan	Member	Civil Engineer/Supply	2029

## **THE STATE REVOLVING FUND PROGRAMS**

### **Federal Grants and State Match**

General. Under the Federal Clean Water Act and the Federal Safe Drinking Water Act, each state may create a water pollution control and a safe drinking water revolving fund to accept federal capitalization grants (the “Capitalization Grants”). Capitalization Grants are awarded to states so they can provide loans and other forms of financial assistance to eligible applicants for construction, rehabilitation, or implementation of Eligible Projects.

Capitalization Grants for the SRFs are made pursuant to agreements between the State and the U.S. EPA. As a condition to receiving a Capitalization Grant, the State, among other conditions, must generally provide additional funding in an amount equal to at least 20% of each Capitalization Grant for the CWSRF (the “CWSRF State Match”) and for the DWSRF (the “DWSRF State Match” and, together with the CWSRF State Match, the “State Match”). The State Water Board has provided the State Match in various ways, including direct appropriations from State resources (including State general obligation bonds), short-term inter-department borrowings and loan repayments from the State’s water reclamation program. In addition, certain Recipients have contributed a portion of the State Match in exchange for reduced interest rate financing. Under the Master Trust Indenture, the Bonds may also be allocated to provide the State Match. To date, neither the State Water Board nor IBank has issued bonds to fund the State Match.

For each Capitalization Grant Agreement, the State Water Board prepares a Capitalization Grant application and a plan (the “Intended Use Plan”) describing the intended use of each grant and other available sources. The Intended Use Plans identify projects expected to be provided with financial assistance from the SRFs, the goals of each SRF, and the criteria and methods established for the distribution of SRF funds and other funds available to the State Water Board that can be used for Eligible Projects. The SRFs are subject to operating agreements with U.S. EPA which govern the State’s implementation of the CWSRF and DWSRF programs.

Capitalization Grants are not part of the Pledged Assets.

Since 1989 through June 30, 2025, the U.S. EPA has awarded the State Water Board Capitalization Grants aggregating \$7.89 billion (\$4.24 billion for the CWSRF and \$3.65 billion for the DWSRF), and the State has provided State Match aggregating approximately \$1.56 billion (approximately \$870 million for the CWSRF and \$685 million for the DWSRF).

## **Administration of the SRFs**

General. The State established the CWSRF in 1989 and the DWSRF in 1997. The Capitalization Grants and the State Match funds received by the State Water Board are deposited into the appropriate SRF. Under the State Clean Water Act and the State Safe Drinking Water Act, the amounts on deposit in the SRFs are continuously appropriated to fund additional Project Obligations and for other permitted purposes of the SRFs.

CWSRF. Moneys in the CWSRF are used by the State Water Board for various purposes permitted under the Federal Clean Water Act and the State Clean Water Act, including providing low-cost financing to Recipients for the costs of CWSRF Eligible Projects by entering into CWSRF Project Obligations. The State Clean Water Act currently authorizes CWSRF funding for any projects and activities eligible under the Federal Clean Water Act, including, but not limited to, planning, design, construction and implementation of wastewater management systems, nonpoint source pollution management systems, estuary conservation and management, decentralized wastewater treatment systems, stormwater or subsurface drainage water systems, capacity or energy reduction measures for public treatment facilities, watershed projects, security measures for public treatment facilities, and wastewater, stormwater, or subsurface drainage water reuse or recycling. The State Water Board can fund CWSRF Project Obligations from (i) net assets of the CWSRF, including revolving federal contributions, revolving state match contributions, and retained income and (ii) revenue bonds issued by IBank on behalf of the State Water Board. As of June 30, 2025 the State Water Board had funded CWSRF Project Obligations, some of which are up to 100% "principal forgiveness," in the aggregate principal amount of approximately \$15.2 billion to 448 Recipients for over 1,000 CWSRF Eligible Projects.

DWSRF. Moneys in the DWSRF are used by the State Water Board for various purposes permitted under the Federal Safe Drinking Water Act and the State Safe Drinking Water Act, including providing low-cost financing to Recipients for the costs of DWSRF Eligible Projects by entering into DWSRF Project Obligations. The State Safe Drinking Water Act currently authorizes DWSRF funding for any projects and activities eligible under the Federal Safe Drinking Water Act, including, but not limited to, projects that address present or prevent future violations of health-based drinking water standards or to replace aging infrastructure. The State Water Board can fund DWSRF Project Obligations from (i) net assets of the DWSRF, including revolving federal contributions, revolving state match contributions, and retained income and (ii) revenue bonds issued by IBank on behalf of the State Water Board. As of June 30, 2025 the State Water Board had funded DWSRF Project Obligations, some of which are up to 100% "principal forgiveness," in the aggregate principal amount of approximately \$5.3 billion to 396 Recipients for over 600 DWSRF Eligible Projects.

For more information on Project Obligations, see "THE RECIPIENTS — Project Obligations." For a description of the operation of the SRFs following issuance of the Series 2025 Bonds, see "SECURITY AND SOURCE OF PAYMENT FOR BONDS — Summary of Flow of Funds."

Cybersecurity Risk. The State and its agencies and departments, including the State Water Board, like many other large public and private entities, rely on a large and complex technology environment to conduct their operations. As recipients and providers of personal, private, or

sensitive information, the State and its agencies and departments are subject to multiple cyber threats, including, but not limited to, hacking, viruses, malware, and other attacks on computers and other sensitive digital networks and systems. Threat actors, threat groups, or individuals may attempt to gain unauthorized access to the State's digital systems to misappropriate assets or information or cause operational disruption and damage.

The State Water Board has an Information Security Officer ("ISO") that oversees the overall effort to ensure the State Water Board's information systems are protected against cyber threats. The Information Security Office is committed to implementing information security and risk management best practices to ensure State Water Boards can fulfill its mission securely.

Furthermore, the State Water Board leverages the State's established state-wide security operations center to protect against malicious activity targeting critical technology infrastructure, to monitor network traffic coming into the State Water Board's information systems, and to provide information relating to suspicious activity for the Information Security Office to investigate.

Despite efforts to secure the organization, attacks are becoming more sophisticated; therefore, no assurances can be given that the State's efforts to manage cyber threats and attacks will be successful or that any such attack will not materially impact the operations or finances of the State and its agencies and departments, including the State Water Board.

### **U.S. EPA Reports**

The U.S. EPA periodically evaluates the State Water Board to determine whether the SRFs comply with the requirements of the Federal Clean Water Act and the Federal Safe Drinking Water Act. In its aggregated Program Evaluation Report for FY 2020, the U.S. EPA concluded that the State of California has administered the programs in general compliance with the capitalization grant agreements. The most recent copy of U.S. EPA's Program Evaluation Report for the SRFs can be found at:

For the CWSRF:

[https://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/srf/pubs.shtml](https://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/pubs.shtml)

For the DWSRF:

[https://www.waterboards.ca.gov/drinking\\_water/services/funding/dwsrf\\_annualrpts.html](https://www.waterboards.ca.gov/drinking_water/services/funding/dwsrf_annualrpts.html)

The information on such websites and in such reports is not incorporated herein by the foregoing references.

## **THE RECIPIENTS**

### **General**

The State Water Board provides financial assistance from the SRFs for the Eligible Projects of local government units or other qualified program participants, referred to herein as

“Recipients.” The financial assistance provided by the State Water Board is evidenced by a loan contract, an installment purchase contract, or similar document, referred to herein as “Project Obligations.” The particular CWSRF Project Obligations that are pledged by the State Water Board under the Master Payment and Pledge Agreement and assigned by IBank to the Trustee under the Indenture for the benefit of Bonds issued to finance CWSRF Project Obligations, are referred to herein as “CWSRF Pledged Project Obligations,” and the Recipients under the CWSRF Pledged Project Obligations are referred to as “CWSRF Pledged Project Obligation Recipients,” as described below. The particular DWSRF Project Obligations that are pledged by the State Water Board under the Master Payment and Pledge Agreement and assigned by IBank to the Trustee under the Indenture for the benefit of Bonds issued to finance DWSRF Project Obligations, are referred to herein as “DWSRF Pledged Project Obligations” and, together with the CWSRF Pledged Project Obligations, the “Pledged Project Obligations.” The Recipients under the DWSRF Pledged Project Obligations are referred to as “DWSRF Pledged Project Obligation Recipients” and, together with the CWSRF Pledged Project Obligation Recipients, the “Pledged Project Obligation Recipients,” as described below.

### **Recipient Eligibility**

Municipalities and other qualified entities are eligible Recipients of financial assistance from the SRFs. Currently, each Recipient of a Pledged Project Obligation is a local governmental unit in the State.

The State Water Board may determine the eligibility and priority of applicants for Project Obligations by considering a variety of factors, including an applicant’s ability to repay the State Water Board, the feasibility of the proposed project and whether the proposed project is expected to result in a demonstrable improvement in water quality, including drinking water quality and/or drinking water reliability. The State Water Board’s evaluation of an applicant’s ability to repay a Project Obligation includes, but is not limited to: (a) evaluating all material debt (e.g., all debt secured by the revenues or other assets securing or used to pay the Project Obligation); (b) evaluating the applicant’s long-term indebtedness plans; (c) evaluating three years of the applicant’s audited financial statements and any adopted future year’s budget; (d) identifying any restricted funds and the reason for the restrictions; (e) evaluating information submitted by the applicant regarding current, prior, or pending material events (such as, bankruptcy, defaults, litigation, grand jury findings/indictments); (f) identifying any conditions in material debt obligations that must be satisfied prior to executing the Project Obligation; (g) identifying any debt limit to which an applicant is subject; (h) evaluating a new tax, fee, charge, or assessment and its ability to meet budget projections; (i) evaluating the effect of any relevant service, management, operating, or joint powers agreements on the proposed Project Obligation; and (j) verifying that the applicant has sufficient property rights in the land used for all portions of the project to enable it to access, construct, operate, maintain, and allow for outside inspections of the project throughout the term of the Project Obligation. **Neither the State Water Board nor IBank makes any representation concerning the creditworthiness of any particular Recipient or its ability to make payments as provided in its Project Obligation.**

## **Project Obligations**

General. The State Water Board has entered into the Pledged Project Obligations with the Pledged Project Obligation Recipients and the State Water Board has in the past and will in the future enter into Project Obligations with other Recipients whose Project Obligations are not currently pledged as security for the Bonds but may be so pledged in the future. Eligible Projects are funded by the State Water Board by periodically transferring funds to the Recipients pursuant to a cost reimbursement disbursement process during construction or after the completion date of Eligible Projects. Upon the completion of the Eligible Project, a final amortization schedule is provided to the Recipient.

Presently, each Recipient of a Pledged Project Obligation must pledge or dedicate one or more sources of revenue toward repayment of its Project Obligation. These dedicated sources of revenue can include, but are not limited to, water, sewer, or recycled water rate revenue pledges or other contractual income of the Recipient. To ensure that Project Obligations are repaid on time and in full, the State Water Board uses a variety of analytical and monitoring measures to reduce the possibility of non-payment.

Basic Terms of Project Obligations. Historically, CWSRF Project Obligations were amortized over a period not to exceed 20 years (or 30 years for certain Recipients). More recent CWSRF Project Obligations are generally amortized over a period not to exceed 30 years, with payments commencing no later than one year after the date of completion of the Eligible Project. Construction period interest is capitalized at completion and amortized as part of the CWSRF Project Obligation. Interest rates on CWSRF Project Obligations are fixed at rates that are no greater than one-half the interest rate rounded up to the next one-tenth of one percent on the most recent issue of State general obligation bonds. Historically, DWSRF Project Obligations were amortized over a period not to exceed 20 years (or 30 years for certain Recipients). More recent DWSRF Project Obligations are generally amortized over a period not to exceed 30 years (or 40 years for certain Recipients after February 2019), with interest payments required during the construction period. Interest rates on DWSRF Project Obligations are fixed at rates not to exceed fifty percent of the average interest rate on the issue of State general obligation bonds in the prior calendar year. Repayments of CWSRF Project Obligations are made at least annually, generally in level annual installments throughout the CWSRF Project Obligation term, and prepayments have historically been permitted at par at any time. Repayments of DWSRF Project Obligations have historically been made semi-annually, generally in level installments throughout the DWSRF Project Obligation term. DWSRF Project Obligations entered into after February 2019 generally require annual payments. Prepayments have historically been permitted at par at any time. In addition to interest, the State Water Board may charge Recipients fees that are not included in Pledged Assets. An administrative fee may be charged in lieu of up to 1.0% interest on obligations and a small community grant fee or safe drinking water small community emergency grant fee may be charged in lieu of the full interest rate on certain Project Obligations. The State Water Board may amend some or all of the Pledged Project Obligations to include such fees.

Substantially all Project Obligations identify the revenues dedicated or otherwise expected to be used to repay the Project Obligations, such as the gross or net revenues from the Recipient's sewer or water system or special assessments or capacity charges. Some Project Obligations are secured by a senior lien on revenues or other pledged assets, but other Project Obligations may be

secured on a parity or subordinate basis or provide no priority lien. Recipients may generally issue additional debt with a parity lien on the revenues or other assets securing or used to pay the Project Obligations, but generally may not issue additional debt with a lien senior to the lien on revenues or other assets securing or used to pay the Project Obligations, except in certain specific situations. These specific situations may include, but are not limited to, circumstances where (a) the Project Obligation provides for 100% forgiveness of principal or (b) the senior obligation refunds an existing debt with the same lien position as that existing debt, the new debt has the same or earlier repayment term as the refunded debt, the new debt service is the same or lower than the existing debt service, and the new debt will not diminish the applicant's ability to repay its Project Obligation.

On October 3, 2017, the State Water Board adopted its Clean Water and Drinking Water State Revolving Funds Debt Management Policy, which established a consent requirement for prepayment of Project Obligations approved thereafter. If prepayments on CWSRF Pledged Project Obligations occur, the State Water Board will apply the prepayment amount in the manner it determines, in its discretion, including without limitation to pay scheduled debt service on Outstanding Bonds issued to fund CWSRF Project Obligations, to redeem or purchase Outstanding Bonds issued to fund CWSRF Project Obligations in accordance with their terms, to fund a new CWSRF Project Obligation or, if released from the lien of the Master Payment and Pledge Agreement and the Indenture in accordance with the Master Payment and Pledge Agreement and the Indenture, for other lawful purposes of the CWSRF. If prepayments on DWSRF Pledged Project Obligations occur, the State Water Board will apply the prepayment amount in the manner it determines, in its discretion, including without limitation to pay scheduled debt service on Outstanding Bonds issued to fund DWSRF Project Obligations, to redeem or purchase Outstanding Bonds issued to fund DWSRF Project Obligations in accordance with their terms, to fund a new DWSRF Project Obligation or, if released from the lien of the Master Payment and Pledge Agreement and the Indenture in accordance with the Master Payment and Pledge Agreement and the Indenture, for other lawful purposes of the DWSRF.

Additional Terms of Project Obligations. Project Obligations previously entered into are evidenced by standard forms of contract documents used at various times by the State Water Board or its DWSRF predecessors. Pledged Project Obligations may include provisions concerning (i) the maximum financing amount, (ii) the interest rate, (iii) the repayment schedule, (iv) the right of the State Water Board to assign, grant a security interest in, or otherwise encumber the Project Obligation including any payments thereunder, and (v) a limited right of the State Water Board to terminate the Pledged Project Obligation upon material breach by the Recipient. Pledged Project Obligations may also include covenants by the Recipient (a) to maintain a dedicated source of revenue sufficient to provide reasonable assurance of repayment, (b) to establish a restricted cash reserve equal to one year's debt service funded over various periods from Recipient revenues rather than Pledged Project Obligation proceeds and maintain such reserve throughout repayment of the Pledged Project Obligation, unless the State Water Board determines that credit or tax considerations support a different result, (c) to comply with coverage requirements, (d) to properly operate, and maintain the Eligible Project during its useful life, (e) to not abandon or dispose of the Eligible Project, (f) to provide, in the case of Pledged Project Obligations, reports, data and information reasonably required by the State Water Board, (g) to maintain project accounts in accordance with generally accepted accounting principles as prescribed from time to time for governmental units by the Governmental Accounting Standards Board, and (h) in the case of some

DWSRF Project Obligations, use a fiscal agent for the payment of debt service under, and holding of any reserve fund for, the DWSRF Project Obligation. CWSRF Project Obligations generally contain a requirement mandating minimum coverage ratios of net system revenues to total system debt service, including Project Obligations, that generally range from 110% to 125%, though credit factors may result in higher or lower coverage requirements in specific instances. Legacy DWSRF Project Obligations generally contain a requirement mandating that gross revenues be sufficient to pay operating costs and debt service on the DWSRF Project Obligation. DWSRF Project Obligations generally contain a requirement mandating minimum coverage ratios of net system revenues to total system debt service, including Project Obligations, that generally range from 110% to 125% though credit factors may result in higher or lower coverage requirements in specific instances.

Monitoring Project Obligations. The State Water Board monitors and surveils all Project Obligations in a variety of ways to ensure that loans are repaid on time and in full, including, but not limited to, (1) reviewing bankruptcy filings, (2) reviewing news clips and press releases, and (3) requiring loan Recipients to submit annual, audited financial statements, which, in the case of Pledged Project Obligations, must be for so long as such Project Obligations are Pledged Project Obligations. The State Water Board has increased its surveillance for all Project Obligations beyond the initial five year mark.

Following an event of default under a Project Obligation, the State Water Board may pursue various remedies, such as restructuring payment terms or taking action in court to compel performance by the Recipient. However, there can be no assurance that the exercise of such remedies would fully compensate the State Water Board for losses it suffers as a result of such event of default.

The State Water Board monitors Recipients' finances and works closely with the Recipients to maximize the likelihood of complete repayment of the Project Obligations.

#### Legacy Project Obligations.

CWSRF. Financing agreement language for the CWSRF Project Obligations dated prior to 2003 ("Legacy CWSRF Project Obligations") may not include certain provisions that are typically included in revenue bond financings in the public finance sector, such as an explicit pledge, lien or encumbrance on revenues, a specific rate covenant, a stated priority of the dedicated source of revenues used to repay the CWSRF Project Obligations, nor, in most instances prior to 1994, a covenant regarding additional borrowings. The financing agreement language for the CWSRF Project Obligations executed starting in 2003 does include an explicit pledge, lien or encumbrance on revenues, a specific rate covenant, a stated priority of the dedicated source of revenues used to repay the Project Obligations and a covenant regarding additional borrowings. CWSRF Pledged Project Obligations that are Legacy CWSRF Project Obligations are indicated by footnote in APPENDIX A — "PLEDGED PROJECT OBLIGATIONS — CWSRF PLEDGED PROJECT OBLIGATIONS."

DWSRF. Financing agreement language for the DWSRF Project Obligations dated prior to 2015 ("Legacy DWSRF Project Obligations") may not include certain provisions that are typically included in revenue bond financings in the public finance sector, such as an explicit

pledge, lien or encumbrance on revenues, a specific rate covenant, a stated priority of the dedicated source of revenues used to repay the Legacy DWSRF Project Obligations, nor, in most instances prior to 2015, a covenant regarding additional borrowings. In addition, the pledge, lien or encumbrance on revenues in certain Legacy DWSRF Project Obligations may be expressly or effectively subordinate to a Recipient's other revenue obligations or may be on only a portion of a Recipient's revenues or on special fees or charges. The financing agreement language for the DWSRF Project Obligations executed starting in 2015 does include an explicit pledge, lien or encumbrance on revenues (unless not otherwise permitted by a Recipient's charter or revenue bond documents), a specific rate covenant, a stated priority of the dedicated source of revenues used to repay the Project Obligations and a covenant regarding additional borrowings. The State Water Board has completed the transition of all Legacy DWSRF Obligations from manual records to its automated system. In making this transition, the State Water Board determined that there had been errors in calculating payments as well as failures to collect payments. As a result, principal amounts of Legacy DWSRF Obligations may not be correct in all cases. All of the DWSRF Pledged Project Obligations are Legacy DWSRF Project Obligations as indicated by footnote in APPENDIX A — "PLEDGED PROJECT OBLIGATIONS — DWSRF PLEDGED PROJECT OBLIGATIONS."

#### Amount of Project Obligations.

CWSRF. As of June 30, 2025, the State Water Board had approximately \$4.9 billion outstanding principal amount of CWSRF Project Obligations that are currently in principal repayment. As of June 30, 2025, the State Water Board had approximately \$1.5 billion outstanding principal amount of CWSRF Project Obligations that are not yet in principal repayment, and approximately \$2.4 billion in outstanding encumbrances remaining to be disbursed on CWSRF Project Obligations as principal or principal subject to forgiveness. The State Water Board adopted its fiscal year 2025-26 CWSRF Fundable List on August 5, 2025. The fiscal year 2025-26 CWSRF Fundable List includes approximately 76 projects requesting approximately \$1.6 billion, which can be approved for CWSRF or parallel state financing if all eligibility requirements are met. See "OUTSTANDING BONDS AND FUTURE BOND ISSUANCE — Future Bond Issuance — CWSRF."

DWSRF. As of June 30, 2025, the State Water Board had approximately \$2 billion outstanding principal amount of DWSRF Project Obligations that are currently in principal repayment. As of June 30, 2025, the State Water Board had approximately \$442 million of outstanding principal amount of DWSRF Project Obligations that are not yet in principal repayment, and approximately \$1.2 billion in outstanding encumbrances remaining to be disbursed on DWSRF Project Obligations as principal or principal subject to forgiveness. The State Water Board adopted its fiscal year 2025-26 DWSRF Fundable List on August 19, 2025. The fiscal year 2025-26 DWSRF Fundable List includes approximately 61 projects requesting approximately \$900 million, which can be approved for DWSRF or parallel state financing if all eligibility requirements are met. See "OUTSTANDING BONDS AND FUTURE BOND ISSUANCE — Future Bond Issuance — DWSRF."

## **Pledged Project Obligations**

Pursuant to the Master Payment and Pledge Agreement, the State Water Board will pledge to IBank 301 Project Obligations (281 CWSRF Pledged Project Obligations from 143 Recipients with an outstanding aggregate principal amount as of June 30, 2025, of approximately \$5.58 billion and 20 DWSRF Pledged Project Obligations from 10 Recipients with an outstanding aggregate principal amount as of June 30, 2025, of approximately \$678 million (the “Pledged Project Obligations”). The aggregate principal amounts of such Pledged Project Obligations may increase as the result of any additional capitalized interest. Under the Indenture and the Master Payment and Pledge Agreement, the Pledged Project Obligations can be substituted, added, or released from time to time at the discretion of the State Water Board if the requirements of the Indenture are satisfied. See “SECURITY AND SOURCE OF PAYMENT FOR BONDS — Release of Pledged Project Obligations.” The Pledged Project Obligations at the time of issuance of the Series 2025 Bonds are listed in APPENDIX A — “PLEGGED PROJECT OBLIGATIONS.”

Monitoring Pledged Project Obligations. The State Water Board is required to monitor each Pledged Project Obligation Recipient's performance under the Pledged Project Obligations, exercise all rights and remedies under any statute, rule, or the Master Payment and Pledge Agreement to ensure the timely performance by the Pledged Project Obligation Recipient and the timely payment of all amounts due under the Pledged Project Obligations and diligently enforce, and take all reasonable steps, actions and proceedings necessary for the enforcement of, all terms, covenants and conditions of all Pledged Project Obligations. APPENDIX D — “SUMMARY OF THE MASTER TRUST INDENTURE AND THE MASTER PAYMENT AND PLEDGE AGREEMENT — Master Payment and Pledge Agreement — Enforcement of the Pledged Project Obligations.” The State Water Board may, but is not required to, substitute or add Project Obligations to the lien of the Master Payment and Pledge Agreement. See “SECURITY AND SOURCE OF PAYMENT FOR BONDS — Release of Pledged Project Obligations.”

The State Water Board has determined that certain financial and operating information for the Recipients of the Pledged Project Obligations pledged to the Bonds will be provided when a Recipient has Pledged Project Obligations in an outstanding aggregate principal amount comprising more than 20% of the aggregate principal amount of the Pledged Project Obligations (a “Significant Borrower”). Upon issuance of the Series 2025 Bonds, no Recipient will be Significant Borrower. See APPENDIX A — “PLEGGED PROJECT OBLIGATIONS.” No assurances can be given that one or more Recipients will not become Significant Borrowers during the term of the Series 2025 Bonds. In such event, the State Water Board will provide certain information with respect to each Significant Borrower beginning with the annual statement following the year in which a Recipient becomes a Significant Borrower. See APPENDIX E — “FORM OF CONTINUING DISCLOSURE AGREEMENT.”

## **Matters Affecting Pledged Project Obligation Recipients’ Systems**

General. A number of factors may affect operation of the water or wastewater systems of Pledged Project Obligation Recipients which could in turn impact revenues available to Pledged Project Obligation Recipients for the payment of their Pledged Project Obligations. Actual operation and maintenance expenses of such systems may be greater or less than projected. Factors such as changes in technology, increased costs of material, energy, labor, and administration can

substantially affect system expenses. The operation of Pledged Project Obligation Recipients' water and wastewater systems are also subject to a variety of state and federal laws and regulations. Changes in, modifications in interpretation of, or additions to such applicable laws, provisions, and regulations could have a material adverse effect, either directly or indirectly, on the operation of such systems. Increases in system rates could affect demand for system usage. Other unanticipated federal actions could also have a material adverse effect, either directly or indirectly, on the operation of water or wastewater systems.

The State Water Board's monitoring and surveillance program for both Project Obligations and Pledged Project Obligations is described under "THE RECIPIENTS — Project Obligations — Monitoring Project Obligations; Pledged Project Obligations — Monitoring Pledged Project Obligations." This monitoring and surveillance program will enable the State Water Board to monitor the financial impact of a variety of factors and events on each Recipient's ability to repay their Project Obligations.

California Constitution. Provisions of the California Constitution may affect Pledged Project Obligation Recipients' ability to charge or increase fees for water or sewer services. Fees and charges for the provision of water or service are excluded from the voter approval requirements of Cal. Const. Art. 13D, § 6; although increases in rates also require compliance with the other procedural requirements of Cal. Const. Art. 13D, § 6. Further, Cal. Const. Art. 13C, § 3 provides that the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local fees or charges. No assurance can be given that the voters of a Recipient of a Pledged Project Obligation will not, in the future, approve initiatives which seek to repeal, reduce or prohibit the future imposition or increase of fees or charges for services which are the source of revenues for the payment of its Pledged Project Obligation or that litigation regarding compliance with state law, including the requirements of Cal. Const. Art. 13D, § 6, could result in the change or reduction of fees or charges for services of a Recipient of a Pledged Project Obligation.

**Neither the State Water Board nor IBank makes any representation concerning the impact of matters affecting Pledged Project Obligation Recipient water or wastewater systems, ratepayer initiatives or similar matters on any particular Pledged Project Obligation Recipient or its ability to make payments as provided in its Project Obligation.**

Climate Change and Drought. Climate change is affecting California's water resources and creates additional challenges for water supply availability and reliability. In 2021, the Governor issued several drought emergency orders, most recently on March 24, 2023. Climate change in California may affect revenues of some Recipients and their respective Project Obligations, including particularly those whose water and wastewater rates are based on water usage. Although the State Water Board currently requires that each new applicant for a Project Obligation consider the potential effects of climate change as part of its project analysis, the State Water Board cannot assess the impact of climate change and drought on the Recipients at this time.

Wildfires. California has experienced significant and severe wildfires during several of the previous wildfire seasons. The recent Los Angeles area wildfires have resulted in significant damage to property and infrastructure in the Los Angeles area, including in the service areas of certain Recipients. The Board routinely monitors its Recipients and has implemented additional due diligence procedures to assess any potential financial impact, both in the near- and long-term,

that may result from the Los Angeles area and other wildfires. To date, the Board's operations and financial condition have not been materially impacted by the Los Angeles area or other wildfires. The State Water Board authorized wildfire relief to address the impacts of wildfires that occurred in 2018, but has not authorized wildfire relief for any subsequent wildfires. The Board is not currently in receipt of any formal requests from any Recipients responsible for Pledged Project Obligations for financial hardship relief due to the impacts of the Los Angeles area wildfires. No assurance can be given that Recipients will not face financial hardships as a result of future wildfires that may make it difficult for them to make timely payments on their Project Obligations.

## SECURITY AND SOURCE OF PAYMENT FOR BONDS

### **Limited Obligations**

The Bonds, including the Series 2025 Bonds, are special limited obligations of IBank, payable solely from, and secured by, a pledge of the Pledged Assets consisting primarily of the Pledged Revenues, and the funds and accounts established under the Master Trust Indenture (except amounts on deposit in the Rebate Fund). **The Bonds, including the Series 2025 Bonds, do not constitute an indebtedness of the State Water Board, IBank, or the State or any instrumentality or political subdivision thereof within the meaning of any constitutional debt limitation or restriction nor a pledge of the faith and credit or taxing power of the State or any instrumentality or political subdivision thereof. Neither the State Water Board nor IBank has taxing power.**

### **Pledged Assets**

The Bonds, including the Series 2025 Bonds, are secured by a pledge of the Pledged Assets which consist of all of IBank's right, title, and interest in and to the Master Payment and Pledge Agreement (other than Board Reserved Rights and IBank Reserved Rights), the Pledged Revenues, and the funds and accounts established under the Master Trust Indenture (except amounts on deposit in the Rebate Fund).

### **Sources of Repayment**

The Bonds issued under and secured by the Master Trust Indenture, any Related Series Indenture, and the Master Payment and Pledge Agreement, including the Series 2025 Bonds, are to be repaid from Pledged Revenues derived from the Pledged Project Obligations, including any prepayments.

The Master Trust Indenture provides that Pledged Revenues include (i) repayments of principal of and interest on Pledged Project Obligations and Prepayments thereon, (ii) the principal and interest on Investment Obligations, (iii) payments received from the United States or the State related to Bonds issued under the Master Trust Indenture and as designated in a Series Indenture, and (iv) and any other amounts held under the Master Trust Indenture and designated as Pledged Revenues.

The Master Trust Indenture and the Master Payment and Pledge Agreement define certain events of default and remedies; however, no remedy of acceleration is available following an event

of default. See APPENDIX D — “SUMMARY OF THE MASTER TRUST INDENTURE AND THE MASTER PAYMENT AND PLEDGE AGREEMENT — Events of Default; Remedies.”

### **Pledged Project Obligations**

Pledged Project Obligations consist of the Project Obligations identified by the State Water Board pursuant to the Master Payment and Pledge Agreement. As June 30, 2025, the outstanding principal balance of the Pledged Project Obligations is approximately \$6.261 billion (subject to increase as the result of capitalized interest) with interest rates ranging from 0.0% to 2.70% per annum. See “THE RECIPIENTS — Pledged Project Obligations” and APPENDIX A — “CWSRF PLEDGED PROJECT OBLIGATIONS; DWSRF PLEDGED PROJECT OBLIGATIONS.”

As described below, the State Water Board may from time to time add, release or substitute the Pledged Project Obligations. See “SECURITY AND SOURCE OF PAYMENT FOR BONDS — Release of Pledged Project Obligations.” The issuance of Additional Bonds and other factors may affect the level which amounts receivable on Pledged Project Obligations exceed the amount of Debt Service on the Outstanding Bonds, including the Series 2025 Bonds, at any particular time; provided, however, that the State Water Board would still be required to meet the Additional Bonds Test. See “SECURITY AND SOURCE OF PAYMENT FOR BONDS — Additional Debt.”

If Additional Bonds are issued in the future, the State Water Board may use a portion of the proceeds of such Bonds to fund additional Project Obligations, which, in accordance with the terms of the Master Trust Indenture, may be designated as Pledged Project Obligations.

### **No Debt Service Reserve Fund Requirement for Series 2025 Bonds**

Under the Master Trust Indenture, IBank may, but is not required to, establish the Debt Service Reserve Fund Requirement and make a deposit to the Debt Service Reserve Fund from the proceeds of one or more Series of Bonds. There are no amounts in the Debt Service Reserve Fund. In connection with the Series 2025 Bonds, a Debt Service Reserve Fund Requirement will not be established. There is no amount held in the Debt Service Reserve Fund for any Outstanding Bonds. No assurance can be given that a Debt Service Reserve Fund Requirement for any Series of Bonds will ever be established. See APPENDIX D — “SUMMARY OF THE MASTER TRUST INDENTURE AND THE MASTER PAYMENT AND PLEDGE AGREEMENT — Master Trust Indenture and Series 2025 Indenture — Debt Service Reserve Fund.”

### **Release of Pledged Project Obligations**

Under the Master Trust Indenture, the State Water Board may release Pledged Project Obligations from the lien of the Master Payment and Pledge Agreement so as to become Excluded Project Obligations or substitute and add Project Obligations to the lien of the Master Payment and Pledge Agreement by providing and filing with the Trustee, IBank, and each Rating Agency then rating the Bonds (1) a revised Schedule I to the Master Payment and Pledge Agreement, describing the Pledged Project Obligations to be released and, if applicable, substituted therefor or added thereto, and (2) a Board Officer Certificate which demonstrates, in each year Bonds are scheduled to be Outstanding, compliance with the Coverage Test. “Coverage Test” means, as of any date of calculation, (A) Pledged Assets are not less than 105% of Debt Service for each Bond Year in

which Bonds are scheduled to be Outstanding, and (B) the Debt Service Reserve Fund Requirement, if any, is satisfied.

### **Additional Debt**

Additional Bonds or notes of various Series may be issued pursuant to the Master Trust Indenture and a Related Series Indenture. At the time Additional Bonds are issued, the Master Trust Indenture requires that the State Water Board must file with the Trustee a written certificate of the State Water Board demonstrating compliance with the Additional Bonds Test. (Refunding Bonds that result in aggregate lower Debt Service on the Outstanding Bonds are not required to have such a written certificate of the State Water Board.) Under the Master Trust Indenture, Additional Bonds Test means, as of any date of calculation, (A) Pledged Revenues are not less than 105% of Debt Service for each year in which the Bonds are scheduled to be Outstanding, and (B) the Debt Service Reserve Fund Requirement, if any, is satisfied.

### **Master Trust Indenture Modifications and Change**

IBank and the Trustee may, with the prior written consent of the State Water Board and without the consent of or notice to the Owners, make changes or modifications necessary to the Master Trust Indenture to, among other things, issue Bonds to finance additional State Water Board programs from time to time under the Federal Clean Water Act or the Federal Safe Drinking Water Act, or any other similar State or federally supported financing program as approved by the U.S. EPA, provided that such change or modification does not materially adversely affect or diminish the rights or interests of the Trustee or the Owners of any other Bonds. In making such determination the Trustee shall be entitled to rely on an opinion of counsel. See APPENDIX D — “SUMMARY OF THE MASTER TRUST INDENTURE AND THE MASTER PAYMENT AND PLEDGE AGREEMENT — Master Trust Indenture and Series 2025 Indenture — Supplemental Indentures Not Requiring Consent of Owners.” The Master Trust Indenture has been amended to facilitate the issuance of a Series of Bonds that includes a State Match Portion and to segregate repayments of Bond financed Pledged Project Obligations previously deposited in the Restricted Assets Fund into the Related Bond Proceeds Fund established for a Series of Bonds. Repayments on Pledged Project Obligations that are not Bond financed will continue to be deposited in the Restricted Assets Fund.

### **Summary of Flow of Funds**

General. Under the Master Trust Indenture the proceeds of a Series of Bonds and all amounts equal to the Proceed Percentage received as principal of or interest on Pledged Project Obligations and any Prepayments in an amount equal to the Proceed Percentage are required to be deposited in a Related Bond Proceeds Fund and amounts equal to the Non-Proceed Percentage received as principal of or interest on the Pledged Project Obligations are required to be deposited in a Restricted Assets Fund.

Initial Deposits. Proceeds of the Series 2025 Bonds will be placed in the Series 2025 Clean Water Bond Proceeds Fund established under the Series Indenture. Appendix H identifies the amount of Series 2025 Bond proceeds expected to be provided for each project to be financed with

the proceeds, the completion date for such projects and the percentage of the project expenditure completed.

Bond Proceeds Funds. The Master Trust Indenture provides for the establishment of a Clean Water Bond Proceeds Fund for each Series and a Drinking Water Bond Proceeds Fund for each Series. The Series 2025 Indenture provides for the establishment of the Series 2025 Clean Water Bond Proceeds Fund.

Clean Water Bond Proceeds Fund. The Master Trust Indenture requires the following amounts to be deposited in a Clean Water Bond Proceeds Fund (a) the proceeds of the Related Series as provided in the Related Series Indenture, (b) amounts transferred from a Related Costs of Issuance Fund, (c) all amounts equal to the Proceed Percentage received as principal of or interest on the Related CWSRF Pledged Project Obligations and any CWSRF Prepayments in an amount equal to the Proceed Percentage required to be deposited to a Related Clean Water Bond Proceeds Fund, (d) amounts deposited from a Drinking Water Bond Proceeds Fund and the Drinking Water Restricted Assets Fund to reimburse a Clean Water Bond Proceeds Fund for any transfers made to the Drinking Water Debt Service Fund to make up any insufficiency therein, and (e) any other amounts deposited therein by the State Water Board to be transferred therein from a fund or account not governed by the Master Trust Indenture as the State Water Board finds necessary and convenient.

Amounts deposited into a Clean Water Bond Proceeds Fund which are Pledged Revenues consisting of either (a) repayments of principal of and interest on the Pledged Project Obligations and Prepayments thereon, and (b) the principal and investment earnings on Investment Obligations, shall be applied to pay or reimburse the State Water Board and IBank for any Bond Expenses reasonably incurred in connection with an Event of Default in such manner as directed by the State Water Board, and thereafter all amounts on deposit in a Clean Water Bond Proceeds Fund shall be applied in such order of priority as determined by the State Water Board to:

- (i) fund CWSRF Project Obligations,
- (ii) to refund bonds issued to fund CWSRF Project Obligations,
- (iii) pay Debt Service on that portion of a Series of Bonds issued to fund CWSRF Project Obligations, provided that the State Match Portion may not be paid from principal repayments received on Pledged Project Obligations,
- (iv) pay Bond Expenses of Bonds issued to fund CWSRF Project Obligations,
- (v) subject to reimbursement as provided in the Master Trust Indenture, pay Debt Service on that portion of a Series of Bonds issued to fund DWSRF Project Obligations, provided that the State Match Portion may not be paid from principal repayments received on Pledged Project Obligations,
- (vi) pay any other amounts due from the State Water Board or other amounts that may be paid from the Clean Water Restricted Assets Fund,

- (vii) reimburse a Drinking Water Bond Proceeds Fund or the Drinking Water Restricted Assets Fund,
- (viii) satisfy the Related Rebate Requirement (as provided in the Related Tax Certificate) with respect to the Related Series,
- (ix) such other purpose as provided for a Series of Bonds, each as may be provided in the Related Series Indenture.

Drinking Water Bond Proceeds Fund. The Master Trust Indenture requires the following amounts to be deposited in a Drinking Water Bond Proceeds Fund (a) the proceeds of the Related Series as provided in the Related Series Indenture, (b) amounts transferred from a Related Costs of Issuance Fund, (c) the Proceed Percentage received as principal of or interest on the Related DWSRF Pledged Project Obligations and any DWSRF Prepayments in an amount equal to the Proceed Percentage required to be deposited to the Related Drinking Water Bond Proceeds Fund, (d) amounts deposited from a Clean Water Bond Proceeds Fund and the Clean Water Restricted Assets Fund to reimburse a Drinking Water Bond Proceeds Fund for any transfers made to the Clean Water Debt Service Fund to make up any insufficiency therein, and (v) any other amounts deposited therein by the State Water Board to be transferred therein from a fund or account not governed by the Master Trust Indenture as the State Water Board finds necessary and convenient.

Amounts deposited into a Drinking Water Bond Proceeds Fund which are Pledged Revenues consisting of either (a) repayments of principal of and interest on the Pledged Project Obligations and Prepayments thereon, and (b) the principal and investment earnings on Investment Obligations shall be applied to pay or reimburse the State Water Board and IBank for any Bond Expenses reasonably incurred in connection with an Event of Default in such manner as directed by the State Water Board, and thereafter all amounts on deposit in a Drinking Water Bond Proceeds Fund shall be applied in such order of priority as determined by the State Water Board to:

- (i) fund DWSRF Project Obligations,
- (ii) to refund bonds issued to fund DWSRF Project Obligations,
- (iii) pay Debt Service on that portion of a Series of Bonds issued to fund DWSRF Project Obligations, provided that the State Match Portion may not be paid from principal repayments received on Pledged Project Obligations,
- (iv) pay Bond Expenses of Bonds issued to fund DWSRF Project Obligations,
- (v) subject to reimbursement as provided in the Master Trust Indenture, pay Debt Service on that portion of a Series of Bonds issued to fund CWSRF Project Obligations,
- (vi) pay any amounts due from the State Water Board or other amounts that may be paid from the Drinking Water Restricted Assets Fund,

- (vii) reimburse a Clean Water Bond Proceeds Fund or the Clean Water Restricted Assets Fund,
- (viii) satisfy the Related Rebate Requirement (as provided in the Related Tax Certificate) with respect to the Related Series of Bonds, and
- (ix) such other purpose as provided for a Series of Bonds, each as may be provided in the Related Series Indenture.

Restricted Assets Funds. The Master Trust Indenture provides for the establishment of a Clean Water Restricted Assets Fund and a Drinking Water Restricted Assets Fund.

Clean Water Restricted Assets Fund. The Master Trust Indenture requires the following amounts to be deposited in the Clean Water Restricted Assets Fund (a) amounts equal to the Non-Proceed Percentage received as principal or interest on the CWSRF Pledged Project Obligations and any CWSRF Prepayments in an amount equal to the Non-Proceed Percentage Amounts transferred from a Related Clean Water Prepayment Fund, and (b) any amounts directed by the State Water Board to be transferred therein from a fund or account not governed by the Master Trust Indenture and any other amounts directed to be deposited therein by the State Water Board. Investment earnings on amounts in the Clean Water Restricted Assets Fund are required to be transferred when received to the Clean Water Debt Service Fund.

Amounts in the Clean Water Restricted Assets Fund shall be applied as follows in the following order of priority to:

- (i) pay or reimburse the State Water Board and IBank for any Bond Expenses reasonably incurred in connection with an Event of Default,
- (ii) pay amounts due from the State Water Board in accordance with the priority described under “Payments by the State Water Board - Clean Water Restricted Assets Fund,”
- (iii) reimburse a Drinking Water Bond Proceeds Fund or the Drinking Water Restricted Assets Fund for any transfers made to the Clean Water Debt Service Fund to make up any insufficiency therein,
- (iv) be applied at the direction of the State Water Board (i) to pay for CWSRF Administrative Costs, (ii) to acquire a CWSRF Pledged Project Obligation, (iii) to the redemption or purchase of Bonds issued to fund CWSRF Project Obligations as provided in the Master Trust Indenture and a Related Series Indenture, (iv) to make payments to the Trustee and IBank required by the Master Payment and Pledge Agreement, (v) to be transferred to a Related Clean Water Bond Proceeds Fund in amounts equal to the principal of or interest on a CWSRF Pledge Project Obligations funded with the proceeds of the Related Series or as CWSRF Prepayments as may be held in the Clean Water Restricted Assets Fund, or (vi), subject to the payment of any

amounts necessary to satisfy the Related Rebate Requirement (as provided in the Related Tax Certificate).

Drinking Water Restricted Assets Fund. The Master Trust Indenture requires the following amounts to be deposited in the Drinking Water Restricted Assets Fund (a) amounts equal to the Non-Proceed Percentage received as principal or interest on the DWSRF Pledged Project Obligations and any DWSRF Prepayments in an amount equal to the Non-Proceed Percentage Amounts transferred from a Related Drinking Water Prepayment Fund, and (b) any amounts directed by the State Water Board to be transferred therein from a fund or account not governed by the Master Trust Indenture and any other amounts directed to be deposited therein by the State Water Board. Investment earnings on amounts in the Drinking Water Restricted Assets Fund are required to be transferred when received to the Drinking Water Debt Service Fund.

Amounts in the Drinking Water Restricted Assets Fund shall be applied as follows in the following order of priority to:

- (i) pay or reimburse the State Water Board and IBank for any Bond Expenses reasonably incurred in connection with an Event of Default,
- (ii) pay amounts due from the State Water Board in accordance with the priority described under “Payments by the State Water Board - Drinking Water Restricted Assets Fund,”
- (iii) reimburse a Clean Water Bond Proceeds Fund or Clean Water Restricted Assets Fund for any transfers made to the Drinking Water Debt Service Fund to make up any insufficiency therein,
- (iv) be applied at the direction of the State Water Board (i) to pay for DWSRF Administrative Costs, (ii) to acquire a DWSRF Pledged Project Obligation, (iii) to the redemption or purchase of Bonds issued to fund DWSRF Project Obligations as provided in the Master Trust Indenture and a Related Series Indenture, provided that the State Match Portion may not be paid from principal repayments received on Pledged Project Obligations, (iv) to make payments to the Trustee and IBank required by the Master Payment and Pledge Agreement, (v) to be transferred to a Related Drinking Water Bond Proceeds Fund in amounts equal to the principal of or interest on a DWSRF Pledge Project Obligations funded with the proceeds of the Related Series or as DWSRF Prepayments as may be held in the Drinking Water Restricted Assets Fund or (vi), subject to the payment of any amounts necessary to satisfy the Related Rebate Requirement (as provided in the Related Tax Certificate).

Payments by the State Water Board. The Master Trust Indenture provides that the State Water Board shall make periodic payments from the Clean Water Restricted Assets Fund and the Drinking Water Restricted Assets Fund to the Trustee on each Board Payment Date. The Board Payment Dates are March 15, June 15, September 15, and December 15 of each year. Payments

from the Clean Water Restricted Assets Fund and the Drinking Water Restricted Assets Fund are as follows:

Clean Water Payments. The amount due and payable on a Board Payment Date with respect to Bonds issued to fund CWSRF Project Obligations shall be determined as follows and paid in the following order of priority, provided that moneys representing the repayment of principal of Pledged Project Obligations shall not be used for the payments of the State Match Portion of a Series of Bonds:

- (i) The amount necessary to pay the interest portion of the Amount Payable due on a Series of Bonds issued to fund CWSRF Project Obligations on the next succeeding Related Bond Payment Date on which interest is due less amounts to be used to pay interest on the Related Series as provided in the Clean Water Debt Service Fund provisions of the Master Trust Indenture (provided that the State Water Board may include in its calculation of the amounts paid to the Trustee any investment earnings transferred from the Clean Water Debt Service Reserve Fund to the Clean Water Debt Service Fund, and interest earnings on deposit in the Clean Water Debt Service Fund);
- (ii) The amount necessary to pay the principal portion of the Amount Payable due on a Series of Bonds issued to fund CWSRF Project Obligations on the next succeeding Related Bond Payment Date on which principal is due;
- (iii) The amount necessary to pay the interest portion of the Amount Payable due on such Series of Bonds issued to fund DWSRF Project Obligations except for Debt Service on any State Match Portion on the next succeeding Related Bond Payment Date on which interest is due for which payments described in clause (i) under “Payments by the State Water Board – Drinking Water Restricted Assets Fund” are insufficient;
- (iv) The amount necessary to pay the principal portion of the Amount Payable due on a Series of Bonds issued to fund DWSRF Project Obligations except for Debt Service on any State Match Portion on the next succeeding Related Bond Payment Date on which principal is due for which payments described in clause (ii) under “Payments by the State Water Board – Drinking Water Restricted Assets Fund” are insufficient;
- (v) The amount necessary to pay any other amounts that remain due and unpaid, including amounts to reimburse a Drinking Water Bond Proceeds Fund or the Drinking Water Restricted Assets Fund for any transfers made to the Clean Water Debt Service Fund to make up any insufficiency therein;
- (vi) The amount necessary to pay such amounts as are required pursuant to a Related Tax Certificate; and
- (vii) The amount necessary to pay for Bond Expenses.

Drinking Water Payments. The amount due and payable on a Bond Payment Date with respect to Bonds issued to fund DWSRF Project Obligations from the Drinking Water Restricted Assets Fund shall be determined as follows and paid in the following order of priority:

- (i) The amount necessary to pay the interest portion of the Amount Payable due on a Series of Bonds issued to fund DWSRF Project Obligations on the next succeeding Related Bond Payment Date on which interest is due less amounts to be used to pay interest on the Related Series as provided in the Drinking Water Debt Service Fund provisions of the Master Trust Indenture (provided that the State Water Board may include in its calculation of the amounts paid to the Trustee any investment earnings transferred from the Drinking Water Debt Service Reserve Fund to the Drinking Water Debt Service Fund, and interest earnings on deposit in the Drinking Water Debt Service Fund);
- (ii) The amount necessary to pay the principal portion of the Amount Payable due on a Series of Bonds issued to fund DWSRF Project Obligations on the next succeeding Related Bond Payment Date on which principal is due;
- (iii) The amount necessary to pay the interest portion of the Amount Payable due on such Series of Bonds issued to fund CWSRF Project Obligations except for Debt Service on any State Match Portion on the next succeeding Related Bond Payment Date on which interest is due for which payments described in clause (i) under “Payments by the State Water Board – Clean Water Restricted Assets Fund” are insufficient;
- (iv) The amount necessary to pay the principal portion of the Amount Payable due on a Series of Bonds issued to fund CWSRF Project Obligations except for Debt Service on any State Match Portion on the next succeeding Related Bond Payment Date on which principal is due for which payments described in clause (ii) under “Payments by the State Water Board – Clean Water Restricted Assets Fund” are insufficient;
- (v) The amount necessary to pay any other amounts that remain due and unpaid, including amounts to reimburse a Clean Water Bond Proceeds Fund or the Clean Water Restricted Assets Fund for any transfers made to the Drinking Water Debt Service Fund to make up any insufficiency therein;
- (vi) The amount necessary to pay such amounts as are required pursuant to a Related Tax Certificate; and
- (vii) The amount necessary to pay for Bond Expenses.

Deposits to Debt Service Funds. The Master Trust Indenture establishes the Clean Water Debt Service Fund and the Drinking Water Debt Service Fund. The application of funds for deposit into the Clean Water Debt Service Fund and the Drinking Water Debt Service Fund pursuant to the Master Trust Indenture may be briefly described as follows:

Deposits to the Clean Water Debt Service Fund. There shall be deposited into the Clean Water Debt Service Fund the amounts due for Bonds issued to finance CWSRF Project Obligations on each Related Board Payment Date and investment earnings on amounts in any Related Clean Water Bond Proceeds Fund, the Clean Water Restricted Assets Fund and the Clean Water Prepayment Fund. Interest earnings on amounts held in the Clean Water Debt Service Fund shall be credited and held therein. Amounts to be deposited into the Clean Water Debt Service Fund shall be transferred in the following priorities, subject to the exceptions described in the final paragraph of this subsection:

- (i) Amounts designated to be used from proceeds of a Series and transferred to pay Debt Service on the Series of Bonds issued to fund CWSRF Project Obligations, as provided in the Related Series Indenture;
- (ii) Amounts transferred from a Clean Water Debt Service Reserve Fund, constituting certain amounts in excess of a Debt Service Reserve Fund Requirement, as and to the extent required under the Master Trust Indenture;
- (iii) Investment earnings on amounts held in a Clean Water Debt Service Reserve Fund;
- (iv) Amounts transferred from the Clean Water Prepayment Fund;
- (v) Amounts transferred from the Clean Water Bond Proceeds Fund as and to the extent provided in the Master Trust Indenture to pay the principal portion and the interest portion of the Amount Payable;
- (vi) Amounts transferred from Clean Water Restricted Assets Fund as and to the extent provided in the Master Trust Indenture to pay the principal portion and the interest portion of the Amount Payable;
- (vii) Certain amounts transferred from a Clean Water Debt Service Reserve Fund;
- (viii) Amounts transferred from the Drinking Water Bond Proceeds Fund as and to the extent provided in the Master Trust Indenture to pay the principal portion and the interest portion of the Amount Payable to the extent amounts in the Clean Water Debt Service Fund are insufficient;
- (ix) Amounts transferred from the Drinking Water Restricted Assets Fund as and to the extent provided in the Master Trust Indenture to pay the principal portion and the interest portion of the Amount Payable to the extent amounts in the Clean Water Debt Service Fund are insufficient;
- (x) Any other amounts transferred from the Clean Water Restricted Assets Fund;
- (xi) Any amounts transferred from a fund or account not governed by the Master Trust Indenture as the State Water Board finds necessary and convenient; and
- (xii) Any other amounts deposited therein by the State Water Board as the State Water Board finds necessary and convenient.

In the event that there are sufficient funds to make all payments required to be made from the Clean Water Debt Service Fund, at the direction of the State Water Board (A) amounts in the Clean Water Restricted Assets Fund may be used pursuant to (vi) above prior to amounts in a Clean Water Bond Proceeds Fund pursuant to (v) above and amounts shall be withdrawn from a Clean Water Bond Proceeds Fund pursuant to (v) above in the order as such amounts were deposited (and, in the event that such amount exceeds the amount necessary to be withdrawn, as directed by the State Water Board), and (B) amounts in the Drinking Water Restricted Assets Fund may be used pursuant to (ix) above prior to amounts in a Drinking Water Bond Proceeds Fund pursuant to (viii) above and amounts shall be withdrawn from a Drinking Water Bond Proceeds Fund pursuant to (viii) above in the order as such amounts were deposited (and, in the event that such amount exceeds the amount necessary to be withdrawn, as directed by the State Water Board).

Deposits to the Drinking Water Debt Service Fund. There shall be deposited into the Drinking Water Debt Service Fund the amounts due for Bonds issued to finance DWSRF Project Obligations on each Related Board Payment Date and investment earnings on amounts in any Related Drinking Water Bond Proceeds Fund, the Drinking Water Restricted Assets Fund and the Drinking Water Prepayment Fund. Interest earnings on amounts held in the Drinking Water Debt Service Fund shall be credited and held therein. Amounts to be deposited into the Drinking Water Debt Service Fund shall be transferred in the following priorities, subject to the exceptions described in the final paragraph of this subsection:

- (i) Amounts designated to be used from proceeds of a Series and transferred to pay Debt Service on the Series of Bonds issued to fund DWSRF Project Obligations, as provided in the Related Series Indenture;
- (ii) Amounts transferred from a Drinking Water Debt Service Reserve Fund, constituting certain amounts in excess of a Debt Service Reserve Fund Requirement, as and to the extent required under the Master Trust Indenture;
- (iii) Investment earnings on amounts held in a Drinking Water Debt Service Reserve Fund;
- (iv) Amounts transferred from the Drinking Water Prepayment Fund;
- (v) Amounts transferred from the Drinking Water Bond Proceeds Fund as and to the extent provided in the Master Trust Indenture to pay the principal portion and the interest portion of the Amount Payable;
- (vi) Amounts transferred from Drinking Water Restricted Assets Fund as and to the extent provided in the Master Trust Indenture to pay the principal portion and the interest portion of the Amount Payable;
- (vii) Certain amounts transferred from a Drinking Water Debt Service Reserve Fund;

- (viii) Amounts transferred from the Clean Water Bond Proceeds Fund as and to the extent provided in the Master Trust Indenture to pay the principal portion and the interest portion of the Amount Payable to the extent amounts in the Drinking Water Debt Service Fund are insufficient;
- (ix) Amounts transferred from the Clean Water Restricted Assets Fund as and to the extent provided in the Master Trust Indenture to pay the principal portion and the interest portion of the Amount Payable to the extent amounts in the Drinking Water Debt Service Fund are insufficient;
- (x) Any other amounts transferred from the Drinking Water Restricted Assets Fund;
- (xi) Amounts transferred from a fund or account not governed by the Master Trust Indenture as the State Water Board finds necessary and convenient; and
- (xii) Any other amounts deposited therein by the State Water Board as the State Water Board finds necessary and convenient.

In the event that there are sufficient funds to make all payments required to be made from the Drinking Water Debt Service Fund, at the direction of the State Water Board (A) amounts in the Drinking Water Restricted Assets Fund may be used pursuant to (vi) above prior to amounts in a Drinking Water Bond Proceeds Fund pursuant to (v) above and amounts shall be withdrawn from a Drinking Water Bond Proceeds Fund pursuant to (v) above in the order as such amounts were deposited (and, in the event that such amount exceeds the amount necessary to be withdrawn, as directed by the State Water Board), and (B) amounts in the Clean Water Restricted Assets Fund may be used pursuant to (ix) above prior to amounts in a Clean Water Bond Proceeds Fund pursuant to (viii) above and amounts shall be withdrawn from a Clean Water Bond Proceeds Fund pursuant to (viii) above in the order as such amounts were deposited (and, in the event that such amount exceeds the amount necessary to be withdrawn, as directed by the State Water Board).

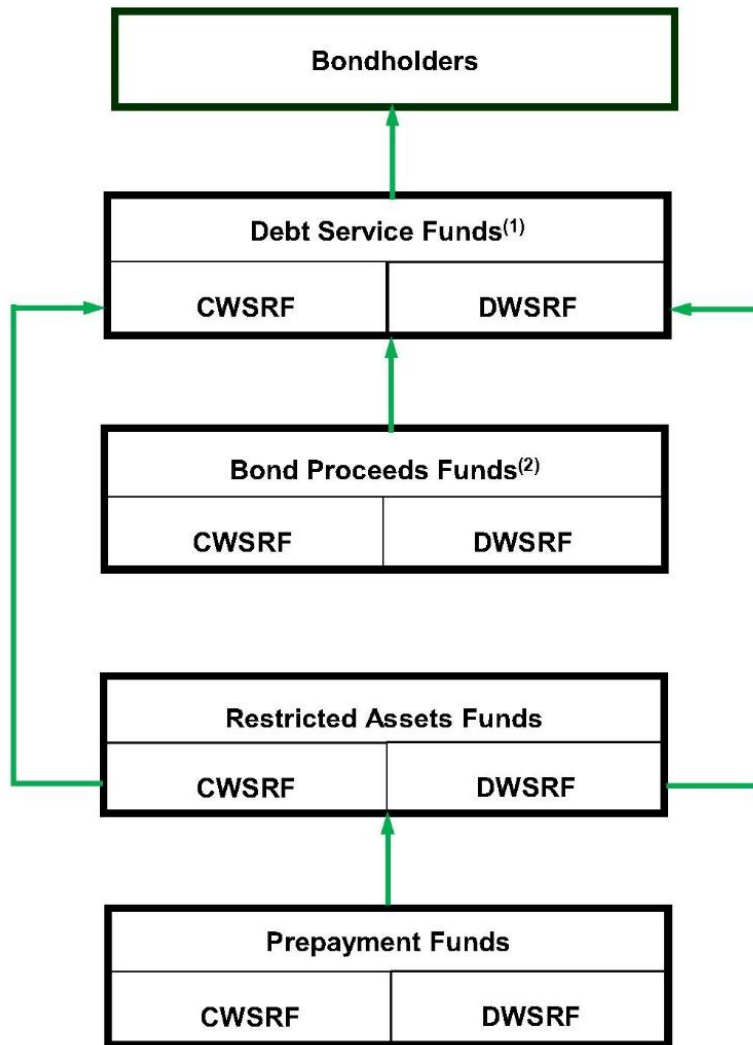
Under the Master Trust Indenture, amounts held in the accounts in the Clean Water Debt Service Fund or Drinking Water Debt Service Fund shall be applied by the Trustee on each Related Bond Payment Date to pay Debt Service on the Related Series.

The Master Trust Indenture provides the following exceptions to the deposit of funds to the Clean Water Debt Service Fund or Drinking Water Debt Service Fund described above: if an Event of Default shall have occurred and be continuing, prior to any transfers by the State Water Board of amounts into the Clean Water Debt Service Fund or Drinking Water Debt Service Fund, the State Water Board may first retain from amounts in the Clean Water Restricted Assets Fund and Drinking Water Restricted Assets Fund such amounts as are necessary to pay or reimburse the State Water Board and IBank for any Bond Expenses reasonably incurred in connection with such Event of Default.

## **Flow of Funds Diagram**

The following diagram illustrates the portion of the flow of funds set forth in the Master Trust Indenture related to repayments of Pledged Project Obligations from the Restricted Assets Fund pursuant to the Master Trust Indenture and is not intended to be a complete or definitive description of the flow of funds. For a more complete description, see “SECURITY AND SOURCE OF PAYMENT FOR BONDS – Summary of Flow of Funds” and APPENDIX D — “SUMMARY OF THE MASTER TRUST INDENTURE AND THE MASTER PAYMENT AND PLEDGE AGREEMENT — Master Trust Indenture and Series 2025 Indenture.”

## MTI FLOW OF FUNDS



- (1) Pursuant to Section 6.06 of the MTI, the Clean Water and Drinking Water SRF Programs are cross-collateralized.  
 (2) Bond funded pledged proceeds, including pre-payments, are deposited directly into the Bond Proceeds Fund(s).

**ESTIMATED SOURCES AND USES OF FUNDS**

The sources and uses of funds with respect to the Series 2025 Bonds are estimated to be applied as follows:

**Sources:**

Par Amount  
Original Issue Premium  
**Total**

**Uses:**

CWSRF Leveraged Portion  
Purchasers' Discount  
Costs of Issuance  
**Total**

**Use of Proceeds**

The Series 2025 Bond proceeds are expected to be used, together with CWSRF [and DWSRF] program funds, to fund the projects listed in Appendix H (the "Series 2025 Financings"). Approximately \$600 million of Series 2025 Bond proceeds and approximately \$2.4 billion of other CWSRF program funds, including the Revenue Bonds and other prior series CWSRF revenue bonds, are anticipated to be applied to fund the Series 2025 Financings. Series 2025 Bond proceeds will also be used to pay for costs associated with the issuance of the Series 2025 Bonds. At closing the State Water Board anticipates using approximately \$\_\_\_ million of net bond proceeds to refinance a portion of CWSRF disbursements for previously financed Series 2025 Financings. Accordingly, the State Water Board expects to expend up to approximately 30% of the net proceeds of the Series 2025 Bonds, after deducting the amount devoted to paying costs of issuance, on the date of closing. The State Water Board anticipates expending all of the remaining proceeds within three years of the issuance of the Series 2025 Bonds. If there are unexpended Series 2025 Bond proceeds in the Series 2025 Bond Proceeds Fund, the unexpended funds will be applied to Series 2025 Financings or other projects eligible to receive Bond proceeds within such three-year period.

**OUTSTANDING BONDS AND FUTURE BOND ISSUANCE**

**Outstanding Bonds**

IBank has previously issued Bonds for the benefits of the SRFs, of which the following will be outstanding upon the issuance of the Series 2025 Bonds:

<u>Issue</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal Amount</u>	<u>SRF</u>
Revenue Bonds, Series 2016	\$410,735,000	\$158,475,000	CWSRF
Revenue Bonds, Series 2017	450,000,000	194,100,000	CWSRF
Revenue Bonds, Series 2018	449,225,000	287,870,000	CWSRF
Revenue Bonds, Series 2019	83,920,000	44,510,000	DWSRF
Revenue Bonds, Series 2023	545,320,000	527,260,000	CWSRF
Revenue Bonds, Series 2024	272,950,000	263,405,000	CWSRF
Revenue Bonds, Series 2025	*	*	CWSRF
Total	\$ _____	\$ _____	

\* Preliminary, subject to change.

## **Future Bond Issuance**

The State Water Board’s Clean Water and Drinking Water State Revolving Funds Debt Management Policy provides that after an analysis of borrower demand and cash flow are completed, and it is determined that cash flow is projected to be insufficient to meet existing and upcoming commitments, staff will seek State Water Board approval and develop a plan to enter the market and issue Bonds.

CWSRF. The State Water Board has authorized \$2.2 billion of Bonds outstanding to fund CWSRF Project Obligations and may authorize further additional Bonds to fund projects for the CWSRF. See “THE RECIPIENTS — Project Obligations — Amount of Project Obligations — CWSRF.”

DWSRF. The State Water Board has authorized \$100 million of Bonds to fund DWSRF Project Obligations and may authorize the issuance of additional Bonds to fund projects for the DWSRF. See “THE RECIPIENTS — Project Obligations — Amount of Project Obligations — DWSRF.”

## **CASH FLOW SCHEDULE**

The following cash flow schedule sets forth on an annual basis the Pledged Revenues and the Debt Service on the Outstanding Bonds, including the Series 2025 Bonds. The amounts set forth in the cash flow schedule are based upon various assumptions concerning the timely repayment of Pledged Project Obligations in accordance with scheduled repayment amounts and without any prepayments of such amounts and other assumptions. There can be no assurance that the assumptions will be fulfilled. Actual cash flow and debt service coverage may be different than described below. In addition, the cash flow schedules assume that there is no substitution, addition or release of Pledged Project Obligations as permitted under the Indenture. Any such release of Pledged Project Obligations could result in a reduction in the debt service coverage set forth in the Cash Flow Schedule below; provided, however, that the State Water Board would still be required to meet the Coverage Test. See “SECURITY AND SOURCE OF PAYMENT FOR BONDS — Release of Pledged Project Obligations.”

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**CASH FLOW SCHEDULE**

<b>Bond Year Ending October 1</b>	<b>Scheduled Repayments from Pledged Project Obligations</b>	<b>Debt Service on Outstanding Bonds</b>	<b><u>Series 2025 Bonds Debt Service*</u></b>			<b>Total Debt Service*</b>	<b>Debt Service Coverage*</b>
			<b>Principal</b>	<b>Interest</b>	<b>Total</b>		
2026	\$307,110,234	\$170,840,250	\$ 4,000,000	\$20,113,989	\$24,113,989	\$194,954,239	1.58
2027	321,119,670	167,099,500	12,590,000	25,386,700	37,976,700	205,076,200	1.57
2028	339,117,564	165,177,000	13,220,000	24,757,200	37,977,200	203,154,200	1.67
2029	327,081,949	147,152,750	13,880,000	24,096,200	37,976,200	185,128,950	1.77
2030	321,593,896	134,443,750	14,575,000	23,402,200	37,977,200	172,420,950	1.87
2031	320,314,703	128,411,000	15,305,000	22,673,450	37,978,450	166,389,450	1.93
2032	314,729,042	116,430,750	16,070,000	21,908,200	37,978,200	154,408,950	2.04
2033	300,502,750	107,699,750	16,875,000	21,104,700	37,979,700	145,679,450	2.06
2034	293,341,509	100,200,000	17,720,000	20,260,950	37,980,950	138,180,950	2.12
2035	290,783,885	97,587,250	18,605,000	19,374,950	37,979,950	135,567,200	2.14
2036	274,995,517	82,112,000	19,535,000	18,444,700	37,979,700	120,091,700	2.29
2037	272,444,421	67,050,500	20,510,000	17,467,950	37,977,950	105,028,450	2.59
2038	263,330,786	63,554,200	21,535,000	16,442,450	37,977,450	101,531,650	2.59
2039	257,768,936	63,585,300	22,615,000	15,365,700	37,980,700	101,566,000	2.54
2040	248,347,412	63,070,350	23,745,000	14,234,950	37,979,950	101,050,300	2.46
2041	244,765,052	63,090,750	24,930,000	13,047,700	37,977,700	101,068,450	2.42
2042	238,789,814	63,117,950	26,175,000	11,801,200	37,976,200	101,094,150	2.36
2043	233,494,498	62,348,250	27,485,000	10,492,450	37,977,450	100,325,700	2.33
2044	228,353,776	62,353,150	28,860,000	9,118,200	37,978,200	100,331,350	2.28
2045	228,979,579	62,362,300	30,015,000	7,963,800	37,978,800	100,341,100	2.28
2046	229,168,633	62,376,900	31,215,000	6,763,200	37,978,200	100,355,100	2.28
2047	223,784,193	60,952,950	32,465,000	5,514,600	37,979,600	98,932,550	2.26
2048	206,061,631	19,643,550	33,765,000	4,216,000	37,981,000	57,624,550	3.58
2049	189,012,617	-	35,115,000	2,865,400	37,980,400	37,980,400	4.98
2050	161,680,531	-	36,520,000	1,460,800	37,980,800	37,980,800	4.26
<b>Total</b>	<b>\$6,636,672,599</b>	<b>\$2,130,660,150</b>	<b>\$557,325,000</b>	<b>\$378,277,639</b>	<b>\$935,602,639</b>	<b>\$3,066,262,789</b>	

\*Preliminary, subject to change.

## THE SERIES 2025 BONDS

### **General**

The Series 2025 Bonds are issued in fully registered form in the denominations of \$5,000 and any integral multiple thereof. The Series 2025 Bonds will bear interest from their date of issuance, and will mature on the dates and in the principal amounts set forth on the inside cover page hereof.

Interest on the Series 2025 Bonds is payable on \_\_\_\_\_, 2025 and semiannually thereafter on April 1 and October 1 of each year. The record date for the payment of such interest on the Series 2025 Bonds is the close of business on the fifteenth day of the month immediately preceding such interest payment date. Interest shall be calculated on the basis of a 360 day year consisting of twelve 30 day months.

In any case where the date of maturity of interest on or principal of the Series 2025 Bonds or the date fixed for redemption of any Series 2025 Bonds shall be on a day that is not a Business Day, then payment of interest or principal and premium, if any, need not be made on such date but may be made (without additional interest) on the next succeeding Business Day, with the same force and effect as if made on the date of maturity or the date fixed for redemption, as the case may be. Certain state holidays may fall on days that are not banking holidays, and can vary from year to year.

So long as the Series 2025 Bonds are registered in the name of Cede & Co., as nominee of DTC, principal and interest on the Series 2025 Bonds are payable directly to DTC by the State Treasurer. Upon receipt of payments of principal and interest, DTC is to in turn remit such principal and interest to the Direct Participants in DTC for disbursement to the Beneficial Owners of the Series 2025 Bonds. See APPENDIX G — “BOOK ENTRY SYSTEM.”

To the extent the Series 2025 Bonds are not registered in the name of Cede & Co., as nominee of DTC, interest on the Series 2025 Bonds will be payable by check or draft of the Trustee mailed on each interest payment date to each registered owner of Series 2025 Bonds as of the close of business on the fifteenth day of the month immediately preceding an interest payment date and principal of the Series 2025 Bonds will be payable at the office of the Trustee in Sacramento, California.

### **Designation as Green Bonds**

IBank, at the request of the State Water Board, is issuing the Series 2025 Bonds as “Green Bonds” due to the projects’ adherence to the standards of the Federal and State Clean Water Act. The Series 2025 Bonds are issued to help local governments and other public entities finance water infrastructure projects throughout the State to bring communities into or maintain compliance with the Clean Water Act. The goals of these laws are to protect water resources and protect public health. The purpose of identifying the Series 2025 Bonds as Green Bonds is to allow investors to invest directly in bonds which finance such beneficial water resources. Owners of Series 2025 Bonds do not assume any specific risk with respect to any of the funded projects. See “SECURITY AND SOURCE OF PAYMENT FOR BONDS” herein.

The State Water Board will report annually in its Annual Report to U.S. EPA on the expenditure of net proceeds of the Series 2025 Bonds until all proceeds have been fully expended. The report will be in substantially the same form as is presented in Appendix H hereto. See “THE STATE REVOLVING FUND PROGRAMS — Administration of SRFs — U.S. EPA Reports.”

The term “Green Bonds” is not defined in nor is it related to provisions in the Indenture. The use of this term herein is for identification purposes only and is not intended to provide or imply that an owner of Series 2025 Bonds is entitled to any additional security other than as that provided therefor in the Indenture. Owners of Series 2025 Bonds do not assume any specific risk with respect to any of the CWSRF Project Obligations financed with the proceeds of the Series 2025 Bonds by reason of the Series 2025 Bonds being designated as Green Bonds. The Series 2025 Bonds will be secured on parity with all other Bonds issued and to be issued under the Indenture.

The Chief Executive Officer of the Municipal Securities Rulemaking Board (“MSRB”) released a statement dated October 25, 2021 titled “New EMMA Feature Helps Investors Identify Green, Social, Climate And Sustainable Bond Investments” in which he stated “...there is no universally accepted [environmental, social and governance (ESG)] standard or definition on labeling an ESG security in the municipal market...” No assurance can be given that a clear definition of Green Bonds will develop over time, or, if developed, will include the program to be financed with the proceeds of the Series 2025 Bonds. Accordingly, no assurance is or can be given to investors that any uses of the Series 2025 Bonds will meet investor expectations regarding “green bonds” or other equivalently labelled performance objectives.

## **Redemption**

*Optional Redemption.\** The Series 2025 Bonds maturing on or after October 1, 20\_\_ are subject to redemption prior to their respective stated maturities at the option of the State Water Board from lawfully available funds as a whole or in part (in such order of maturity as shall be selected by the Trustee upon direction by the State Water Board and by lot within a maturity) on any date, on or after October 1, 20\_\_ at a redemption price equal to 100% of the principal amount of the Series 2025 Bonds to be redeemed plus accrued interest, if any, to the date of redemption, without premium.

*Notice of Redemption.* The Trustee shall give in the name of IBank notice to the Owners of the Series 2025 Bonds, or portions thereof, so called, as provided in the Master Trust Indenture, at least thirty (30) but no more than sixty (60) days before the date fixed for redemption.

In the case of redemption of Series 2025 Bonds at the option of IBank at the direction of the State Water Board, a notice of redemption may state (i) that it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Trustee no later than the redemption date, or (ii) that IBank retains the right to rescind the redemption notice on or prior to the scheduled redemption date (in either case, a "Conditional Redemption"), and such notice and redemption will be of no effect if such moneys are not so deposited or if the notice is rescinded. Any Conditional Redemption may be rescinded in whole or in part at any time

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\* Preliminary, subject to change.

prior to the fifth Business Day preceding the redemption date if IBank delivers a written direction to the Trustee to rescind the redemption notice.

So long as a book entry system is used for determining beneficial ownership of the Series 2025 Bonds, the Paying Agent is to send such notice to DTC or to Cede & Co., as nominee for DTC. DTC was organized to hold securities of its participants (“Participants”). Any failure of DTC to advise any Participant, or of any Participant or indirect participant to notify the Beneficial Owner, of any such notice and its content or effect does not affect the validity of the redemption of the Series 2025 Bonds called for redemption or any other action premised on that notice.

### **Registration, Transfer and Exchange**

The Series 2025 Bonds are issued in fully registered form and are initially to be registered in the name of Cede & Co., as nominee for DTC, as securities depository for the Series 2025 Bonds. Purchases by Beneficial Owners of the Series 2025 Bonds are to be made in book entry form in the principal amount of \$5,000 or any integral multiple thereof. Payments to Beneficial Owners are to be made as described in APPENDIX G. The Series 2025 Bonds may be exchanged or transferred at the principal office of the Paying Agent. Transfers or exchanges by Beneficial Owners are to be made as described below under APPENDIX G — “BOOK ENTRY SYSTEM.”

### **Book Entry System**

The Depository Trust Company, New York, New York, will act as securities depository for the Series 2025 Bonds. The ownership of one fully registered Series 2025 Bond for each maturity set forth on the inside cover page hereof, in the aggregate principal amount of the Series 2025 Bonds maturing on that date, will be registered in the name of Cede & Co., as nominee of DTC. See APPENDIX G — “BOOK ENTRY SYSTEM” for a description of DTC and the Book Entry System.

## **TAX MATTERS**

### **Opinion of Bond Counsel**

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to IBank, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Series 2025 Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Series 2025 Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Series 2025 Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by IBank, the State Water Board and each Recipient of Series 2025 Bond Funded Project Obligations in connection with the Series 2025 Bonds, and Bond Counsel has assumed compliance by each of IBank, the State Water Board and each Recipient of Series 2025 Bond Funded Project Obligations with certain ongoing covenants, applicable to it, to comply with applicable requirements of the Code to assure the exclusion of interest on the Series 2025 Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to IBank, under existing statutes, interest on the Series 2025 Bonds is exempt from personal income taxes imposed by the State of California.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Series 2025 Bonds, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Series 2025 Bonds.

### **Certain Ongoing Federal Tax Requirements and Covenants**

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Series 2025 Bonds in order that interest on the Series 2025 Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Series 2025 Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Series 2025 Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The State Water Board and, to the extent within its control, IBank, and each Recipient of Series 2025 Bond Funded Project Obligations have covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Series 2025 Bonds from gross income under Section 103 of the Code.

### **Certain Collateral Federal Tax Consequences**

The following is a brief discussion of certain collateral federal income tax matters with respect to the Series 2025 Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Series 2025 Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2025 Bonds.

Prospective owners of the Series 2025 Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes.

Interest on the Series 2025 Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

### **Original Issue Discount**

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Series 2025 Bond (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Series 2025 Bonds. In general, the issue price for each maturity of Series 2025 Bonds is expected to be the initial public offering price set forth on the cover page of the Official Statement. Bond Counsel further is of the opinion that, for any Series 2025 Bonds having OID (a “Discount Bond”), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Series 2025 Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner’s adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Series 2025 Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

### **Bond Premium**

In general, if an owner acquires a Series 2025 Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Series 2025 Bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that Series 2025 Bond (a “Premium Bond”). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond, determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond

premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

### **Information Reporting and Backup Withholding**

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Series 2025 Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Series 2025 Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2025 Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

### **Miscellaneous**

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Series 2025 Bonds under federal or state law or otherwise prevent beneficial owners of the Series 2025 Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Series 2025 Bonds. Prospective purchasers of the Series 2025 Bonds should consult their own tax advisors regarding the foregoing matters.

## **MISCELLANEOUS**

### **Ratings**

S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, Moody's Investors Service, Inc. and Fitch Ratings, Inc. (collectively, the "Rating Agencies") have assigned the Series 2025 Bonds a rating of ["AAA"], ["Aaa"] and ["AAA"], respectively. Such ratings

reflect only the views of the Rating Agencies, and an explanation of the significance of such ratings may be obtained from S&P Global Ratings at 55 Water Street, New York, New York 10014, telephone: (212) 438-2000, Moody's Investors Service, Inc. at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, telephone: (212) 553-0300, and Fitch Ratings, Inc. at 33 Whitehall Street, New York, New York 10004, telephone: (212) 908-0500. The Rating Agencies are independent of any investment banking firm, bank or similar institution.

Generally, rating agencies base their ratings on materials and information furnished to the rating agencies and on investigations, studies and assumptions by the rating agencies. The debt ratings are not a recommendation to purchase, sell or hold a security, inasmuch as they do not comment as to market price or suitability for a particular investor. There can be no assurance that such ratings will continue for any given period of time or that they will not be lowered, suspended or withdrawn entirely by the rating agencies. Any such downward changes in or suspension or withdrawal of such ratings may have an adverse effect on the marketability of and secondary market price for the Series 2025 Bonds.

### **Purchase and Reoffering**

The Series 2025 Bonds were sold at competitive bid on \_\_\_\_\_, 2025. The Series 2025 Bonds were awarded to \_\_\_\_\_ (the "Initial Purchaser") at a purchase price of \$ \_\_\_\_\_ (consisting of the principal amount of Series 2025 Bonds, plus original issue premium of \$ \_\_\_\_\_, less an underwriting discount of \$ \_\_\_\_\_). The Initial Purchaser may offer and sell the Series 2025 Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page of this Official Statement. The public offering prices stated may be changed from time to time by the Initial Purchaser.

### **Litigation - State Water Board**

To the current actual knowledge of the State Water Board, there is not now pending or threatened any litigation against the State Water Board, seeking to restrain or enjoin the issuance or delivery of the Series 2025 Bonds, or questioning or affecting the validity of the Series 2025 Bonds or the proceedings or the authority under which they are to be issued, or in any way contesting or affecting the Master Trust Indenture or the Master Payment and Pledge Agreement or the pledge of assets to secure the Series 2025 Bonds in the manner provided in the Master Payment and Pledge Agreement or the collection of Pledged Revenues pledged under the Master Payment and Pledge Agreement or the Master Trust Indenture.

In addition to administering the CWSRF and the DWSRF, the State Water Board is responsible for managing the State's water resources in accordance with federal and State law, including the allocation and administration of water rights and establishment of water quality standards. See "STATE WATER RESOURCES CONTROL BOARD." In complying with federal and State law, the State Water Board must take into account a broad range of potentially conflicting stakeholder interests. The State Water Board is from time to time made a party to judicial and administrative actions and proceedings challenging its policy positions or management practices, including the equitability of its policies. On August 8, 2023, the State Water Board was notified that U.S. EPA had accepted jurisdiction over a complaint alleging violations of Title VI of the Civil Rights Act of 1964 in the context of certain regulatory activities. The State Water Board

believes that it is in compliance with federal and State law in administering State water resources, and the State Water Board does not expect that any such actions will negatively impact the Pledged Project Obligations. However, no assurance can be given that such actions will not have an indirect impact on the State Water Board, including an indirect impact on its administration of the DWSRF or CWSRF and related lending programs.

### **Litigation - IBank**

To the current actual knowledge of IBank, there is not now pending or threatened any litigation against IBank, seeking to restrain or enjoin the issuance or delivery of the Series 2025 Bonds, or questioning or affecting the validity of the Series 2025 Bonds or the proceedings or the authority under which they are to be issued, or in any way contesting or affecting the Master Trust Indenture or the Master Payment and Pledge Agreement or the pledge of assets to secure the Series 2025 Bonds in the manner provided in the Master Payment and Pledge Agreement or the collection of Pledged Revenues pledged under the Master Payment and Pledge Agreement or the Master Trust Indenture.

### **Legal Matters**

The approving opinion of Hawkins Delafield & Wood LLP, Los Angeles, California, Bond Counsel to IBank, in substantially the form attached to this Official Statement as Appendix F, will be delivered upon the issuance of the Series 2025 Bonds. Certain legal matters with respect to the Official Statement will be passed upon by Hawkins Delafield & Wood LLP, Los Angeles, California, Disclosure Counsel to IBank. Certain legal matters will be passed upon for the State Water Board by its Chief Counsel, Michael A. M. Lauffer, Esq., and for IBank by its General Counsel, Angel Lau, Esq.

### **Proposed Legislation**

From time to time federal or State legislation is proposed or introduced that could impact the SRF programs. No assurances can be given that such legislation will not be proposed, introduced or enacted in the future.

### **Municipal Advisor**

The IBank has utilized the services of Hilltop Securities, Inc., as municipal advisor in connection with the issuance and sale of the Series 2025 Bonds. Although Hilltop Securities, Inc. has assisted in the preparation of the Official Statement, Hilltop Securities, Inc. is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in the Official Statement.

### **Financial Statements**

The audited financial statements of the CWSRF and DWSRF for the fiscal year ended June 30, 2024, which are included in APPENDIX B — “AUDITED FINANCIAL STATEMENTS OF THE CLEAN WATER STATE REVOLVING FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2023 AND 2022” and APPENDIX C — “AUDITED FINANCIAL STATEMENTS OF THE DRINKING WATER STATE REVOLVING FUND FOR THE FISCAL YEAR ENDED JUNE

30, 2024 AND 2023,” have been audited by CliftonLarsonAllen LLP, independent certified public accountants. CliftonLarsonAllen, LLP, the STATE WATER BOARD’s independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedure on the financial statements addressed in that report. CliftonLarsonAllen, LLP also has not performed any procedures relating to the offering document.

### **Continuing Disclosure**

The State Water Board has covenanted for the benefit of the Owners and Beneficial Owners of the Series 2025 Bonds to provide certain financial information and operating data relating to the State Water Board by not later than each February 1 following the end of the State Water Board’s fiscal year (which fiscal year as of the date hereof ends June 30) (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events. The Annual Report will be filed by the State Water Board with the Trustee and with the MSRB. Any notice events will be filed by the State Water Board with the Dissemination Agent for filing with the MSRB. The specific nature of the information to be contained in the Annual Report or the notices of material events is stated in APPENDIX E — “FORM OF CONTINUING DISCLOSURE AGREEMENT.” Pursuant to the Master Payment and Pledge Agreement, failure of the State Water Board to comply with its obligations under the Continuing Disclosure Agreement will not be considered an event of default under the Master Payment and Pledge Agreement. However, the Trustee or any Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the State Water Board to comply with its obligations under the Continuing Disclosure Agreement. The State Water Board has determined that no financial or operating data concerning IBank is material to an evaluation of the offering of the Series 2025 Bonds or to any decision to purchase, hold, or sell the Series 2025 Bonds. Accordingly, neither the State Water Board nor IBank shall provide any such information. IBank has not undertaken any continuing disclosure obligations with respect to the Series 2025 Bonds and has no duty to enforce the State Water Board’s undertakings pursuant to the Continuing Disclosure Agreement.

The Annual Report for fiscal year ended June 30, 2020 due February 15, 2021, filed on the MSRB’s Electronic Municipal Markets Access (“EMMA”) website, did not include audited or unaudited financial statements for the DWSRF. A notice of failure to file a complete Annual Report due to the absence of financial statements was filed by the Dissemination Agent on the EMMA website on February 12, 2021. The audited financial statements for the DWSRF was subsequently filed on the EMMA website on July 1, 2021. The Annual Report for fiscal year ended June 30, 2021 due February 15, 2022, filed on the EMMA website, did not include audited or unaudited financial statements for both the CWSRF and the DWSRF. A notice of failure to file a complete Annual Report due to the absence of financial statements was filed by the Dissemination Agent on the EMMA website on February 3, 2022. The audited financial statements for the CWSRF and the DWSRF was subsequently filed on the EMMA website on April 12, 2022. The failure to timely file the financial statements was attributable to the State Water Board’s transition of its accounting, budgeting, cash management, and procurement data from the prior system into the new statewide system for accounting, budgeting, cash management, and procurement, known as the “Financial Information System for California” or “FI\$Cal.”

The Annual Report relating to the Bonds will be available to the EMMA website or on such other website as may be designated by the MSRB or the Securities and Exchange Commission. The information contained on any such website is not part of the Official Statement and is not incorporated herein.

**Other Matters; Additional Information**

This Official Statement speaks only as of its date, and the information contained herein is subject to change. This Official Statement contains descriptions of, and information regarding IBank, the State Water Board, the CWSRF, the DWSRF, the application of the proceeds of the Series 2025 Bonds, and the security and sources of payment for the Series 2025 Bonds. Certain information in this Official Statement involves projections and assumptions which are not represented as fact and such projections and assumptions may not prove to be accurate. Such descriptions and information do not purport to be comprehensive and the descriptions of documents contained herein are qualified in their entirety by reference to such documents. Copies of the Master Trust Indenture, the Series 2025 Indenture, the Master Payment and Pledge Agreement, and other documents referred to in this Official Statement are available upon request to the State Water Resources Control Board, Division of Financial Assistance, 1001 I Street, 16th Floor, Sacramento, California 95814, Attention: Christopher Stevens, Assistant Deputy Director.

This Official Statement has been reviewed and approved by the State Water Board. Concurrent with the delivery of the Series 2025 Bonds, the State Water Board will furnish a certificate executed on its behalf by its Executive Director to the effect that this Official Statement (excluding any information regarding IBank or DTC) does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading.

**STATE WATER RESOURCES  
CONTROL BOARD**

By: \_\_\_\_\_

Eric Oppenheimer  
Executive Director

## APPENDIX A

### PLEGGED PROJECT OBLIGATIONS

#### CWSRF PLEDGED PROJECT OBLIGATIONS

The following table sets forth the CWSRF Pledged Project Obligations, their respective balances and certain other information respecting the Pledged Project Obligations as of June 30, 2025:

Borrower <sup>(3)</sup>	Agreement No.	Obligation Balance by Agreement <sup>(2)</sup>	Percent of Total Pledged Project Obligations by Agreement <sup>(1)</sup>	Final Maturity of Obligation	Legacy Project
Antioch, City of	09801	\$416,141	0.01%	9/1/2027	
Auburn, City of	D1601002	7,694,192	0.12%	9/13/2048	
Biggs, City of	13810	882,366	0.01%	12/31/2035	
Brawley, City of	08848	5,463,330	0.09%	1/1/2032	
Brentwood, City of	D1901007	50,037,025	0.80%	12/31/2055	
Burlingame, City of	02810	1,376,327		8/1/2026	
Burlingame, City of	09851	2,426,065	0.06%	7/29/2031	
Carlsbad Municipal Water District	14820	10,115,004	0.16%	6/30/2054	
Carpinteria Valley Water District	D2301013	-	0.00%	6/30/2057	
Chico Urban Area Joint Powers Financing Authority (JPFA)	07833	19,132,690	0.31%	6/30/2041	
Coachella Sanitary District	04814	2,909,745	0.05%	3/31/2027	
Coachella Valley Water District	D2001010	8,373,802	0.13%	1/31/2054	
Colusa, City of	07828	8,426,794		1/15/2039	
Colusa, City of	D1601015	3,755,158	0.19%	6/30/2048	
Corona, City of	02827	1,897,556		9/30/2025	
Corona, City of	13830	8,902,030	0.17%	8/31/2046	
Crestline Sanitation District	D2001046	11,735,804	0.19%	9/30/2054	
Daly City Joint Powers Financing Authority	D2401002	-	0.00%	12/31/2057	
Davis, City of	14826	41,954,294		10/1/2048	
Davis, City of	D1501007	27,146,410	1.10%	12/30/2048	
Del Mar, City of	09858	2,425,113	0.04%	8/1/2032	
Delta Diablo	08819	1,907,848		12/31/2030	
Delta Diablo	10818	2,330,084		4/3/2033	
Delta Diablo	14802	13,253,541		12/31/2052	
Delta Diablo	14804	2,871,576		12/1/2050	
Delta Diablo	14814	9,164,630	0.47%	11/1/2046	
Dixon, City of	14812	18,320,296	0.29%	12/1/2036	
East Bay Municipal Utility District	07825	3,606,274	0.06%	4/1/2028	
East County Advanced Water Purification JPA	D2101044	5,949,742	0.10%	7/31/2057	
East Valley Water District	D1701042	98,725,925	1.58%	12/31/2053	
Eastern Municipal Water District	08845	14,278,742		7/5/2032	
Eastern Municipal Water District	09809	18,007,349		3/16/2033	
Eastern Municipal Water District	D1501017	5,674,680		6/30/2047	
Eastern Municipal Water District	D1601036	36,244,135	1.19%	12/21/2049	
El Cajon, City of	13816	5,762,986	0.09%	10/19/2035	
El Paso de Robles, City of	12820	26,999,190		9/1/2035	
El Paso de Robles, City of	D1601032	8,624,051	0.57%	12/15/2048	
Elsinore Valley Municipal Water District	D1601009	1,608,140		12/31/2037	
Elsinore Valley Municipal Water District	D1701018	965,484		10/31/2029	
Elsinore Valley Municipal Water District	D1701019	2,532,005		10/31/2030	
Elsinore Valley Municipal Water District	D1901005	39,493,260		9/30/2042	
Elsinore Valley Municipal Water District	D2001048	82,709,830		5/17/2057	
Elsinore Valley Municipal Water District	D2201002	735,024	2.04%	12/31/2045	
Escondido, City of	D1701010	4,352,782	0.07%	10/23/2049	

<b>Borrower<sup>(3)</sup></b>	<b>Agreement No.</b>	<b>Obligation Balance by Agreement<sup>(2)</sup></b>	<b>Percent of Total Pledged Project Obligations by Agreement<sup>(1)</sup></b>	<b>Final Maturity of Obligation</b>	<b>Legacy Project</b>
Fairfield-Suisun Sewer District	09853	4,032,171		5/1/2031	
Fairfield-Suisun Sewer District	D1701020	4,343,769	0.13%	10/19/2039	
Fontana, City of	07811	1,506,722		3/31/2028	
Fontana, City of	08805	852,707		8/29/2028	
Fontana, City of	08807	808,204	0.05%	6/30/2028	
Fresno, City of	14817	24,263,747		7/12/2046	
Fresno, City of	D1501011	49,734,871	1.18%	12/31/2051	
Galt, City of	09856	6,058,210		12/28/2030	
Galt, City of	13838	16,102,982	0.35%	9/30/2036	
Hayward, City of	05807	10,912,111	0.17%	9/30/2028	
Heber Public Utility District	11826	3,460,005	0.06%	5/20/2043	
Hercules, City of	D1601001	18,682,748	0.30%	7/1/2039	
Hesperia Water District	D1501029	5,167,422	0.08%	1/28/2050	
Hi-Desert Water District	D1501019	121,849,927	1.95%	7/1/2050	
Hillsborough, Town of	14831	7,954,797	0.13%	9/15/2046	
Holtville, City of	13817	2,432,325	0.04%	4/21/2037	
Hughson, City of	08838	8,700,267	0.14%	5/1/2041	
Inland Empire Utilities Agency	07821	683,189		3/31/2029	
Inland Empire Utilities Agency	07822	1,250,485		3/31/2029	
Inland Empire Utilities Agency	08835	951,904		8/15/2030	
Inland Empire Utilities Agency	08837	9,948,464		2/28/2032	
Inland Empire Utilities Agency	08849	1,579,677		8/15/2030	
Inland Empire Utilities Agency	08850	1,603,051		8/15/2030	
Inland Empire Utilities Agency	08851	433,270		7/30/2030	
Inland Empire Utilities Agency	13815	19,569,443		2/28/2049	
Inland Empire Utilities Agency	13835	19,676,988		8/31/2049	
Inland Empire Utilities Agency	D1901030	2,948,217		8/1/2050	
Inland Empire Utilities Agency	D1901032	2,965,977		10/31/2050	
Inland Empire Utilities Agency	D2101010	2,581,564		1/31/2042	
Inland Empire Utilities Agency	D2101012	8,482,971		3/31/2046	
Inland Empire Utilities Agency	D2101014	83,843,790	2.50%	7/31/2057	
Ironhouse Sanitary District	08820	20,563,904	0.33%	10/18/2031	
Jackson, City of	D1601020	9,989,784	0.16%	1/28/2049	
Jamestown Sanitary District	D1701021	10,639,619	0.17%	10/6/2051	
Jurupa Community Services District	D2101041	43,022	0.00%	12/31/2056	
Kerman, City of	08847	1,861,974	0.03%	9/30/2031	
La Canada Flintridge, City of	04815	4,868,794	0.08%	10/31/2027	
La Mesa, City of	05811	871,543		2/1/2028	
La Mesa, City of	07818	714,513		7/31/2028	
La Mesa, City of	08804	824,935		7/15/2029	
La Mesa, City of	08854	897,842		1/21/2030	
La Mesa, City of	D1501014	2,285,758	0.09%	5/31/2037	
Las Gallinas Valley Sanitary District	09863	1,798,807	0.03%	6/1/2032	
Linda County Water District	09800	16,149,916	0.26%	4/1/2042	
Live Oak, City of	09802	3,641,135	0.06%	6/30/2042	
Lompoc, City of	06811	22,901,877	0.37%	8/31/2029	
Malibu, City of	D1501033	40,069,986	0.64%	11/30/2047	
Mariposa Public Utility District	D1601031	2,646,680	0.04%	5/1/2050	
McKinleyville Community Services District	D1501012	12,674,843	0.20%	9/8/2047	
Merced, City of	08843	12,042,255	0.19%	9/30/2031	
Mission Springs Water District	12802	2,445,755	0.04%	1/31/2034	
Modesto, City of	D1601005	23,619,236	0.38%	6/30/2048	
Monterey, City of	13831	2,099,997		8/30/2035	
Monterey, City of	13832	7,560,112	0.15%	3/12/2038	
Morro Bay, City of	D2001033	44,925,832	0.72%	9/30/2056	
Napa County Department of Public Works	13844	1,267,427	0.02%	12/31/2028	
Napa Sanitation District	08802	330,434	0.01%	4/1/2029	
Nevada County Sanitation District #1	06806	2,189,555		11/23/2027	
Nevada County Sanitation District #1	06807	2,846,874	0.08%	1/12/2028	

<b>Borrower<sup>(3)</sup></b>	<b>Agreement No.</b>	<b>Obligation Balance by Agreement<sup>(2)</sup></b>	<b>Percent of Total Pledged Project Obligations by Agreement<sup>(1)</sup></b>	<b>Final Maturity of Obligation</b>	<b>Legacy Project</b>
North Marin Water District	05808	527,663		6/19/2027	
North Marin Water District	11811	829,121		9/30/2032	
North Marin Water District	11814	186,051		11/30/2031	
North Marin Water District	11816	254,254		12/15/2031	
North Marin Water District	11820	608,197		6/30/2032	
North Marin Water District	11841	476,427		12/31/2032	
North Marin Water District	11842	1,209,792		12/31/2032	
North Marin Water District	11843	810,369		8/4/2033	
North Marin Water District	D1501034	5,641,161	0.17%	12/31/2047	
Oakdale, City of	09850	7,397,576	0.12%	8/31/2031	
Oceanside, City of	00829	2,926,391		1/26/2026	*
Oceanside, City of	D2101048	-	0.05%	1/1/2057	
Orange County Water District	03813	205,761		4/1/2026	
Orange County Water District	03814	181,713		5/5/2026	
Orange County Water District	03815	279,521		6/1/2026	
Orange County Water District	03816	20,520,222		12/31/2027	
Orange County Water District	03817	219,780		6/1/2026	
Orange County Water District	13807	1,729,043		3/31/2036	
Orange County Water District	13808	8,777,580		6/30/2039	
Orange County Water District	D1501016	4,153,599		10/1/2046	
Orange County Water District	D1701017	12,002,696		12/31/2049	
Orange County Water District	D1901035	47,452,923		8/31/2053	
Orange County Water District	D1901036	45,169,160	2.25%	8/31/2053	
Oro Loma Sanitary District	D2001047	17,021,879	0.27%	12/31/2054	
Oxnard, City of	D2001041	20,909,532	0.33%	1/15/2058	
Pacific Grove, City of	D1501021	4,223,069	0.07%	2/1/2048	
Palm Springs, City of	D1601023	21,809,955	0.35%	9/27/2048	
Palo Alto, City of	07814	1,800,000		6/30/2029	
Palo Alto, City of	09814	3,050,799		11/30/2030	
Palo Alto, City of	D1601034	21,127,013		5/31/2049	
Palo Alto, City of	D2401001	-	0.41%	12/31/2057	
Piedmont, City of	09815	715,398		9/30/2031	
Piedmont, City of	D1601021	3,059,021	0.06%	7/31/2038	
Pinole, City of	D1501036	21,318,332	0.34%	7/1/2049	
Pismo Beach, City of	03810	609,259	0.01%	2/25/2026	
Placer County Sewer Maintenance District #3	13805	7,241,195	0.12%	2/15/2045	
Placer, County of	13809	57,507,605	0.92%	3/31/2047	
Planada Community Services District	12830	2,807,245	0.04%	11/30/2046	
Pleasanton, City of	D1501003	8,550,198	0.14%	10/31/2046	
Redlands, City of	D2401020	-	0.00%	7/1/2058	
Richmond, City of	D2001014	49,257,357	0.79%	9/25/2053	
Rio Alto Water District	12822	752,972	0.01%	3/17/2036	
Rodeo Sanitary District	14822	1,124,628		7/18/2035	
Rodeo Sanitary District	D1501006	3,245,372		10/15/2037	
Rodeo Sanitary District	D1501008	1,336,421		3/1/2038	
Rodeo Sanitary District	D1501020	1,221,293		12/23/2037	
Rodeo Sanitary District	D1501032	4,546,943	0.18%	9/30/2039	
Rosamond Community Services District	08817	2,006,074	0.03%	3/31/2029	
Roseville, City of	D1901012	22,469,540		1/31/2053	
Roseville, City of	D1901013	73,205,781	1.53%	7/3/2053	
Running Springs Water District	14813	1,825,253	0.03%	10/29/2036	
Russian River County Sanitation District	10819	785,037	0.01%	4/16/2032	
Sacramento Regional County Sanitation District	14832	32,675,627		9/15/2046	
Sacramento Regional County Sanitation District	14833	110,424,918		6/30/2049	

\* Preliminary, subject to change.

<b>Borrower<sup>(3)</sup></b>	<b>Agreement No.</b>	<b>Obligation Balance by Agreement<sup>(2)</sup></b>	<b>Percent of Total Pledged Project Obligations by Agreement<sup>(1)</sup></b>	<b>Final Maturity of Obligation</b>	<b>Legacy Project</b>
Sacramento Regional County Sanitation District	14834	2,230,045		11/30/2046	
Sacramento Regional County Sanitation District	D1501005	17,570,814		8/15/2047	
Sacramento Regional County Sanitation District	D1501015	4,893,866		12/31/2037	
Sacramento Regional County Sanitation District	D1501018	44,486,554		5/31/2049	
Sacramento Regional County Sanitation District	D1501030	424,290,302		5/14/2051	
Sacramento Regional County Sanitation District	D1501035	28,084,105		12/27/2049	
Sacramento Regional County Sanitation District	D1601008	262,841,596	14.81%	5/1/2053	
San Andreas Sanitary District	08842	2,163,440	0.03%	11/13/2040	
San Clemente, City of	12809	8,005,736	0.13%	12/31/2034	
San Diego, City of	06804	699,028		3/30/2026	
San Diego, City of	09861	19,346,296		9/30/2035	
San Diego, City of	11832	7,245,034		6/20/2033	
San Diego, City of	12800	1,218,582		11/25/2033	
San Diego, City of	12811	4,114,668		3/10/2034	
San Diego, City of	12814	1,356,825		10/14/2035	
San Diego, City of	12815	8,977,446		2/28/2039	
San Diego, City of	12816	3,905,776		4/30/2035	
San Diego, City of	12817	3,343,217		11/3/2036	
San Diego, City of	12818	3,886,791		4/29/2035	
San Diego, City of	D1701008	70,584,754		3/30/2054	
San Diego, City of	D2101037	105,063,981		10/31/2055	
San Diego, City of	D2101038	131,896,991		10/31/2055	
San Diego, City of	D2301012	-	5.78%	8/31/2058	
San Francisco, Public Utilities Commission of the City and County of	D1501009	5,602,158		7/31/2050	
San Francisco, Public Utilities Commission of the City and County of	D1701001	164,384,211		6/30/2057	
San Francisco, Public Utilities Commission of the City and County of	D1701002	14,246,948		2/28/2048	
San Francisco, Public Utilities Commission of the City and County of	D1701003	23,621,731		3/30/2048	
San Francisco, Public Utilities Commission of the City and County of	D1701004	34,271,861		7/18/2049	
San Francisco, Public Utilities Commission of the City and County of	D1901027	41,126,253		3/31/2054	
San Francisco, Public Utilities Commission of the City and County of	D1901029	131,897,600		5/1/2056	
San Francisco, Public Utilities Commission of the City and County of	D2001005	89,436,241		3/1/2054	
San Francisco, Public Utilities Commission of the City and County of	D2301016	-		4/1/2056	
San Francisco, Public Utilities Commission of the City and County of	D2401010	-	8.06%	4/1/2058	
San Leandro, City of	11806	26,167,913	0.42%	7/31/2035	
San Luis Obispo, City of	D1801003	130,230,837	2.08%	12/31/2053	
San Luis Obispo, County of	10846	37,919,448	0.61%	10/15/2046	
San Mateo County Crystal Springs County Sanitation District	13826	1,065,424	0.02%	10/31/2034	
San Mateo-Foster City Public Financing Authority	D2101045	104,833,064	1.67%	12/31/2055	
Santa Ana Watershed Project Authority	11822	7,455,758		12/29/2032	
Santa Ana Watershed Project Authority	13845	12,301,866	0.32%	3/31/2048	

Borrower <sup>(3)</sup>	Agreement No.	Obligation Balance by Agreement <sup>(2)</sup>	Percent of Total Pledged Project Obligations by Agreement <sup>(1)</sup>	Final Maturity of Obligation	Legacy Project
Santa Barbara, City of	11801	2,713,070		7/31/2033	
Santa Barbara, City of	11847	1,050,952		12/31/2036	
Santa Barbara, City of	14809	23,812,531		3/1/2039	
Santa Barbara, City of	D2201003	1,899,014		12/31/2045	
Santa Barbara, City of	D2201009	-	0.47%	3/31/2056	
Santa Clarita Valley Sanitation District	12812	2,158,086		3/12/2034	
Santa Clarita Valley Sanitation District	D1901017	111,249,146		7/1/2054	
Santa Clarita Valley Sanitation District	D1901034	16,352,709	2.07%	3/31/2053	
Santa Cruz County Sanitation District	09848	5,018,004		3/30/2032	
Santa Cruz County Sanitation District	D1701046	4,519,650	0.15%	6/30/2051	
Santa Margarita Water District	D1601026	84,624,503	1.35%	12/4/2050	
Santa Monica, City of	D1701006	50,685,510	0.81%	12/31/2052	
Santa Nella County Water District	11823	955,153	0.02%	4/15/2033	
Santa Paula Utility Authority	D2201018	-	0.00%	7/31/2056	
Santa Rosa Regional Resources Authority	D1701024	30,153,816	0.48%	9/30/2051	
Seal Beach, City of	10838	1,073,909		12/9/2031	
Seal Beach, City of	10842	846,674	0.03%	9/21/2033	
Selma-Kingsburg-Fowler County Sanitation District	D1701040	5,274,158	0.08%	12/28/2049	
Shasta Lake, City of	D1601029	12,695,347	0.20%	3/30/2050	
Silicon Valley Clean Water	11845	20,214,742		10/31/2036	
Silicon Valley Clean Water	D1501025	13,591,418		10/15/2053	
Silicon Valley Clean Water	D2001034	58,693,036		10/15/2053	
Silicon Valley Clean Water	D2001035	50,580,658		10/15/2053	
Silicon Valley Clean Water	D2001036	57,008,055	3.20%	10/15/2053	
Sonoma Valley County Sanitation District	06801	1,270,050		11/5/2027	
Sonoma Valley County Sanitation District	10814	930,576		11/15/2031	
Sonoma Valley County Sanitation District	10815	1,759,791	0.06%	8/29/2034	
South Coast Water District	D1501004	101,472,143		7/31/2053	
South Coast Water District	D2301001	281,491	1.63%	1/31/2045	
South Pasadena, City of	13813	7,704,630	0.12%	7/31/2047	
South San Francisco, City of	02824	1,367,855		4/30/2026	
South San Francisco, City of	07816	2,188,861		7/15/2028	
South San Francisco, City of	D1801004	46,859,078	0.81%	10/3/2042	
South Tahoe Public Utility District	14835	6,255,546		12/31/2047	
South Tahoe Public Utility District	D1501010	3,633,160		8/30/2047	
South Tahoe Public Utility District	D1701007	8,784,998	0.30%	4/15/2051	
Stockton, City of	D2001045	45,216,903	0.72%	12/31/2053	
Sunnyvale, City of	D1601024	117,524,513		12/31/2052	
Sunnyvale, City of	D2201001	88,890,409	3.30%	1/31/2057	
Tahoe City Public Utility District	07830	558,814	0.01%	9/30/2028	
Tehachapi, City of	11807	974,366	0.02%	7/1/2032	
Thermalito Water and Sewer District	13825	1,651,159	0.03%	7/17/2035	
Turlock, City of	11833	7,579,970		4/1/2034	
Turlock, City of	11836	13,710,700		12/1/2034	
Turlock, City of	D1701050	8,759,725	0.48%	5/18/2050	
Ukiah, City of	D1601035	16,108,633	0.26%	7/30/2050	
Union Sanitary District	D2401013	-	0.00%	8/31/2059	
Upper San Gabriel Valley Municipal Water District	09803	3,691,864		5/31/2032	
Upper San Gabriel Valley Municipal Water District	09804	710,492		8/31/2031	
Upper San Gabriel Valley Municipal Water District	09805	694,260	0.08%	11/21/2032	
Vacaville, City of	00801	4,677,056		7/1/2025	*
Vacaville, City of	11812	17,019,633		8/31/2033	
Vacaville, City of	11817	3,222,199		9/30/2036	
Vacaville, City of	11818	40,437,712	1.04%	6/30/2035	
Vallejo Flood and Wastewater District	D2101049	35,672,256	0.57%	12/31/2055	

Borrower <sup>(3)</sup>	Agreement No.	Obligation Balance by Agreement <sup>(2)</sup>	Percent of Total Pledged Project Obligations by Agreement <sup>(1)</sup>	Final Maturity of Obligation	Legacy Project
Valley Center Municipal Water District	12824	1,703,925		8/15/2036	
Valley Center Municipal Water District	12825	11,326,834		12/15/2036	
Valley Center Municipal Water District	12826	3,078,396	0.26%	10/20/2036	
Valley Sanitary District	D1601003	10,461,558	0.17%	6/1/2048	
Ventura, County of	08815	3,979,212		6/30/2040	
Ventura, County of	09842	1,961,767	0.09%	6/23/2041	
Ventura, County of (Waterworks District 16)	08841	3,092,056	0.05%	7/1/2040	
Victor Valley Wastewater Rec Authority	10810	6,475,314		6/30/2032	
Victor Valley Wastewater Rec Authority	13839	29,923,804		2/28/2048	
Victor Valley Wastewater Rec Authority	13847	20,966,211	0.92%	2/28/2048	
Visalia, City of	13818	78,985,016	1.26%	9/13/2047	
Vista, City of	11815	1,529,803		10/11/2032	
Vista, City of	11838	1,182,194		1/25/2033	
Vista, City of	12819	1,375,352		5/15/2034	
Vista, City of	13843	16,430,280	0.33%	4/30/2039	
Water Replenishment District of Southern California	D1601014	66,307,352	1.06%	12/31/2048	
West Bay Sanitary District	D1601018	14,599,389	0.23%	3/31/2050	
West County Wastewater District	13840	883,632		5/6/2036	
West County Wastewater District	13841	7,226,428		8/6/2041	
West County Wastewater District	13842	10,037,265		8/30/2037	
West County Wastewater District	14837	13,262,392	0.50%	6/3/2037	
Western Municipal Water District	14829	32,328,257	0.52%	7/1/2050	
Western Riverside County Regional WW Authority	14810	51,252,100	0.82%	12/31/2037	
Williams, City of	09860	6,187,401	0.10%	12/31/2041	
Woodland, City of	14805	13,547,599	0.22%	12/31/2046	
Woodland-Davis Clean Water Agency	14819	69,755,969	1.11%	12/31/2046	
Yountville, Town of	13802	288,070	0.00%	11/14/2026	
Yuba City, City of	11830	1,736,972		4/30/2035	
Yuba City, City of	12804	3,502,787	0.08%	12/31/2034	
<b>Total for CWSRF (281 Loans):</b>		<b>\$5,582,462,000</b>	<b>89.16%</b>		
<b>Total Pledged Loan Balances CW &amp; DWSRF (301 Loans):</b>		<b>\$6,262,340,120</b>	<b>100.00%</b>		

(1) Due to rounding, percents by agreement may not add up to the total amount.

(2) Zero balances are due to projects that have not drawn SRF funds yet.

(3) Five (5) borrowers are borrowers under both the CWSRF and DWSRF programs.

## DWSRF PLEDGED PROJECT OBLIGATIONS

The following table sets forth the DWSRF Pledged Project Obligations, their respective balances and certain other information respecting the DWSRF Pledged Project Obligations as of June 30, 2025:

Borrower	Agreement No.	Obligation Balance by Agreement <sup>(2)</sup>	Percent of Total Pledged Project Obligations by Agreement <sup>(1)</sup>	Final Maturity of Obligation	Legacy Project
Fresno, City of	2006CX150	\$733,571		10/1/2031	*
Fresno, City of	2008SWX101	468,470.55		1/1/2032	*
Fresno, City of	D1502012	144,311,539.60		1/1/2049	
Fresno, City of	D1502042	46,684,469.06		7/1/2048	
Fresno, City of	D1602031	57,369,504.47	3.99%	1/1/2050	
Los Angeles, City of Acting by and through the Department of Water & Power	14310	78,743,590.67		1/1/2040	
Los Angeles, City of Acting by and through the Department of Water & Power	2014CX102	6,354,003.19		1/1/2047	*
Los Angeles, City of Acting by and through the Department of Water & Power	D1702081	137,772,037.47		7/1/2051	
Olivenhain Municipal Water District	2011CX111	9,083,311.20	3.56%	7/1/2034	*
Placer County Water Agency	2007CX145	4,760,431.05	0.15%	4/1/2029	*
Placer County Water Agency	2012CX108	4,345,678.14	0.15%	7/1/2035	*
Sacramento, City of	D1702056	118,114,906.30	1.89%	1/1/2042	
San Diego, City of	2010CX120	7,338,485.45		1/1/2032	*
San Diego, City of	2010CX122	7,527,745.82		7/1/2031	*
San Diego, City of	D1602102	12,248,098.41	0.43%	1/1/2050	
San Luis Obispo County Flood Control and Water Conservation District	2002CX138	7,614,787.03	0.12%	7/1/2030	*
Santa Barbara, City of	2010CX123	14,955,338.53	0.24%	7/1/2035	*
South Pasadena, City of	D1702066	10,634,582.19	0.17%	1/1/2050	
Yuba City, City of	2010CX101	2,416,756.25		7/1/2032	*
Yuba City, City of	2010CX102	7,400,813.78	0.16%	7/1/2032	*
<b>Total for DWSRF (20 Loans):</b>		<b>\$678,878,120</b>	<b>10.84%</b>		
<b>Total Pledged Loan Balances DW &amp; CWSRF (301 Loans):</b>		<b>\$6,261,340,120</b>	<b>100.00%</b>		

\*Preliminary, subject to change.

<sup>(1)</sup> Due to rounding, percents by agreement may not add up to the total amount.

<sup>(2)</sup> Zero balances are due to projects that have not drawn SRF funds yet.

<sup>(3)</sup> Five (5) borrowers are borrowers under both the CWSRF and DWSRF programs.

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**APPENDIX B**  
**AUDITED FINANCIAL STATEMENTS OF THE CLEAN WATER STATE**  
**REVOLVING FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2024 AND 2023**

**APPENDIX C**  
**AUDITED FINANCIAL STATEMENTS OF THE DRINKING WATER STATE**  
**REVOLVING FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2024 AND 2023**

## APPENDIX D

### SUMMARY OF THE MASTER TRUST INDENTURE AND THE MASTER PAYMENT AND PLEDGE AGREEMENT

*The following is a summary of certain provisions of the Master Trust Indenture and the Master Payment and Pledge Agreement. The summary makes use of terms defined in the Master Trust Indenture and the Master Payment and Pledge Agreement, certain of which definitions are summarized below. The summary does not purport to be comprehensive and is subject to all of the terms and provisions of the Master Trust Indenture and the Master Payment and Pledge Agreement, to which reference is hereby made and copies of which are available from IBank or the Trustee.*

### DEFINITIONS

The following are definitions in summary form of certain terms contained in the Master Trust Indenture and the Master Payment and Pledge Agreement and used in this Official Statement:

Account means any account or subaccount required to be established under the Master Trust Indenture or permitted to be established in a Series Indenture in accordance with the provisions of the Master Trust Indenture.

Act means the Bergeson-Peace Infrastructure and Economic Development Bank Act, constituting Division 1 of Title 6.7 of the California Government Code (commencing at Section 63000 thereof), as amended.

Additional Bonds Test means, as of any date of calculation, (A) Pledged Revenues are not less than 105% of Debt Service for each year ending on October 1 in which the Bonds are scheduled to be Outstanding, and (B) the Debt Service Reserve Fund Requirement is satisfied.

Additional Payments means all payments made by a Recipient under a Pledged Project Obligation except Pledged Revenues and Prepayments thereof.

Administrative Costs means CWSRF Administrative Costs or DWSRF Administrative Costs, as applicable.

Amount Payable means the portion of principal of or interest on a Series due on the next succeeding Bond Payment Date when either interest or principal and interest is due pursuant to the provisions of the Master Trust Indenture described under the caption “Master Trust Indenture – Payment Requirements” for payment on a Board Payment Date.

Authorized IBank Officer means, the Chair, the designee of the Chair, the Executive Director, the Chief Deputy Executive Director or any other officer of IBank designated to act as an Authorized IBank Officer under the Master Trust Indenture.

Authorized Board Officer means the Deputy Director, Division of Financial Assistance of the Board or his or her designee or any other officer of the Board designated to act as an Authorized Board Officer under the Master Trust Indenture.

Authorized Recipient Representative means a person or persons authorized by resolution of a Recipient to act on behalf of such Recipient.

Beneficial Owner means with respect to any book entry bond, the beneficial Owner of such Bond as determined in accordance with the applicable rules of the Securities Depository for the Bonds.

Board means the State Water Resources Control Board, a State agency existing under the laws of the State.

Board Officer Certificate means a certificate signed by an Authorized Board Officer.

Board Payment Date means March 15, June 15, September 15 and December 15 of each year or, if such date is not a Business Day, the next succeeding Business Day, or such other date as may be set forth in the Related Series Indenture.

Board Reserved Rights means rights of the Board to Additional Payments, notices, opinions and indemnification under a Pledged Project Obligation.

Bond or Bonds means either any or all, as the context may require, bond or bonds or note or notes of all Series of Bonds executed, authenticated and delivered under the Master Trust Indenture to finance Eligible Projects.

Bond Counsel means Hawkins Delafield & Wood LLP or other counsel selected by IBank that is nationally recognized as experts in matters relating to bonds issued by states and their political subdivisions and in matters pertaining to the tax-exempt nature of interest on obligations issued by states and their political subdivisions.

Bond Expenses means any and all such amounts as are necessary to pay or reimburse a Party for certain fees and costs or expenses directly related to one or more Series, provided that Bond Expenses shall not include Administrative Costs.

Bond Payment Date means each date the principal of, redemption price of or interest on any Series is due, whether by regular scheduled payment or earlier redemption.

Bond Proceeds Fund means each Bond Proceeds Fund established pursuant to the Master Trust Indenture and the Related Series Indenture.

Bond Register means the bond register specified in the Master Trust Indenture.

Bond Year means the period of twelve consecutive months ending on October 1 in any year in which the Bonds are Outstanding, except that with respect to each Series of Bonds the

first Bond Year shall commence on the date of issuance and delivery of such Series of Bonds and end on the following October 1.

Business Day means any day other than (a) a Saturday or Sunday, (b) a day on which the Board, IBank or State offices are required by law to close, (c) a day on which banks located in the city of the principal office of the Trustee is located are required by law to close or (d) the New York Stock Exchange is closed.

Capitalization Grant means an amount provided to the Board under one or more agreements between the Board and the United States of America acting by and through the United States Environmental Protection Agency to be applied in accordance with the Clean Water Act or the Safe Drinking Water Act.

Clean Water Act means Title VI of the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1987 (33 U.S.C. §1251 et seq.) and the rules and regulations promulgated thereunder.

Costs of Issuance means any and all items of expense payable or reimbursable directly or indirectly by IBank and related to the authorization, sale and issuance of Bonds, which items of expense shall include but not be limited to printing costs, costs of reproducing documents, filing and recording fees, initial fees and charges of the Trustee, the costs of any Credit Provider, legal fees and costs, professional consultants' fees, fees of the Board, fees of verification agents, costs of credit ratings, fees and costs for execution, transportation and safekeeping of Bonds, underwriter discount or placement fees, costs and expenses of refunding any Bonds being refunded, and other costs, charges and fees in connection with the original issuance of Bonds and any costs incurred by the Board in connection with the administration of the CWSRF or DWSRF to be paid with the proceeds of a Series.

Costs of Issuance Fund means each Costs of Issuance Fund established pursuant to the Master Trust Indenture and the Related Series Indenture.

Coverage Test means, as of any date of calculation, (A) Pledged Assets are not less than 105% of Debt Service for each Bond Year in which the Bonds are scheduled to be Outstanding, and (B) the Debt Service Reserve Fund Requirement is satisfied.

Credit Facility means a letter of credit, revolving credit agreement, standby purchase agreement, surety bond, insurance policy or similar obligation, arrangement or instrument issued by a Credit Provider which provides for payment for all or a portion of the principal, redemption price or purchase price of and interest on any Series.

Credit Provider means the bank, insurance company or other financial institution which provides a Credit Facility.

CWSRF means the water pollution control revolving fund established by the State pursuant to the CWSRF Act, which fund is to be used for purposes of the Clean Water Act.

CWSRF Act means Chapter 6.5 of Division 7 (commencing with Section 13475) of the California Water Code, as amended.

CWSRF Administrative Costs means costs of the Board incurred in the general administration of the CWSRF, including overhead costs of the Board allocable to the CWSRF.

CWSRF Eligible Project means a project eligible for financing pursuant to the Clean Water Act and the CWSRF Act.

CWSRF Pledged Project Obligation means a CWSRF Project Obligation which is assigned and pledged as security for the benefit of the Bonds.

CWSRF Pledged Project Obligations means the Project Obligations set forth in the Master Payment and Pledge Agreement as may be amended from time to time in accordance with the provisions described under the caption “Master Trust Indenture – Release of Pledged Project Obligations from the Lien of the Master Trust Indenture; Pledge of Additional Pledged Project Obligations”.

CWSRF Prepayment means any payment of principal on a CWSRF Pledged Project Obligation in advance of its stated due date as designated by a Recipient on a CWSRF Pledged Project Obligation.

CWSRF Project Obligation means any loan contract, installment sale agreement and any and all other agreements, resolutions and other related documents entered into by a Recipient evidencing amounts owed to the Board in connection with the financing of a CWSRF Eligible Project.

CWSRF State Match Portion means that portion of a Series of Bonds designated as a State Match Portion in the Related Series Indenture that is issued to finance CWSRF Project Obligations.

Debt Service means, as of any date, with respect to the Bonds then Outstanding, and, in the case of the Additional Bonds Test, the Coverage Test and the calculation to be done as described under the caption “Master Trust Indenture – Release of Pledged Project Obligations From the Lien of the Master Trust Indenture; Reallocation of the Leveraged Portion and the State Match Portion of a Series of Bonds; Pledge of Additional Pledged Project Obligations”, to be Outstanding, the aggregate amount of principal and interest scheduled to become due (either at maturity or by mandatory redemption), as calculated by the Board in accordance with this definition. For purposes of calculating Debt Service, the following assumptions are to be used to calculate the principal and interest becoming due in any Bond Year:

- (i) in determining the principal amount due in each Bond Year, payment shall (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization) be assumed to be made in accordance with any amortization schedule established for such principal, including any minimum sinking fund account payments;
- (ii) if 20% or more of the principal of a Series is not due until the final stated maturity of such Bonds, principal and interest on such Series may, at the option of the Board and IBank, be treated as if such principal and interest

were due based upon an amortization of such principal and interest as provided in the respective Series Indenture;

- (iii) if a Series is supported by a Credit Facility in the form of a line of credit or a letter of credit, principal may, at the option of the Board and IBank, be treated as if it were due based upon an amortization of such principal as provided in the respective Series Indenture;
- (iv) if a Series is variable interest rate Bonds and is not subject to a Swap Agreement, the interest rate on such variable interest rate Bonds shall be assumed to be (i) if such variable interest rate Bonds have been or are to be issued as obligations exempt from federal income taxation, the monthly average Municipal Index during the 3 years (i.e. most recent 36 complete months) preceding the date of such calculation, or (ii) if such variable interest rate Bonds have been or are to be issued as obligations subject to federal income taxation, the monthly average LIBOR, or if LIBOR is not reported, the interest rate then reported by any financial industry recognized successor to LIBOR during the 3 years (36 complete months) preceding the date of such calculation based on an equivalent term to LIBOR as determined by the Board;
- (v) if a Series is variable interest rate Bonds and is subject to a Swap Agreement, the interest on such variable interest rate Bonds shall be assumed to be the fixed swap rate or cap “strike rate,” as appropriate, if IBank’s variable rate liability on all or a portion of any variable interest rate Bonds has been swapped to a fixed rate liability or capped pursuant to an interest rate cap agreement or similar agreement, and if a Series are fixed rate Bonds with respect to which all or a portion of any Bonds has been swapped to a variable rate liability, interest on such Bonds shall be assumed to be as provided in (iv) above; and
- (vi) principal and interest payments on Bonds shall be excluded to the extent such payments are to be paid from amounts then currently on deposit with the Trustee or other fiduciary in escrow specifically therefor and restricted to Defeasance Obligations and interest payments shall be excluded to the extent that such interest payments are to be paid from the proceeds of Bonds held by the Trustee or other fiduciary as capitalized interest specifically to pay such interest by the Trustee or other fiduciary.

Debt Service Fund means each Debt Service Fund established pursuant to the Master Trust Indenture.

Debt Service Reserve Fund means each Debt Service Reserve Fund established pursuant to the Master Trust Indenture and the Related Series Indenture.

Debt Service Reserve Fund Deficiency as of any date means the amount, if any, by which a Debt Service Reserve Fund Requirement is greater than the amount held in a Debt Service Reserve Fund.

Debt Service Reserve Fund Requirement means a Debt Service Reserve Fund Requirement established pursuant to a Series Indenture.

Defeasance Obligations means (i) non-callable obligations of, or obligations guaranteed as to principal and interest by, the United States or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States, including, but not limited to, all direct or fully guaranteed U.S. Treasury obligations, Farmers Home Administration Certificates of beneficial ownership, General Services Administration Participation certificates, U.S. Maritime Administration Guaranteed Title XI financing, Small Business Administration - Guaranteed participation certificates and Guaranteed pool certificates, Government National Mortgage Association (“GNMA”) - GNMA guaranteed mortgage-backed securities and GNMA guaranteed participation certificates, U.S. Department of Housing and Urban Development Local authority bonds, Washington Metropolitan Area Transit Authority Guaranteed transit bonds, and State and Local Government Series; (ii) non-callable obligations of government-sponsored agencies that are not backed by the full faith and credit of the U.S. Government, including, but not limited to, Federal Home Loan Mortgage Corp. (“FHLMC”) Debt Obligations, Farm Credit System (formerly Federal Land Banks, Intermediate Credit Banks, and Banks for Cooperatives) Consolidated Systemwide bonds and notes, Federal Home Loan Banks (“FHL Banks”) Consolidated debt obligations, Federal National Mortgage Association (“FNMA”) Debt Obligations, and Resolution Funding Corp. (“REFCORP”) Debt obligations; (iii) certain stripped securities where the principal-only and interest-only strips are derived from non-callable obligations issued by the U.S. Treasury and REFCORP securities stripped by the Federal Reserve Bank of New York, excluding custodial receipts, i.e., CATs, TIGERS, unit investment trusts and mutual funds; and (iv) tax exempt obligations of a state or political subdivision thereof which have been defeased under irrevocable escrow instructions by the deposit of cash or U.S. Treasury obligations and which are then rated in the highest rating category by each Rating Agency.

DTC means The Depository Trust Company and its successors and assigns.

DTC Participants means those broker-dealers, banks and other financial institutions from time to time for which DTC holds Bonds as Securities Depository.

DWSRF means the drinking water state revolving fund established by the State pursuant to the DWSRF Act, which fund is to be used for purposes of the Safe Drinking Water Act.

DWSRF Act means Chapter 4.5 (commencing at Section 116760) of Division 104 of the California Health and Safety Code.

DWSRF Administrative Costs means costs of the Board incurred in the general administration of the DWSRF, including overhead costs of the Board allocable to the DWSRF.

DWSRF Eligible Project means a project eligible for financing pursuant to the Safe Drinking Water Act and the DWSRF Act.

DWSRF Pledged Project Obligation means a DWSRF Project Obligation which is assigned and pledged as security for the benefit of the Bonds.

DWSRF Pledged Project Obligations means the Project Obligations set forth in the Master Payment and Pledge Agreement as may be amended from time to time in accordance with the provisions described under the caption “Master Trust Indenture – Release of Pledged Project Obligations from the Lien of the Master Trust Indenture; Pledge of Additional Pledged Project Obligations”.

DWSRF Prepayment means any payment of principal on a DWSRF Pledged Project Obligation in advance of its stated due date as designated by a Recipient on a DWSRF Pledged Project Obligation.

DWSRF Project Obligation means any loan contract, installment sale agreement and any and all other agreements, resolutions and other related documents entered into by a Recipient evidencing amounts owed to the Board in connection with the financing of a DWSRF Eligible Project.

DWSRF State Match Portion means that portion of a Series of Bonds designated as a State Match Portion in the Related Series Indenture that is issued to finance DWSRF Project Obligations.

Eligible Project means either a CWSRF Eligible Project or a DWSRF Eligible Project.

Event of Default means any event of default described under the caption “Master Trust Indenture – Defaults and Remedies”.

Excluded Pledged Project Obligations means each Pledged Project Obligation which has been released from the lien of the Master Trust Indenture pursuant to the provisions of the Master Trust Indenture.

Fitch means Fitch Ratings and its successors and assigns and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by IBank by notice to the Trustee.

IBank means the California Infrastructure and Economic Development Bank, a public instrumentality and political subdivision of the State, duly organized and validly existing pursuant to the Act.

IBank Officer Certificate means a certificate signed by an Authorized IBank Officer.

IBank Reserved Rights means the rights of IBank to Bond Expenses Payments, notices, opinions and indemnification under the Master Payment and Pledge Agreement.

Interest Payment Date means the date on which any installment of interest on a Series is due other than by reason of redemption.

Investment Obligations means, as and to the extent permitted by law:

- (i) bonds or interest-bearing notes or obligations of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest;
- (ii) bonds or interest-bearing notes or obligations that are guaranteed as to principal and interest by a federal agency of the United States;
- (iii) bonds of the State or bonds for which the faith and credit of the State are pledged for the payment of principal and interest;
- (iv) bonds or warrants, including but not limited to revenue warrants, of any county, city, metropolitan water district, State water district, State water storage district, irrigation district in the State, municipal utility district or school district of the State which are rated within the two highest rating categories by a Rating Agency;
- (v) bonds, consolidated bonds, collateral trust debentures, consolidated debentures or other obligations issued by general land banks or federal intermediate credit banks established under the Federal Farm Loan Act, as amended, debentures and consolidated debentures issued by the Central Bank for Cooperatives and banks for cooperatives established under the Farm Credit Act of 1933, as amended, bonds or debentures of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act, stocks, bonds, debentures and other obligations of the Federal National Mortgage Association established under the National Housing Act, as amended, and the bonds of any federal home loan bank established under said act, obligations of the Federal Home Loan Mortgage Corporation, and bonds, notes and other obligations issued by the Tennessee Valley Authority under the Tennessee Valley Authority Act, as amended;
- (vi) commercial paper rated in the highest rating category by a Rating Agency that is issued by corporations (1) organized and operating within the United States, (2) having total assets in excess of \$500,000,000 and (3) approved by the Pooled Money Investment Board; provided however, that eligible commercial paper may not exceed 180 days' maturity, represent more than 10 percent of the outstanding paper of an issuing corporation nor exceed 30 percent of the resources of an investment program, and if requested by the State Treasurer, such investment shall be additionally secured by depositing with the State Treasurer securities authorized by Section 53651 of the California Government Code of a market value of at least 10 percent in excess of the amount of the investment;

- (vii) bills of exchange or time drafts drawn on and accepted by a commercial bank the general obligations of which are rated within the two highest rating categories by a Rating Agency, otherwise known as banker's acceptances, which are eligible for purchase by the Federal Reserve System;
- (viii) negotiable certificates of deposit issued by a nationally or state- chartered bank including the Trustee and its affiliates or savings and loan association or by a state-licensed branch of a foreign bank which, to the extent they are not insured by federal deposit insurance, are issued by an institution the general obligations of which are rated in one of the two highest rating categories by a Rating Agency;
- (ix) bonds, debentures and notes issued by corporations organized and operating within the United States which securities are rated in one of the highest two rating categories by a Rating Agency;
- (x) deposits in the Surplus Money Investment Fund referred to in Section 16471 of the California Government Code;
- (xi) repurchase agreements or reverse repurchase agreements, as such terms are defined in and pursuant to the terms of Section 16480.4 of the California Government Code, which are secured by a perfected security interest in any one or more of the securities described in clauses (i) or (ii) hereof and which have an aggregate market value (determined at least weekly) at least equal to the amount invested;
- (xii) collateralized or uncollateralized investment agreements or other contractual arrangements with corporations, financial institutions or national associations within the United States, provided that the senior long-term debt of such corporations, institutions or associations is rated within the top two rating categories by each Rating Agency that has assigned a rating to such long-term debt;
- (xiii) forward purchase agreements collateralized with obligations described in (i) through (vi) above with corporations, financial institutions or national associations within the United States, provided that the senior long term debt of such corporations, institutions or associations is rated within the highest two rating categories by a Rating Agency;
- (xiv) money market funds that (a) invest solely in obligations described in clauses (i), (ii), (iii), (iv) or (xi), or any combination thereof, of this definition, including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee or such holding company provide investment advisory or other management services or (b) are rated in the highest rating category by each Rating Agency; or
- (xv) such other investments as may be authorized by a Supplemental Indenture or Series Indenture, provided that each Rating Agency then rating the Bonds

has confirmed that the use of such additional investments will not result in the reduction or withdrawal of any rating on any Outstanding Bonds.

Leveraged Portion means that portion of a Series of Bonds designated as such in the Related Series Indenture.

Master Payment and Pledge Agreement means the Amended and Restated Master Payment and Pledge Agreement dated as of March 1, 2022, by and between the Board and IBank, as amended and supplemented in accordance with the provisions thereof.

Master Payment and Pledge Agreement Default means an event of default under the Master Payment and Pledge Agreement.

Master Trust Indenture means the Amended and Restated Master Trust Indenture, dated as of March 1, 2022, by and between the IBank and the Trustee, as amended and supplemented in accordance with the terms thereof.

Moody's means Moody's Investors Service, Inc. and its successors and assigns and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by IBank by notice to the Trustee.

Municipal Index means the SIFMA Municipal Swap Index or successor index announced by Municipal Market Data and based upon the weekly interest rate resets of tax-exempt variable rate issues included in a database maintained by Municipal Market Data, Inc. which meet specified criteria established by the Securities Industry and Financial Markets Association. The SIFMA Municipal Swap Index shall be based upon current yields of high-quality weekly adjustable variable rate demand bonds which are subject to tender upon seven days' notice, the interest on which under the Code, is excludable from gross income for federal income tax purposes. The SIFMA Municipal Swap Index shall not include any bonds the interest on which is subject to any personal "alternative minimum tax" or similar tax unless all tax exempt bonds are subject to such tax. In the event the SIFMA Municipal Swap Index or a successor index is no longer produced by Municipal Market Data, Inc. or its successor, "Municipal Index" shall mean such other reasonably comparable index selected by the Board.

Nominee means Cede & Co., as nominee of DTC, the initial Securities Depository for the Bonds, and any successor nominee of DTC and, if another Securities Depository replaces DTC as Securities Depository under the Master Trust Indenture, any nominee of such substitute Securities Depository.

Non-Proceed Percentage means the percentage of a Pledged Project Obligation identified by the Board from time to time as the Non-Proceed Percentage, Outstanding, when used with reference to Series, means, as of any particular date, the aggregate of all Bonds of such Series authenticated and delivered under the Master Trust Indenture, except:

(a) Bonds cancelled by the Trustee or delivered to the Trustee for cancellation at or prior to such date;

(b) Bonds for the payment or redemption of which money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent in trust for the Owners of such Bonds, provided that if such Bonds are to be redeemed, notice of such redemption has been duly given pursuant to the Master Trust Indenture or provision therefor satisfactory to the Trustee has been made;

(c) Bonds paid or Bonds deemed to be paid as provided in the Master Trust Indenture; and

(d) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the Master Trust Indenture.

Owner means a person or persons in whose name or names a particular Bond shall be registered on the Bond Register.

Parity Reimbursement Obligation means a Reimbursement Obligation the payment of which is secured by a pledge of and a lien on collateral and revenues securing a Series.

Participant means each DTC Participant and if there is a Securities Depository for the Bonds other than DTC, each broker-dealer, bank and other financial institution from time to time for which such other Securities Depository holds Bonds as securities depository.

Party means IBank, the Board or the Trustee, as applicable.

Paying Agent means the Trustee and/or any other bank or trust company designated by IBank as paying agent for the Bonds.

Person means an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof.

Pledged Assets means all of IBank's right, title and interest in and to the Master Payment and Pledge Agreement (other than Board Reserved Rights and IBank Reserved Rights), the Pledged Revenues, and the funds and accounts established under the Master Trust Indenture (except amounts on deposit in the Rebate Fund).

Pledged Project Obligation means all of the CWSRF Pledged Project Obligations and DWSRF Pledged Project Obligations.

Pledged Revenues means (i) repayments of principal of and interest on the Pledged Project Obligations and Prepayments thereon, (ii) the principal and investment earnings on Investment Obligations, (iii) payments received from the United States or the State related to Bonds issued under the Master Trust Indenture and as designated in a Series Indenture, and (iv) and any other amounts held under the Master Trust Indenture and designated as Pledged Revenues.

Pooled Money Investment Board means the State entity created pursuant to Government Code Section 16480.1.

Prepayments means all of the CWSRF Prepayment and DWSRF Prepayment.

Principal Payment Date means the date on which any principal on a Series is due other than by reason of redemption.

Proceed Percentage means the percentage of a Pledged Project Obligation identified by the Board from time to time as the Proceed Percentage.

Qualified Swap Agreement means a contract or agreement wherein the payments required thereunder (other than payments of fees and expenses and termination payments which shall in all cases be payable on a subordinate basis) are payable from Pledged Revenues on a parity with the payment of a Series, including, without limitation, any interest rate swap agreement, currency swap agreement, forward payment conversion agreement or futures contract, any contract providing for payments based on levels of, or changes in, interest rates, currency exchange rates, stock or other indices, any contract to exchange cash flows or a series of payments, or any contract, including, without limitation, an interest rate floor or cap, or an option, put or call, to hedge payment, currency, rate, spread or similar exposure, between IBank and the counterparty to the Qualified Swap Agreement, provided that in each case (i) the notional amount of the Qualified Swap Agreement shall not exceed the principal amount of the related Series or portion thereof or the amount of such investments, as applicable, and (ii) IBank shall have received a Rating Confirmation with respect to the Bonds.

Rating Agency means, each or collectively, Fitch, Moody's and S&P.

Rating Confirmation means written evidence from each rating agency then rating a Series to the effect that, following the event which requires the Rating Confirmation, the then current rating for such Series will not be lowered or withdrawn solely as a result of the occurrence of such event.

Recipient means each municipality (as defined in the Clean Water Act and the CWSRF Act) which may receive financial assistance under a CWSRF Project Obligation or public agencies operating public water systems (as defined in the Safe Drinking Water Act and the DWSRF Act) which may receive financial assistance under a DWSRF Project Obligation.

Refunding Bonds means any Bonds issued under the Master Trust Indenture, the proceeds of which are to be used to pay the principal of, premium, if any, or interest on any Outstanding Bonds.

Reimbursement Obligation means an obligation of IBank described as such in the Master Trust Indenture to reimburse directly the Credit Provider for amounts paid pursuant to a Credit Facility.

Related, as the context may require, means (i) when used with respect to any Costs of Issuance Fund, Bond Proceeds Fund, Rebate Fund, or any account within any such fund, the fund, account or subaccount so designated and established by the Series Indenture authorizing a particular Series, (ii) when used with respect to a Series Indenture, the Series Indenture authorizing a particular Series, (iii) when used with respect to a Series, the Series issued under the Related Series Indenture, (iv) when used with respect to a Credit Provider, Credit Facility or Parity

Reimbursement Obligation, the Credit Provider providing the Credit Facility for a particular Series, the Credit Facility securing or supporting such Series and the Parity Reimbursement Obligation entered into in connection therewith, respectively, and (v) when used with respect to a Tax Certificate, the Tax Certificate entered into in connection with a particular Series.

Safe Drinking Water Act means the Safe Drinking Water Act of 1974 (42 U.S.C. § 300 et seq.), and the rules and regulations promulgated thereunder.

S&P means Standard & Poor's Credit Markets Services and its successors and their assigns, and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by IBank by notice to the Trustee.

Series means all of the Bonds of a particular Series authenticated and delivered pursuant to a Series Indenture, and any Bonds of such Series thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Master Trust Indenture.

Series Indenture means a series indenture providing for the issuance of a Series, as amended and supplemented in accordance with the terms thereof by a Supplemental Indenture.

State means the State of California.

State Match Portion means either or both of the CWSRF State Match Portion and the DWSRF State Match Portion, as the context requires.

State Matching Grant means the matching grant required pursuant to any Capitalization Grant.

State Treasurer means the Treasurer of the State of California and his or her duly authorized representative.

Supplemental Indenture means any indenture supplementary to or amendatory of the Master Trust Indenture or a Series Indenture executed and delivered pursuant to Article XI of the Master Trust Indenture.

Swap means any interest rate swap agreement, currency swap agreement, forward payment conversion agreement or futures contract, any contract providing for payments based on levels of, or changes in, interest rates, currency exchange rates, stock or other indices, any contract to exchange cash flows or a series of payments, or any contract, including, without limitation, an interest rate floor or cap, or an option, put or call, to hedge payment, currency, rate, spread or similar exposure, between IBank and the counterparty to the Swap, which is not a Qualified Swap Agreement.

Tax Certificate means the tax certificate or other similar document setting forth provisions to assure compliance by IBank and the Board with requirements of the Code as conditions to the exclusion of interest on any Tax-Exempt Bonds, as the same may be amended or supplemented, all as may be more particularly described in the Related Series Indenture.

Tax-Exempt Bonds means Bonds the interest on which is intended on their date of issuance to be excludable from gross income of the Owners thereof for federal income tax purposes and designated as such in the Related Series Indenture.

Trust Office means the office of the Trustee at which at any particular time its trust business shall be principally administered, which office at the date hereof is located in Sacramento, California, except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the office or agency of the Trustee at which, at any particular time, its trust agency business shall be conducted.

Trustee means, in its capacity as trustee under the Master Trust Indenture, the State Treasurer, any agent of the State Treasurer or any successor Trustee as provided in the Master Trust Indenture.

## **MASTER TRUST INDENTURE**

### **Pledge and Assignment Effected by Master Trust Indenture**

All Bonds of each and every Series issued and to be issued under the Master Trust Indenture are, and are to be, to the extent provided in the Master Trust Indenture, equally and ratably secured by the Master Trust Indenture without preference, priority or distinction on account of the actual time or times of the authentication or delivery or maturity or redemption of the Bonds of such Series or any of them, so that all Bonds and any Related Parity Reimbursement Obligation at any time Outstanding thereunder shall have the same right, lien and preference under and by virtue of the Master Trust Indenture and shall all be equally and ratably secured with like effect as if they had all been executed, authenticated and delivered simultaneously on the date thereof ; provided that the State Match Portion may not be paid from principal repayments received on Pledged Project Obligations; and provided further, that Bonds may be issued as subordinated debt, as designated as such under a Series Indenture. The aggregate principal amount of Bonds which may be executed and delivered by IBank and authenticated by the Trustee and secured by the Master Trust Indenture is not limited except as is or may hereafter be provided in the Master Trust Indenture or as may be limited by law.

Subject only to the provisions of the Master Trust Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein and, subject to the rights of the Owners, there are pledged to secure the payment of the principal of and premium, if any, and interest on the Bonds in accordance with their terms and the provisions of the Master Trust Indenture, the Pledged Assets, subject to the provisions thereof; provided that the State Match Portion may not be paid from principal repayments received on Pledged Project Obligations. Said pledge shall constitute a lien on and security interest in the Pledged Assets and shall attach, be perfected and be valid and binding from and after delivery of the Bonds, without any physical delivery thereof or further act.

### **Creation and Custody of Funds and Accounts**

Initially, and as long as the State Treasurer is the Trustee, all such funds and Related accounts that may be established for each Related Series shall be within the State Treasury.

There shall be established, maintained and held in trust the following funds:

- (1) A Clean Water Costs of Issuance Fund and a Drinking Water Costs of Issuance Fund for each Related Series, as necessary;
- (2) A Clean Water Bond Proceeds Fund and a Drinking Water Bond Proceeds Fund for each Related Series, as necessary;
- (3) A Clean Water Restricted Assets Fund and a Drinking Water Restricted Assets Fund;
- (4) A Clean Water Debt Service Fund and a Drinking Water Debt Service Fund;
- (5) A Clean Water Debt Service Reserve Fund and a Drinking Water Debt Service Reserve Fund; and
- (6) A Clean Water Prepayment Fund and a Drinking Water Prepayment Fund.

IBank, the State Treasurer, as Trustee, and the Board may by execution and delivery of a Series Indenture or by delivery of an IBank Officer Certificate or Board Officer Certificate, establish one or more additional funds, accounts or subaccounts as may be determined to be necessary or useful in administering the funds and accounts established under the master Trust Indenture.

The Trustee shall control each Clean Water Costs of Issuance Fund, each Drinking Water Costs of Issuance Fund, each Clean Water Debt Service Fund, each Drinking Water Debt Service Fund, each Clean Water Debt Service Reserve Fund, and each Drinking Water Debt Service Reserve Fund, each of which shall be disbursed and applied as provided in the Master Trust Indenture and in each Related Series Indenture. The Board shall control each Clean Water Bond Proceeds Fund, each Drinking Water Bond Proceeds Fund, the Clean Water Restricted Assets Fund, the Drinking Water Restricted Assets Fund, the Clean Water Prepayment Fund, and the Drinking Water Prepayment Fund, each of which shall be disbursed and applied as provided in the Master Trust Indenture and as may be provided in a Series Indenture.

At such time as the Board shall determine that amounts are required to be deposited into a rebate fund in accordance with a Tax Certificate, it shall notify the Trustee and the Trustee shall establish and maintain or cause to be established and maintained in trust a Clean Water Rebate Fund and a Drinking Water Rebate Fund. The Trustee shall control each Rebate Fund.

For purposes of compliance with the Clean Water Act or the CWSRF Act or regulations and policies promulgated thereunder restricting the use of moneys within the CWSRF, moneys in each of the funds and accounts established under the Master Trust Indenture that are allocable to proceeds of Bonds issued to fund CWSRF Project Obligations shall be deemed to be within the CWSRF (except any Related Clean Water Costs of Issuance Fund, which shall be segregated from the other funds and accounts under the Master Trust Indenture).

For purposes of compliance with the Safe Drinking Water Act or the DWSRF Act or regulations and policies promulgated thereunder restricting the use of moneys within the DWSRF, moneys in each of the funds and accounts established under the Master Trust Indenture that are allocable to proceeds of Bonds issued to fund DWSRF Project Obligations shall be deemed to be within the DWSRF (except any Related Drinking Water Costs of Issuance Fund, which shall be segregated from the other funds and accounts under the Master Trust Indenture).

After all of the Bonds and any other amounts owing under the Master Trust Indenture have been paid in full, then all of the funds and accounts created under the Master Trust Indenture shall be closed by the Trustee and the Board, as applicable, and any amounts remaining on deposit in such closed funds and accounts shall be applied by the Trustee in accordance with a Board Officer Certificate.

### **Bond Proceeds Funds**

There shall be deposited into a Clean Water Bond Proceeds Fund (i) the proceeds of the Related Series as provided in the Related Series Indenture, (ii) amounts transferred from a Related Costs of Issuance Fund, (iii) all amounts equal to the Proceed Percentage received as principal of or interest on the Related CWSRF Pledged Project Obligations and any CWSRF Prepayments transferred pursuant to the provisions described under the caption “Master Trust Indenture – Application of Prepayments; Prepayment Funds”, (iv) amounts deposited pursuant to the provisions described under the caption “Master Trust Indenture – Reimbursements of Transfers” and (v) any other amounts deposited therein by the Board to be transferred therein from a fund or account not governed by the Master Trust Indenture as the Board finds necessary and convenient. There shall be deposited into a Drinking Water Bond Proceeds Fund (i) the proceeds of the Related Series as provided in the Related Series Indenture, (ii) amounts transferred from a Related Costs of Issuance Fund, (iii) all amounts equal to the Proceed Percentage received as principal of or interest on the Related DWSRF Pledged Project Obligations and any DWSRF Prepayments transferred pursuant to the provisions described under the caption “Master Trust Indenture – Reimbursements of Transfers”, (iv) amounts deposited pursuant to the provisions described under the caption “Master Trust Indenture – Reimbursements of Transfers” and (v) any amounts directed by the Board to be transferred therein from a fund or account not governed by the Master Trust Indenture as the Board finds necessary and convenient.

Amounts deposited into a Clean Water Bond Proceeds Fund which are Pledged Revenues described in (i) and (ii) of the definition thereof shall be applied to pay or reimburse the Board and IBank for any Bond Expenses reasonably incurred in connection with an Event of Default in such manner as directed by the Board, and thereafter all amounts on deposit in a Clean Water Bond Proceeds Fund shall be applied in such order of priority as determined by the Board to (i) fund CWSRF Project Obligations, (ii) to refund bonds issued to fund CWSRF Project Obligations, (iii) pay Debt Service on that portion of a Series of Bonds issued to fund CWSRF Project Obligations, provided that the State Match Portion may not be paid from principal repayments received on Pledged Project Obligations, (iv) pay Bond Expenses of Bonds issued to fund CWSRF Project Obligations, (v) subject to the provisions described under the caption “Master Trust Indenture – State Match Portion Not Payable from Principal Repayments Received on Pledged Project Obligations”, pay Debt Service on that portion of a Series of Bonds issued to fund DWSRF Project Obligations, provided that the State Match Portion may not be paid from

principal repayments received on Pledged Project Obligations, (vi) pay any other amounts due from the Board in accordance with the provisions described under the caption “Master Trust Indenture – Payment Requirements” or other amounts that may be paid from the Clean Water Restricted Assets Fund pursuant to the provisions described under the caption “Master Trust Indenture – Restricted Assets Funds”, (vii) reimburse a Drinking Water Bond Proceeds Fund or the Drinking Water Restricted Assets Fund in accordance with the provisions described under the caption “Master Trust Indenture – Reimbursement of Transfers”, (viii) satisfy the Related Rebate Requirement (as provided in the Related Tax Certificate) with respect to the Related Series, and (ix) such other purpose as provided for a Series of Bonds, each as may be provided in the Related Series Indenture. Subject to the payment of any amounts necessary to satisfy the Related Rebate Requirement (as provided in the Related Tax Certificate) and, upon the filing of a Board Officer Certificate with the Trustee and IBank which demonstrates that the Coverage Test is satisfied in each Bond Year the Bonds are scheduled to be Outstanding, amounts deposited into a Clean Water Bond Proceeds Fund which are Pledged Revenues may be released from the lien of the Master Trust Indenture and the Master Payment and Pledge Agreement and transferred to the CWSRF free and clear of such liens and applied by the Board for any lawful purpose, upon receipt of a Board Officer Certificate that no further amounts are to be expended from a Clean Water Bond Proceeds Fund, the Trustee shall transfer amounts remaining on deposit therein to the Related Clean Water Debt Service Fund. Investment earnings on amounts in a Clean Water Bond Proceeds Fund shall be transferred when received to either the Clean Water Debt Service Fund or as directed by the Board.

Amounts deposited into a Drinking Water Bond Proceeds Fund which are Pledged Revenues described in (i) and (ii) of the definition thereof shall be applied to pay or reimburse the Board and IBank for any Bond Expenses reasonably incurred in connection with an Event of Default in such manner as directed by the Board, and thereafter all amounts on deposit in a Drinking Water Bond Proceeds Fund shall be applied in such order of priority as determined by the Board to (i) fund DWSRF Project Obligations, (ii) to refund bonds issued to fund DWSRF Project Obligations, (iii) pay Debt Service on that portion of a Series of Bonds issued to fund DWSRF Project Obligations, provided that the State Match Portion may not be paid from principal repayments received on Pledged Project Obligations, provided that the State Match Portion may not be paid from principal repayments received on Pledged Project Obligations, (iv) pay Bond Expenses of Bonds issued to fund DWSRF Project Obligations, (v) subject to the provisions described under the caption “Master Trust Indenture – State Match Portion Not Payable from Principal Repayments Received on Pledged Project Obligations”, pay Debt Service on that portion of a Series of Bonds issued to fund CWSRF Project Obligations, (vi) pay any amounts due from the Board in accordance with the provisions described under the caption “Master Trust Indenture – Payment Requirements” or other amounts that may be paid from the Drinking Water Restricted Assets Fund pursuant to the provisions described under the caption “Master Trust Indenture – Restricted Assets Funds”, (vii) reimburse a Clean Water Bond Proceeds Fund or the Clean Water Restricted Assets Fund in accordance with the provisions described under the caption “Master Trust Indenture – Reimbursement of Transfers”, (viii) satisfy the Related Rebate Requirement (as provided in the Related Tax Certificate) with respect to the Related Series of Bonds, and (vi) such other purpose as provided for a Series of Bonds, each as may be provided in the Related Series Indenture. Subject to the payment of any amounts necessary to satisfy the Related Rebate Requirement (as provided in the Related Tax Certificate) and, upon the filing of a Board Officer Certificate with the Trustee and IBank which demonstrates that the Coverage Test is satisfied in

each Bond Year the Bonds are scheduled to be Outstanding, amounts deposited into a Drinking Water Bond Proceeds Fund which are Pledged Revenues may be released from the lien of the Master Trust Indenture and the Master Payment and Pledge Agreement and transferred to the DWSRF free and clear of such liens and applied by the Board for any lawful purpose, upon receipt of a Board Officer Certificate that no further amounts are to be expended from a Drinking Water Bond Proceeds Fund, the Trustee shall transfer amounts remaining on deposit therein to the Related Drinking Water Debt Service Fund. Investment earnings on amounts in the Drinking Water Bond Proceeds Fund shall be transferred when received to either the Drinking Water Debt Service Fund or as directed by the Board.

### **Costs of Issuance Funds**

There shall be deposited into a Costs of Issuance Fund the proceeds of the Related Series and any other amounts deposited therein by the Board as may be provided in the Related Series Indenture.

Amounts held in a Costs of Issuance Fund shall be applied to the payment of Costs of Issuance upon receipt by the Trustee of an IBank Officer Certificate in the form set forth attached to the Master Trust Indenture. Upon receipt of an IBank Officer Certificate that no further Costs of Issuance are to be paid from a Cost of Issuance Fund, the Trustee shall transfer any other amounts remaining on deposit therein from the proceeds of Bonds to (i) the Related Debt Service Fund or (ii) to the Related Bond Proceeds Fund, as directed by the Board. Investment earnings on amounts in a Costs of Issuance Fund shall be transferred when received to the Related Debt Service Fund.

### **Restricted Assets Funds**

There shall be deposited into the Clean Water Restricted Assets Fund all amounts equal to the Non-Proceed Percentage received as principal of or interest on the CWSRF Pledged Project Obligations and any CWSRF Prepayments transferred from the Clean Water Prepayment Fund as provided in the provisions described under the caption “Master Trust Indenture – Application of Prepayments; Prepayment Funds” to the Clean Water Restricted Assets Fund, amounts deposited pursuant to the provisions described under the caption “Master Trust Indenture – Reimbursement of Transfers” and any amounts directed by the Board to be transferred therein from a fund or account not governed by the Master Trust Indenture and any other amounts directed to be deposited therein by the Board. Investment earnings on amounts in the Clean Water Restricted Assets Fund shall be transferred when received to the Clean Water Debt Service Fund.

Amounts deposited into the Clean Water Restricted Assets Fund shall be applied to pay or reimburse the Board and IBank for any Bond Expenses reasonably incurred in connection with an Event of Default in such manner as directed by the Board, and thereafter shall be transferred to the funds and accounts established in the provisions described under the caption “Master Trust Indenture – Prepayment Requirements” to pay amounts due from the Board as required by the Master Trust Indenture and thereafter shall be transferred to reimburse a Drinking Water Bond Proceeds Fund or the Drinking Water Restricted Assets Fund in accordance with Master Trust Indenture. After the foregoing transfers, amounts held by the Board in the Clean Water Restricted Assets Fund may be applied at the discretion of the Board as follows: (i) to pay for CWSRF Administrative Costs, (ii) to acquire a CWSRF Pledged Project Obligation, (iii) to the

redemption or purchase of Bonds issued to fund CWSRF Project Obligations as provided in the Master Trust Indenture and a Related Series Indenture, provided that the State Match Portion may not be paid from principal repayments received on Pledged Project Obligations, (iv) to make payments required by the provisions described under the caption “Master Payment and Pledge Agreement – Payments to Trustee and IBank”, (v) to be transferred to a Related Clean Water Bond Proceeds Fund in amounts equal to the Proceed Percentage received as principal of or interest on a CWSRF Pledge Project Obligations or as CWSRF Prepayments as may be held in the Clean Water Restricted Assets Fund, or (vi) subject to the payment of any amounts necessary to satisfy the Related Rebate Requirement (as provided in the Related Tax Certificate) and, upon the filing of a Board Officer Certificate with the Trustee and IBank which demonstrates that the Coverage Test is satisfied in each Bond Year the Bonds are scheduled to be Outstanding, released from the lien of the Master Trust Indenture and the Master Payment and Pledge Agreement and transferred to the CWSRF free and clear of such liens and applied by the Board for any lawful purpose, including without limitation into any account used for the purpose of identifying bond proceeds within the CWSRF.

There shall be deposited into the Drinking Water Restricted Assets Fund all amounts equal to the Non-Proceed Percentage received as principal of or interest on the DWSRF Pledged Project Obligations, any DWSRF Prepayments transferred from the Drinking Water Prepayment Fund pursuant to the Master Trust Indenture to the Drinking Water Restricted Assets Fund, amounts deposited pursuant to the provisions described under the caption “Master Trust Indenture – Reimbursement of Transfers”, any and any amounts directed by the Board to be transferred therein from a fund or account not governed by the Master Trust Indenture and any other amounts directed to be deposited therein by the Board. Investment earnings on amounts in the Drinking Water Restricted Assets Fund shall be transferred when received to the Drinking Water Debt Service Fund.

Amounts deposited into the Drinking Water Restricted Assets Fund shall be applied to pay or reimburse the Board and IBank for any Bond Expenses reasonably incurred in connection with an Event of Default in such manner as directed by the Board, and thereafter shall be transferred to the funds and accounts established in the provisions described under the caption “Master Trust Indenture – Payment Requirements” to pay amounts due from the Board in accordance with the Master Trust Indenture, and thereafter shall be transferred to reimburse a Clean Water Bond Proceeds Fund or the Clean Water Restricted Assets Fund in accordance with the Master Trust Indenture. After the foregoing transfers, amounts held by the Board in the Drinking Water Restricted Assets Fund may be applied at the discretion of the Board as follows: (i) to pay for DWSRF Administrative Costs, (ii) to acquire a DWSRF Pledged Project Obligation, (iii) to the redemption or purchase of Bonds issued to fund DWSRF Project Obligations as provided in the Master Trust Indenture and a Related Series Indenture, provided that the State Match Portion may not be paid from principal repayments received on Pledged Project Obligations, (iv) to make payments required under the Master Payment and Pledge Agreement, (v) to be transferred to a Related Drinking Water Bond Proceeds Fund in amounts equal to the Proceed Percentage received as principal of or interest on a DWSRF Pledge Project Obligations or as DWSRF Prepayments as may be held in the Drinking Water Restricted Assets Fund, or (vi) subject to the payment of any amounts necessary to satisfy the Related Rebate Requirement (as provided in the Related Tax Certificate) and, upon the filing of a Board Officer Certificate with the Trustee and IBank which demonstrates that the Coverage Test is satisfied in each Bond Year

the Bonds are scheduled to be Outstanding, released from the lien of the Master Trust Indenture and the Master Payment and Pledge Agreement and transferred to the DWSRF free and clear of the such liens and applied by the Board for any lawful purpose, including without limitation into any account used for the purpose of identifying bond proceeds within the DWSRF.

### **Application of Prepayments; Prepayment Funds**

CWSRF Prepayments in an amount equal to the Proceed Percentage shall be deposited into the Related Clean Water Bond Proceeds Fund. CWSRF Prepayments in an amount equal to the Non-Proceed Percentage shall be deposited into the Related Clean Water Prepayment Fund. Amounts in the Related Clean Water Prepayment Fund shall be transferred to the Clean Water Restricted Assets Fund at any time but in no event not less than once each calendar year upon direction of the Board. Investment earnings on amounts in the Clean Water Prepayment Fund shall be transferred when received to the Related Clean Water Debt Service Fund.

DWSRF Prepayments in an amount equal to the Proceed Percentage shall be deposited into the Related Drinking Water Bond Proceeds Fund. DWSRF Prepayments in an amount equal to the Non-Proceed Percentage shall be deposited into the Related Drinking Water Prepayment Fund. Amounts in the Related Drinking Water Prepayment Fund shall be transferred to the Drinking Water Restricted Assets Fund at any time but in no event not less than once each calendar year upon direction of the Board. Investment earnings on amounts in the Drinking Water Prepayment Fund shall be transferred when received to the Related Drinking Water Debt Service Fund.

### **Debt Service Funds**

(a) There shall be deposited into the Clean Water Debt Service Fund the amounts due for Bonds issued to finance CWSRF Project Obligations on each Related Board Payment Date and investment earnings on amounts in any Related Clean Water Bond Proceeds Fund pursuant to the provisions described under the caption “Master Trust Indenture – Bond Proceeds Funds”, the Clean Water Restricted Assets Fund pursuant to the provisions described under the caption “Master Trust Indenture – Restricted Assets Funds” and the Clean Water Prepayment Fund pursuant to the provisions described under the caption “Master Trust Indenture – Prepayment Funds”. Interest earnings on amounts held in the Clean Water Debt Service Fund shall be credited and retained therein. Amounts in the Clean Water Debt Service Fund shall be transferred in the following priorities from the funds and accounts established under the Master Trust Indenture; provided, however, that if an Event of Default shall have occurred and be continuing, prior to any transfers by the Board of amounts into the Clean Water Debt Service Fund as provided in this caption, the Board may first retain from amounts in the Clean Water Restricted Assets Fund such amounts as are necessary to pay or reimburse the Board and IBank for any Bond Expenses reasonably incurred in connection with such Event of Default:

- (i) amounts designated to be used from proceeds of a Series and transferred pursuant to the provisions described under the caption “Master Trust Indenture – Bond Proceeds Fund” to pay Debt Service on the Series, each as provided in the Related Series Indenture;

- (ii) amounts transferred from a Clean Water Debt Service Reserve Fund pursuant to the provisions described under the caption “Master Trust Indenture – Debt Service Reserve Fund”;
- (iii) investment earnings on amounts held in a Clean Water Debt Service Reserve Fund transferred pursuant to the provisions described under the caption “Master Trust Indenture – Debt Service Reserve Fund”;
- (iv) amounts transferred from the Clean Water Prepayment Fund pursuant to the provisions described under the caption “Master Trust Indenture – Prepayment Funds”;
- (v) amounts transferred from the Clean Water Bond Proceeds Fund pursuant to the provisions described under the caption “Master Trust Indenture – Bond Proceeds Funds”, as provided in paragraphs (a)(i) and (a)(ii) under the caption “Master Trust Indenture – Payment Requirements”;
- (vi) amounts transferred from the Clean Water Restricted Assets Fund pursuant to the provisions described under the caption “Master Trust Indenture – Restricted Assets Funds”, as provided in paragraphs (a)(i) and (a)(ii) under the caption “Master Trust Indenture – Payment Requirements”;
- (vii) amounts transferred from a Clean Water Debt Service Reserve Fund pursuant to the provisions described under the caption “Master Trust Indenture – Debt Service Reserve Funds”;
- (viii) subject to the provisions described under the caption “Master Trust Indenture – State Match Portion Not Payable from Principal Repayments Received on Pledged Project Obligations”, amounts transferred from the Drinking Water Bond Proceeds Fund pursuant to the provisions described under the caption “Master Trust Indenture – Bond Proceeds Funds”, as provided in paragraphs (b)(i) and (b)(ii) under the caption “Master Trust Indenture – Payment Requirements”;
- (ix) subject to the provisions described under the caption “Master Trust Indenture – State Match Portion Not Payable from Principal Repayments Received on Pledged Project Obligations”, amounts transferred from the Drinking Water Restricted Assets Fund pursuant to the provisions described under the caption “Master Trust Indenture – Restricted Assets Funds”, as provided in paragraphs (b)(iii) and (b)(iv) under the caption “Master Trust Indenture – Payment Requirements”;
- (x) amounts transferred from the Clean Water Restricted Assets Fund pursuant to the provisions described under the caption “Master Trust Indenture – Restricted Assets Funds”, as provided in paragraph (a)(v) under the caption “Master Trust Indenture – Payment Requirements”; and

- (xi) amounts transferred from a fund or account not governed by the Master Trust Indenture as the Board finds necessary and convenient; and
- (xii) any other amounts deposited therein by the Board.

*provided that* in the event that there are sufficient funds to make all payments required to be made under this caption, at the direction of the Board (A) amounts in the Clean Water Restricted Assets Fund may be used pursuant to (vi) above prior to amounts in a Clean Water Bond Proceeds Fund pursuant to (v) above and amounts shall be withdrawn from a Clean Water Bond Proceeds Fund pursuant to (v) above in the order as such amounts were deposited (and, in the event that such amount exceeds the amount necessary to be withdrawn, as directed by the Board), (B) amounts in the Drinking Water Restricted Assets Fund may be used pursuant to (ix) above prior to amounts in a Drinking Water Bond Proceeds Fund pursuant to (viii) above and amounts shall be withdrawn from a Drinking Water Bond Proceeds Fund pursuant to (viii) above in the order as such amounts were deposited (and, in the event that such amount exceeds the amount necessary to be withdrawn, as directed by the Board), and (C) amounts used to make payments required by the provisions described under the caption “Master Trust Indenture – Payment Requirements” may be reallocated by the Board; and

*and provided further that*, in the event that there are insufficient funds in the Clean Water Restricted Assets Fund to make any payments required by the provisions described under the caption “Master Trust Indenture – Payment Requirements”, such amounts shall be applied on a pro rata basis among all Bonds issued to finance CWSRF Project Obligations.

(b) Amounts held in the Clean Water Debt Service Fund shall be applied by the Trustee on each Related Bond Payment Date to pay Debt Service on the Bonds issued to fund CWSRF Project Obligations. Thereafter, any amounts in excess of the amounts required to pay interest on a Series of Bonds issued to fund the CWSRF Project Obligations on the next succeeding Bond Payment Date when interest is due and payable and principal on such Series of Bonds on the next succeeding Bond Payment Date when principal is due and payable shall be applied in accordance with the provisions described under this caption and thereafter may be applied to pay Bond Expenses with respect to Bonds issued to fund CWSRF Project Obligations or, at the direction of the Board set forth in a Board Officer Certificate, released from the lien of the Master Trust Indenture, the Related Series Indenture and the Master Payment and Pledge Agreement and applied by the Board for any lawful purpose, including without limitation into any account used for the purpose of identifying bond proceeds within the CWSRF.

(c) There shall be deposited into the Drinking Water Debt Service Fund (i) the amounts due for Bonds issued to finance DWSRF Project Obligations on each Related Board Payment Date and (ii) investment earnings on amounts in any Related Drinking Water Bond Proceeds Fund pursuant to the provisions described under the caption “Master Trust Indenture – Bond Proceeds Funds”, the Drinking Water Restricted Assets Fund pursuant to the provisions

described under the caption “Master Trust Indenture – Restricted Assets Funds” and the Drinking Water Prepayment Fund pursuant to the provisions described under the caption “Master Trust Indenture – Prepayment Funds”. Interest earnings on amounts held in the Drinking Water Debt Service Fund shall be credited and held therein. Amounts in the Drinking Water Debt Service Fund shall be transferred in the following priorities from the funds and accounts established under the Master Trust Indenture; provided, however, that if an Event of Default shall have occurred and be continuing, prior to any transfers by the Board of amounts into the Drinking Water Debt Service Fund as provided in this caption, the Board may first retain from amounts in the Drinking Water Restricted Assets Fund such amounts as are necessary to pay or reimburse the Board and IBank for any Bond Expenses reasonably incurred in connection with such Event of Default:

- (i) amounts designated to be used from proceeds of a Series and transferred pursuant to the provisions described under the caption “Master Trust Indenture – Bond Proceeds Funds” to pay Debt Service on the Series, each as provided in the Related Series Indenture;
- (ii) amounts transferred from a Drinking Water Debt Service Reserve Fund pursuant to the provisions described under the caption “Master Trust Indenture – Debt Service Reserve Funds” ;
- (iii) investment earnings on amounts held in a Drinking Water Debt Service Reserve Fund transferred pursuant to the provisions described under the caption “Master Trust Indenture – Debt Service Reserve Funds”;
- (iv) amounts transferred from the Drinking Water Prepayment Fund pursuant to the provisions described under the caption “Master Trust Indenture – Prepayment Funds”;
- (v) amounts transferred from the Drinking Water Bond Proceeds Fund pursuant to the provisions described under the caption “Master Trust Indenture – Bond Proceeds Funds”, as provided in paragraphs (b)(i) and (b)(ii) under the caption “Master Trust Indenture – Payment Requirements”;
- (vi) amounts transferred from the Drinking Water Restricted Assets Fund pursuant to the provisions described under the caption “Master Trust Indenture – Restricted Assets Funds”, as provided in paragraphs (b)(i) and (b)(ii) under the caption “Master Trust Indenture – Payment Requirements”;
- (vii) any amounts transferred from the Drinking Water Debt Service Reserve Fund pursuant to the provisions described under the caption “Master Trust Indenture – Debt Service Reserve Funds”;
- (viii) subject to the provisions described under the caption “Master Trust Indenture – State Match Portion Not Payable from Principal Repayments Received on Pledged Project Obligations”, amounts transferred from the Clean Water Bond Proceeds Fund pursuant to the provisions described under the caption “Master Trust Indenture – Bond Proceeds Funds”, as

provided in paragraphs (b)(i) and (b)(ii) under the caption “Master Trust Indenture – Payment Requirements”;

- (ix) subject to the provisions described under the caption “Master Trust Indenture – State Match Portion Not Payable from Principal Repayments Received on Pledged Project Obligations”, amounts transferred from the Clean Water Restricted Assets Fund pursuant to the provisions described under the caption “Master Trust Indenture – Restricted Assets Funds”, as provided in paragraphs (b)(iii) and (b)(iv) under the caption “Master Trust Indenture – Payment Requirements”;
- (x) amounts transferred from the Drinking Water Restricted Assets Fund pursuant to the provisions described under the caption “Master Trust Indenture – Restricted Assets Funds”, as provided in paragraph (a)(v) under the caption “Master Trust Indenture – Payment Requirements”.
- (xi) amounts transferred from a fund or account not governed by the Master Trust Indenture as the Board finds necessary and convenient; and
- (xii) any other amounts deposited therein by the Board.

provided that in the event that there are sufficient funds to make all payments required to be made under this caption, at the direction of the Board (A) amounts in the Drinking Water Restricted Assets Fund may be used pursuant to (vi) above prior to amounts in a Drinking Water Bond Proceeds Fund pursuant to (v) above and amounts shall be withdrawn from a Drinking Water Bond Proceeds Fund pursuant to (v) above in the order as such amounts were deposited (and, in the event that such amount exceeds the amount necessary to be withdrawn, as directed by the Board), (B) amounts in the Clean Water Restricted Assets Fund may be used pursuant to (ix) above prior to amounts in a Clean Water Bond Proceeds Fund pursuant to (viii) above and amounts shall be withdrawn from a Clean Water Bond Proceeds Fund pursuant to (viii) above in the order as such amounts were deposited (and, in the event that such amount exceeds the amount necessary to be withdrawn, as directed by the Board), and (C) amounts used to make payments required by the provisions described under the caption “Master Trust Indenture – Payment Requirements” may be reallocated by the Board;

and provided further that, in the event that there are insufficient funds in the Drinking Water Restricted Assets Fund to make any payments required by the provisions described under the caption “Master Trust Indenture – Payment Requirements”, such amounts shall be applied on a pro rata basis among all Bonds issued to finance DWSRF Project Obligations;

(d) Amounts held in the Drinking Water Debt Service Fund shall be applied by the Trustee on each Related Bond Payment Date to pay Debt Service on the Bonds issued to fund DWSRF Project Obligations. Thereafter, any amounts in excess of the amounts required to pay

interest on a Series of Bonds issued to fund the DWSRF Project Obligations on the next succeeding Bond Payment Date when interest is due and payable and principal on such Series of Bonds on the next succeeding Bond Payment Date when principal is due and payable shall be applied in accordance with the provisions described under this caption and thereafter may be applied to pay Bond Expenses with respect to Bonds issued to fund DWSRF Project Obligations or, at the direction of the Board set forth in a Board Officer Certificate, released from the lien of the Master Trust Indenture, the Related Series Indenture and the Master Payment and Pledge Agreement and applied by the Board for any lawful purpose, including without limitation into any account used for the purpose of identifying bond proceeds within the DWSRF.

### **Debt Service Reserve Funds**

The Board may establish a Debt Service Reserve Fund Requirement for a Series of Bonds as set forth in a Series Indenture. There shall be deposited in a Debt Service Reserve Fund (i) amounts deposited from proceeds of a Series as provided in the Related Series Indenture and (ii) amounts transferred by the Board from available money, including but not limited to draws on Capitalization Grants identified to the Trustee and amounts transferred from a fund or account that is not governed by the Master Trust Indenture.

On or after each Related Bond Payment Date, investment earnings shall be transferred from a Clean Water Debt Service Reserve Fund to the Related Clean Water Debt Service Fund and from a Drinking Water Debt Service Reserve Fund to the Related Drinking Water Debt Service Fund, as provided in a Series Indenture.

Amounts on deposit in a Debt Service Reserve Fund shall be applied by the Trustee in accordance with paragraphs (a)(vii) or (c)(vii) under the caption “Master Trust Indenture – Debt Service Funds”, to be applied ratably among all Series of Bonds secured by such Debt Service Reserve Fund to the extent that amounts available in accordance with paragraphs (a)(i) through (vi) and (c)(i) through (v) under the caption “Master Trust Indenture – Debt Service Funds”, as applicable, are insufficient therefor. Amounts on deposit in a Debt Service Reserve Fund shall be applied by the Trustee in accordance with paragraphs (a)(vi) and (c)(vi) under the caption “Master Trust Indenture – Debt Service Funds”, as applicable, to the extent that amounts available in accordance with paragraphs (a)(i) through (vi) and (c)(i) through (v) under the caption “Master Trust Indenture – Debt Service Funds”, as applicable, are insufficient therefor.

On the Business Day following each Related Bond Payment Date on which principal of a Series is due and payable, the Trustee shall transfer from a Clean Water Debt Service Reserve Fund, at the direction of the Board pursuant to a Board Officer Certificate, amounts in excess of the applicable Debt Service Reserve Fund Requirement to the Related Rebate Fund at the direction of the Board an amount equal to any Rebate Requirement (as provided in each Tax Certificate). Thereafter, any amounts in excess of a Debt Service Reserve Fund Requirement shall, to the extent such Clean Water Debt Service Reserve Fund was initially funded with proceeds of a Series, be transferred to the Clean Water Debt Service Fund and applied to pay Debt Service on the Bonds, provided that State Match Portion may not be paid from principal repayments received on Pledged Project Obligations, and otherwise may be applied at the direction of the Board as set forth in a Board Officer Certificate to pay Bond Expenses or released from the lien of the Master Trust Indenture and the Master Payment and Pledge Agreement and applied by the Board for any

lawful purpose, including without limitation into any account used for the purpose of identifying bond proceeds within the CWSRF.

On the Business Day following each Related Bond Payment Date on which principal of a Series is due and payable, the Trustee shall transfer from a Drinking Water Debt Service Reserve Fund, at the direction of the Board pursuant to a Board Officer Certificate, amounts in excess of the applicable Debt Service Reserve Fund Requirement to the Related Rebate Fund at the direction of the Board an amount equal to any Rebate Requirement (as provided in each Tax Certificate). Thereafter, any amounts in excess of a Debt Service Reserve Fund Requirement shall, to the extent such Drinking Water Debt Service Reserve Fund was initially funded with proceeds of a Series, be transferred to the Drinking Water Debt Service Fund and applied to pay Debt Service on the Bonds, provided that State Match Portion may not be paid from principal repayments received on Pledged Project Obligations, and otherwise may be applied at the direction of the Board as set forth in a Board Officer Certificate to pay Bond Expenses or released from the lien of the Master Trust Indenture and the Master Payment and Pledge Agreement and applied by the Board for any lawful purpose, including without limitation into any account used for the purpose of identifying bond proceeds within the DWSRF.

### **Rebate Funds**

There shall be deposited into a Clean Water Rebate Fund and a Drinking Water Rebate Fund such amounts as are required pursuant to the Related Tax Certificate. Amounts in a Clean Water Rebate Fund and Drinking Water Rebate Fund shall be applied as set forth in the Related Tax Certificate. The Trustee may rely conclusively upon the Board's determinations, calculations and certifications required by the Tax Certificate. The Trustee shall have no responsibility to independently make any calculation or determination or to review the Board's calculations made pursuant to the Related Tax Certificate.

### **Payment Requirements**

(a) The amount due and payable on a Board Payment Date with respect to Bonds issued to fund CWSRF Project Obligations shall be determined as follows and in the following order, provided that moneys representing the repayment of principal of Pledged Project Obligations shall not be used for the payments of the State Match Portion of a Series of Bonds:

- (i) The amount necessary to pay the interest portion of the Amount Payable due on such Series of Bonds issued to fund CWSRF Project Obligations on the next succeeding Related Bond Payment Date on which interest is due (less amounts to be used to pay interest on the Related Series as provided in paragraph (a)(i) under the caption "Master Trust Indenture – Debt Service Funds", provided that the Board may include in its calculation of the amounts paid to the Trustee any investment earnings transferred from the Clean Water Debt Service Reserve Fund to the Clean Water Debt Service Fund pursuant to the provisions described under the caption "Master Trust Indenture – Debt Service Reserve Funds" and interest earnings on deposit in the Clean Water Debt Service Fund);

- (ii) The amount necessary to pay the principal portion of the Amount Payable due on such Series of Bonds issued to fund CWSRF Project Obligations on the next succeeding Related Bond Payment Date on which principal is due;
- (iii) Subject to the provisions described under the caption “Master Trust Indenture – State Match Portion Not Payable from Principal Repayments Received on Pledged Project Obligations”, the amount necessary to pay the interest portion of the Amount Payable due on a Series of Bonds issued to fund DWSRF Project Obligations except for Debt Service on any State Match Portion on the next succeeding Related Bond Payment Date on which interest is due for which payments pursuant to paragraph (b)(i) under this caption are insufficient.
- (iv) Subject to the provisions described under the caption “Master Trust Indenture – State Match Portion Not Payable from Principal Repayments Received on Pledged Project Obligations”, the amount necessary to pay the principal portion of the Amount Payable due on a Series of Bonds issued to fund DWSRF Project Obligations except for Debt Service on any State Match Portion on the next succeeding Related Bond Payment Date on which principal is due for which payments pursuant to paragraph (b)(ii) under this caption are insufficient.
- (v) The amount necessary to pay any other amounts that remain due and unpaid including amounts to be repaid pursuant to the provisions described under the caption “Master Trust Indenture – Reimbursement of Transfers”;
- (vi) The amount necessary to pay any such amounts as are required pursuant to a Related Tax Certificate at the direction of the Board; and
- (vii) The amount necessary to pay for Bond Expenses as directed by the Board and IBank.

(b) The amount due and payable on a Board Payment Date with respect to Bonds issued to fund DWSRF Project Obligations shall be determined as follows and in the following order, provided that moneys representing the repayment of principal of Pledged Project Obligations shall not be used for the payments of the State Match Portion of a Series of Bonds:

- (i) The amount necessary to pay the interest portion of the Amount Payable due on a Series of Bonds issued to fund DWSRF Project Obligations on the next succeeding Related Bond Payment Date on which interest is due (less amounts to be used to pay interest on the Related Series as provided in paragraph (c)(i) under the caption “Master Trust Indenture – Debt Service Funds” , provided that the Board may include in its calculation of the amounts paid to the Trustee any investment earnings transferred from a Drinking Water Debt Service Reserve Fund to the Drinking Water Debt Service Fund pursuant to the provisions described under the caption

“Master Trust Indenture – Debt Service Reserve Funds” and interest earnings on deposit in the Drinking Water Debt Service Fund);

- (ii) The amount necessary to pay the principal portion of the Amount Payable due on a Series of Bonds issued to fund DWSRF Project Obligations on the next succeeding Related Bond Payment Date on which principal is due;
- (iii) Subject to the provisions described under the caption “Master Trust Indenture – State Match Portion Not Payable from Principal Repayments Received on Pledged Project Obligations”, the amount necessary to pay the interest portion of the Amount Payable due on a Series of Bonds issued to fund CWSRF Project Obligations except for Debt Service on any State Match Portion on the next succeeding Related Bond Payment Date on which interest is due for which payments pursuant to paragraph (a)(i) under this caption are insufficient.
- (iv) Subject to the provisions described under the caption “Master Trust Indenture – State Match Portion Not Payable from Principal Repayments Received on Pledged Project Obligations”, the amount necessary to pay the principal portion of the Amount Payable due on a Series of Bonds issued to fund CWSRF Project Obligations except for Debt Service on any State Match Portion on the next succeeding Related Bond Payment Date on which principal is due for which payments pursuant to paragraph (a)(ii) under this caption are insufficient.
- (v) The amount necessary to pay any other amounts that remain due and unpaid including amounts to be repaid pursuant to the provisions described under the caption “Master Trust Indenture – Reimbursement of Transfers”;
- (vi) The amount necessary to pay such amounts as are required pursuant to a Related Tax Certificate at the direction of the Board; and
- (vii) The amount necessary to pay for Bond Expenses as directed by the Board and IBank.

(c) In the event that 30 days prior to each Board Payment Date there are insufficient funds available to pay all the amounts set forth above due on the next Board Payment Date, the Trustee shall deliver to the Board an invoice setting forth by Series any unpaid amounts due and owing on such Board Payment Date.

### **Moneys Held by the Trustee**

All moneys from time to time received by the Trustee and held in any fund created pursuant to the Master Trust Indenture, except amounts held in a Rebate Fund, shall be held in trust by the Trustee for the benefit of the Owners from time to time of the Bonds entitled to be paid therefrom. Moneys held by the Trustee in trust under the Master Trust Indenture need not be segregated from other funds except to the extent required by law and except that the Rebate Fund shall be segregated from all other funds.

## **Moneys Held by the Board**

All moneys from time to time received by the Board and held in any fund created pursuant to the Master Trust Indenture or a Series Indenture, except as otherwise provided in the Master Trust Indenture, shall be held by the Board for the benefit of the Owners from time to time of the Bonds entitled to be paid therefrom. Moneys held by the Board for the benefit of the Owners of the Bonds and subject to the pledge of the provisions described under the caption “Master Trust Indenture – Pledge and Assignment” need not be segregated from other funds except to the extent required by law.

## **Investment of, and Payment of Interest on, Moneys; Valuation of Investments**

Moneys on deposit in each fund and account created and maintained under the Master Trust Indenture and any Series Indenture by the Trustee shall, pursuant to a Board Officer Certificate, be invested by the Trustee in Investment Obligations. Absent instructions from the Board, the Trustee shall invest in Investment Obligations of the type described in paragraph (xiv) of the definition thereof, except when the State Treasurer is the Trustee, investments shall, absent instructions from the Board, be only of the type described in paragraph (x) of the definition thereof. Moneys on deposit in each fund and account created and maintained under the Master Trust Indenture and any Series Indenture by the Board shall be invested by the Board in Investment Obligations of the type described in paragraph (x) of the definition thereof. Investments of moneys on deposit in any fund or account established under the Master Trust Indenture or a Series Indenture shall have maturity dates, or shall be subject to redemption or tender at the option of the Trustee or the Board, as applicable, which dates shall be on or prior to the respective dates on which the moneys invested therein are payable for the purposes of such funds. The securities purchased with the moneys in each such fund shall be held by or under the control of the Trustee or the Board, as applicable, and shall be deemed a part of such fund. The interest, including any realized increment on securities purchased at a discount, received on all such securities in any fund shall be deposited to the credit of such funds and accounts as provided in the Master Trust Indenture. Losses, if any, realized on securities held in any fund or account shall be debited to such fund or account. The Trustee shall not be liable or responsible for any loss resulting from any such investment or resulting from the redemption, sale or maturity of any such investment as therein authorized. If at any time it shall become necessary that some or all of the securities purchased with the moneys in any such fund or account be redeemed or sold in order to raise the moneys necessary to comply with the provisions of the Master Trust Indenture or Series Indenture, the Trustee shall effect such redemption or sale, employing in the case of a sale any commercially reasonable method of effecting such sale.

Unless otherwise specified in a Series Indenture, for the purpose of determining the amount in any such fund or account, all Investment Obligations credited to any fund or account established under the Master Trust Indenture shall be valued at cost.

## **Disposition of Amounts After Payment of Bonds**

The Trustee shall deliver to the Board pursuant to a certificate of an Authorized Board Officer any amounts remaining in any fund or account created under the Master Trust Indenture or a Series Indenture after payment in full of principal of, premium, if any, and interest

on the Bonds, or provisions for payment thereof having been made in accordance with the provisions of the Master Trust Indenture and any Series Indenture, and payment of all the fees, charges and expenses of IBank, the Trustee and any Paying Agent, provided that no Event of Default shall have occurred and be continuing and there shall not be any Debt Service Reserve Fund Deficiency.

### **Payment of Principal of and Interest and Premium on Bonds**

IBank will promptly pay, or cause to promptly pay, but solely from the Pledged Revenues, the principal of, and the interest on, every Bond issued under and secured by the Master Trust Indenture and any sinking fund payments provided in the Master Trust Indenture and any premium required to be paid for the retirement of said Bonds by redemption, at the places, on the dates and in the manner specified in any Series Indenture and in said Bonds according to the true intent and meaning thereof.

IBank shall not create a pledge, lien or charge upon the Pledged Assets other than as provided in the Master Trust Indenture; provided however that, a pledge, lien or charge subject and subordinate to the pledge and lien created pursuant to the Master Trust Indenture may be created with the prior written consent of the Board.

### **Tax Covenants**

To the extent within its control, IBank shall not use or permit the use of any proceeds of the Bonds to acquire any securities or obligations that would cause the interest on Tax-Exempt Bonds to become subject to federal income taxation, and, to the extent within its control, shall not take or permit to be taken any other action or actions, which would cause any such Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code or “federally guaranteed” within the meaning of Section 149(b) of the Code and any such applicable regulations promulgated from time to time thereunder. IBank covenants to comply with the provisions and procedures of each Tax Certificate.

Notwithstanding any provisions of the Master Trust Indenture concerning Tax Covenants or any Tax Certificate, if IBank shall provide to the Trustee an opinion of Bond Counsel to the effect that any specified action required under the provisions of the Master Trust Indenture concerning Tax Covenants is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest on any Tax-Exempt Bonds, the Trustee may conclusively rely on such opinion in complying with the requirements of the provisions of the Master Trust Indenture concerning Tax Covenants, and, notwithstanding any other provision of the Master Trust Indenture or any Tax Certificate, the covenants thereunder shall be deemed to be modified to that extent.

### **Release of Pledged Project Obligations from the Lien of the Master Trust Indenture; Pledge of Additional Pledged Project Obligations**

The Board may release Pledged Project Obligations from the lien of the Master Payment and Pledge Agreement so as to become Excluded Pledged Project Obligations or substitute and add CWSRF Project Obligations and DWSRF Project Obligations to the lien of the Master Payment and Pledge Agreement by providing and filing with the Trustee, IBank and each

Rating Agency then rating the Bonds, (1) a revised Schedule to the Master Payment and Pledge Agreement, describing the Pledged Project Obligations to be released and, if applicable, substituted therefor or added thereto, and (2) a Board Officer Certificate which demonstrates that the Coverage Test is satisfied in each year the Bonds are scheduled to be Outstanding.

IBank and the Trustee shall execute a release and such other instruments as the Board or IBank may reasonably request in order to evidence the release from the lien of the Master Trust Indenture and the Master Payment and Pledge Agreement of the Excluded Pledged Project Obligations and related rights of payment thereon.

### **Reimbursement of Transfers**

The Board shall reimburse each Clean Water Bond Proceeds Fund and the Clean Water Restricted Assets Fund for any transfers made pursuant to the provisions described under the caption “Master Trust Indenture – Bond Proceeds Funds” and to the provisions described under the caption “Master Trust Indenture – Restricted Assets Funds” hereof to make payments pursuant to paragraphs (a)(iii) or (iv) under the caption “Master Trust Indenture – Payment Requirements” plus interest on such transferred amount at the rate of interest payable by the State’s Surplus Money Investment Fund as of the date of repayment, as follows: (i) amounts transferred pursuant to the provisions described under the caption “Master Trust Indenture – Bond Proceeds Funds” shall be reimbursed to such Clean Water Bond Proceeds Fund, (ii) amounts transferred pursuant to the provisions described under the caption “Master Trust Indenture – Restricted Assets Funds” shall be reimbursed to a Clean Water Bond Proceeds Fund of any Series if such reimbursements are transferred pursuant to the provisions described under the caption “Master Trust Indenture – Bond Proceeds Funds”, and (iii) amounts transferred pursuant to the provisions described under the caption “Master Trust Indenture – Restricted Assets Funds” shall be reimbursed to the Clean Water Restricted Assets Fund if such reimbursements are transferred pursuant to the provisions described under the caption “Master Trust Indenture – Restricted Assets Funds”.

The Board shall reimburse each Drinking Water Bond Proceeds Fund and the Drinking Water Restricted Assets Fund for any transfers made pursuant to the provisions described under the caption “Master Trust Indenture – Bond Proceeds Funds” and the provisions described under the caption “Master Trust Indenture – Restricted Assets Funds” hereof to make payments pursuant to paragraphs 6.09(c)(iii) or (iv) under the caption “Master Trust Indenture – Payment Requirements” plus interest on such transferred amount at the rate of interest payable by the State’s Surplus Money Investment Fund as of the date of repayment, as follows: (i) amounts transferred pursuant to the provisions described under the caption “Master Trust Indenture – Bond Proceeds Funds” shall be reimbursed to such Drinking Water Bond Proceeds Fund, (ii) amounts transferred pursuant to the provisions described under the caption “Master Trust Indenture – Restricted Assets Funds” shall be reimbursed to a Drinking Water Bond Proceeds Fund of any Series if such reimbursements are transferred pursuant to the provisions described under the caption “Master Trust Indenture – Bond Proceeds Funds”, and (iii) amounts transferred pursuant to the provisions described under the caption “Master Trust Indenture – Restricted Assets Funds” shall be reimbursed to the Drinking Water Restricted Assets Fund if such reimbursements are transferred pursuant to the provisions described under the caption “Master Trust Indenture – Restricted Assets Funds”.

## **State Match Portion of the Bonds Not Payable from Principal Repayments Received on Pledged Project Obligations**

The State Match Portion may not be payable from principal repayments received on Pledged Project Obligations. The Board shall provide to IBank and the Trustee any information necessary to confirm that amounts to be allocated to be used to pay the State Match Portion of Bonds are not principal repayments received on Pledged Project Obligations. The Clean Water State Match Portion may not be paid with amounts held in a Drinking Water Bond Proceeds Fund or the Drinking Water Restricted Assets Fund and the Drinking Water State Match Portion may not be paid with amounts held in a Clean Water Bond Proceeds Fund or the Clean Water Restricted Assets Fund without, in each instance, a certification from the Board that such amounts may be used to pay the Clean Water State Match Portion or the Drinking Water State Match Portion, as applicable. A certification from the Board that such amounts may be used to pay the Clean Water State Match Portion or the Drinking Water State Match Portion, as applicable, may only be issued if Federal law allows for the cross-collateralization of state match.

## **Events of Default**

The occurrence and continuances of one or more of the following events shall constitute an Event of Default for purposes of the Master Trust Indenture:

(a) default in the payment of any installment of interest in respect of any Bond as the same shall become due and payable;

(b) default in the payment of the principal of or premium, if any, in respect of any Bond as the same shall become due and payable either at maturity, upon redemption, by declaration or otherwise;

(c) default in the payment of any sinking fund installment in respect of any Bond as the same shall become due and payable;

(d) default in the observance or performance of any other covenant or agreement of IBank or the Board contained in the Master Trust Indenture and the continuance thereof for a period of sixty (60) days after written notice thereof to IBank and the Board given by the Trustee; or

(e) any Master Payment and Pledge Agreement Default on the part of the Board under the Master Payment and Pledge Agreement shall occur and be continuing for a period of sixty (60) days after written notice thereof to IBank and the Board given by the Trustee.

## **Remedies**

Upon the happening and continuance of any Event of Default, then and in every such case the Trustee in its discretion may, and upon the written request of the Owners of at least twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall and, upon receipt of indemnity reasonably satisfactory to it: (a) by suit, action or special proceeding, enforce all rights of the Owners of the Bonds and require the Board or IBank to perform its duties and enforce its rights under the Act, the CWSRF Act, the DWSRF Act, a Series Indenture, the

Pledged Project Obligations and the Master Payment and Pledge Agreement (except for the rights of the Board to Board Reserved Rights and IBank to IBank Reserved Rights); (b) bring suit pursuant to the Bonds in default; (c) by action or suit in equity require the Board to account as if it were the trustee of an express trust for the Owners of the Bonds; (d) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Bonds; or (e) to the extent permitted by law, transfer all amounts then held and thereafter to be held in Restricted Assets Fund, the Prepayment Fund or the Bond Proceeds Fund to the Trustee to be held for the benefit of the Owners of the Bonds and applied as provided in the Master Trust Indenture.

### **Limitation on Actions by Owners**

No Owner of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any trust under the Master Trust Indenture, or any other remedy thereunder or under the Bonds, unless such Owner previously shall have given to the Trustee written notice of an Event of Default as provided in the Master Trust Indenture and unless also the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall have made written request of the Trustee so to do, after the right to exercise such powers or rights of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted in the Master Trust Indenture, or to institute such action, suit or proceeding in its or their name; nor unless there also shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the trusts of the Master Trust Indenture or for any other remedy under the Master Trust Indenture; it being understood and intended that no one or more Owners of the Bonds of any Series secured by the Master Trust Indenture shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Master Trust Indenture, or to enforce any right thereunder or under the Bonds of any Series, except in the manner therein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner therein provided and for the equal benefit of all Owners of Outstanding Bonds. Nothing in the Master Trust Indenture or in the Bonds of any Series contained shall affect or impair the right of action, which is also absolute and unconditional, of any Owner of any Bond to enforce payment of the principal of and premium, if any, and interest on his Bond at the respective dates of maturity of each of the foregoing and at the places therein expressed.

### **Trustee's and Paying Agent's Fees, Charges, Expenses and Indemnification**

The Board shall (1) pay to the Trustee from time to time reasonable compensation for all services rendered by each under the Master Trust Indenture; (2) except as otherwise expressly provided therein, reimburse the Trustee and any Paying Agent upon their respective request for all reasonable expenses, disbursements and advances incurred or made by the Trustee and any Paying Agent in accordance with any provision of the Master Trust Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or willful misconduct; and (3) to indemnify the Trustee and any Paying Agent for, and to hold each of them

harmless against, any loss, liability or expense incurred without negligence or willful misconduct on its part, arising directly out of or in connection with acts or omissions by the Board, including the finally sustained costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under the Master Trust Indenture; provided, however, that the obligations of the Board to make such payments and reimbursements and to indemnify the Trustee in such manner shall be limited to any amounts held and available under the Master Trust Indenture or any Series Indenture permitted to be used for such purpose.

### **Right to Rely**

The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, fax, request, consent, waiver, certificate, statement, legal opinion, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been authorized or signed by the proper Person or to have been prepared and furnished pursuant to any of the provisions of the Master Trust Indenture, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. Any action taken by the Trustee upon the request or consent of any Person who at the time of making such request or giving such consent is the Owner of any Bond shall be conclusive and binding upon all subsequent Owners of such Bond or any Bond issued on registration of transfer thereof.

### **Resignation by Trustee**

The Trustee may at any time and for any reason resign and be discharged of the trusts created by the Master Trust Indenture by filing a written instrument resigning such trusts and specifying the date when such resignation shall take effect with the Board and IBank not less than ninety (90) days before the date specified in such instrument when such resignation shall take effect, and by giving notice of such resignation to Owners by mail in the manner provided in the Master Trust Indenture not less than twenty-one (21) days prior to the date specified in such notice when such resignation shall take effect; provided however, that no such resignation shall become effective until the acceptance of appointment by a successor Trustee in accordance with the provisions of the Master Trust Indenture described under the caption “Master Trust Indenture – Acceptance of Appointment by, and Transfer of Trust Estate to, Successor Trustee.”

### **Removal of Trustee**

The Trustee at any time and for any reason may be removed from the trusts created by the Master Trust Indenture by an instrument in writing, appointing a successor, filed with the Trustee so removed and executed by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding; provided, however, that no such removal shall become effective until the acceptance of appointment by a successor Trustee in accordance with the provisions of the Master Trust Indenture described under the caption “Master Trust Indenture – Acceptance of Appointment by, and Transfer of Trust Estate to, Successor Trustee” and provided, further, that no such removal shall apply to the State Treasurer in its capacity as Trustee under the Master Trust Indenture.

The Trustee at any time other than during the continuance of an Event of Default and for any reason may be removed from the trusts created by the Master Trust Indenture by a IBank Officer Certificate, appointing a successor, filed with the Trustee so removed; provided, however, that no such removal shall become effective until the acceptance of appointment by a successor Trustee in accordance with the provisions of the Master Trust Indenture described under the caption “Master Trust Indenture – Acceptance of Appointment by, and Transfer of Trust Estate to, Successor Trustee” and provided, further, that no such removal shall apply to the State Treasurer in its capacity as Trustee under the Master Trust Indenture.

### **Appointment of Successor Trustee by Owners or Bank**

In case at any time the Trustee shall resign, or shall be removed, or be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any other reason, a vacancy shall forthwith and ipso facto exist in the office of the Trustee, then, upon approval by the State Treasurer, a successor may be appointed by either IBank with the approval of the Board or the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, by an instrument or instruments in writing filed with IBank, signed by such Owners or by their attorneys-in-fact duly authorized.

Until a successor Trustee shall be appointed by the Owners as therein authorized, IBank with the approval of the Board, shall appoint a Trustee to fill such vacancy. After any appointment by IBank, it shall cause notice of such appointment to be mailed to each Owner in the manner provided in the Master Trust Indenture. Any new Trustee so appointed by IBank shall immediately and without further act be superseded by a Trustee appointed by the Owners in the manner above provided.

### **Acceptance of Appointment by, and Transfer of Trust Estate to, Successor Trustee**

Any successor Trustee appointed under the Master Trust Indenture shall execute, acknowledge and deliver to IBank an instrument accepting such appointment under the Master Trust Indenture, and thereupon the resignation or removal of the withdrawing Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become duly vested with all the estates, property, rights, powers, trusts, duties and obligations of its predecessor in the trust under the Master Trust Indenture, with like effect as if originally named Trustee in the Master Trust Indenture. Upon request of such Trustee, the Trustee ceasing to act and IBank shall execute and deliver an instrument transferring to such successor Trustee all the estates, property, rights, powers and trusts under the Master Trust Indenture of the Trustee so ceasing to act, and the Trustee so ceasing to act shall pay over to the successor Trustee all moneys and other assets.

### **Liability of the Trustee**

No provision of the Master Trust Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(a) prior to such an Event of Default and after the curing of all such Events of Default which may have occurred:

(1) the duties and obligations of the Trustee shall be determined by the express provisions of the Master Trust Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in the Master Trust Indenture, and no implied covenants or obligations shall be read into the Master Trust Indenture against the Trustee; and

(2) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Trustee conforming to the requirements of the Master Trust Indenture; but in the case of any such certificate or opinion which by any provision of the Master Trust Indenture is specifically required to be furnished to the Trustee, the Trustee shall be under a duty to read such certificate or opinion to determine if such document states the matters required by the Master Trust Indenture to be stated therein; provided, that the Trustee shall not be liable for any such determinations made in error in the absence of bad faith; and

(b) at all times, regardless of whether or not any such Event of Default shall exist:

(1) the Trustee shall not be liable for any error of judgment made in good faith by an authorized representative of the Trustee unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and

(2) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the owners of not less than a majority in aggregate principal amount of all the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under the Master Trust Indenture.

None of the provisions contained in the Master Trust Indenture shall require the Trustee to expend or risk its own funds or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

### **Supplemental Indentures Not Requiring Consent of Owners**

Subject to the conditions and restrictions therein contained, IBank and the Trustee may, with the prior written consent of the Board and without the consent of or notice to the Owners, enter into one or more Supplemental Indentures:

(a) To cure any ambiguity or to correct or supplement any provision contained therein or in any Series Indenture which may be defective or inconsistent with any other provision contained therein or in any Series Indenture, or to make such other provisions in regard to matters or questions arising under the Master Trust Indenture or any Series Indenture as IBank may deem

necessary or desirable and which shall not be inconsistent with the provisions of the Master Trust Indenture or any Series Indenture and which shall not impair the security of the same;

(b) To grant to or confer upon the Trustee for the benefit of the Owners of any Series any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners of the Bonds or the Trustee or either of them;

(c) To subject to the provisions of the Master Trust Indenture additional assets, revenues, properties or collateral;

(d) To provide for the issuance of a Series;

(e) To establish one or more additional funds, accounts or subaccounts;

(f) To provide for any change in the Master Trust Indenture which, in the opinion of the Trustee, does not materially adversely affect or diminish the rights or interests of the Trustee or the Owners, provided that in making such determination the Trustee shall be entitled to rely on an opinion of counsel, in accordance with the provisions of the Master Trust Indenture;

(g) To add to the covenants and agreements of IBank in the Master Trust Indenture contained other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon IBank or to or upon any successor;

(h) To evidence the succession or successive successions of any other department, agency, body or corporation to IBank and the assumption by such successor of the covenants, agreements and obligations of IBank in the Bonds secured by the Master Trust Indenture and in the Master Trust Indenture contained or the succession removal or appointment of any trustee under the Master Trust Indenture;

(i) To modify, eliminate and/or add to the provisions of the Master Trust Indenture to such extent as shall be necessary to effect the qualification of the Master Trust Indenture under the Master Trust Indenture Act of 1939, as then amended, or under any similar federal statute hereafter enacted, and to add to the Master Trust Indenture such other provisions as may be expressly permitted by said Master Trust Indenture Act of 1939;

(j) To provide for the enforcement, modification, or, subject to the Master Trust Indenture as described under the caption “Master Trust Indenture – Release of Pledged Project Obligations From the Lien of the Master Trust Indenture; Pledge of Additional Pledged Project Obligations,” sale or other disposition of any Pledged Project Obligations held or to be pledged to IBank or any investments of moneys of the Board or the Trustee which the Board or the Trustee, respectively, determines is necessary or desirable in the best interests of the Owners;

(k) To comply with any provision of the Code relating to Tax-Exempt Bonds;

(l) To amend the terms thereof in a manner applicable only to Bonds issued subsequent to such amendment and not affecting Bonds previously issued and Outstanding;

(m) To provide for Refunding Bonds, including the right to establish and administer an escrow fund and to take related action in connection therewith;

(n) To make changes or modifications necessary to provide a Credit Facility for a Series, including without limitation the creation, or modification of rights for the Related Credit Provider in accordance with the Master Trust Indenture, provided that such change or modification does not adversely affect the existing ratings on the Bonds from each Rating Agency then rating the Bonds;

(o) To make changes or modifications necessary to provide for the issuance of a Series of Bonds with a State Match Portion not inconsistent with the terms contained in the Master Trust Indenture;

(p) To make changes or modifications useful or necessary to issue subordinated debt from time to time of either the Board or another State agency under the Clean Water Act, the Safe Drinking Water Act or any other similar State or federally supported financing program as approved by the United States Environmental Protection Agency, provided that such change or modification does not adversely affect the existing ratings on the Bonds from each Rating Agency then rating the Bonds

(q) To make changes or modifications useful or necessary to finance programs from time to time of either the Board or another State agency under the Clean Water Act or the Safe Drinking Water Act, or any other similar state or federally supported financing program as approved by the United States Environmental Protection Agency, provided that such change or modification does not adversely affect the existing ratings on the Bonds from each Rating Agency then rating the Bonds; and

(r) To make any other changes or modifications which do not adversely affect the existing ratings on the Bonds from each Rating Agency then rating the Bonds.

### **Supplemental Indentures Requiring Consent of Owners**

Except as otherwise provided in the provisions of the Master Trust Indenture described under the caption “Master Trust Indenture – Supplemental Indentures Not Requiring Consent of Owners,” any modification or amendment of the Master Trust Indenture may be made only with the consent of the Board and the Owners of more than fifty percent (50%) in aggregate principal amount of the Bonds then Outstanding; provided that, if in the opinion of the Trustee, any such modification or amendment does not materially adversely affect or diminish the rights or interests of the Trustee or the Owners of any Series of Bonds, such Owners of only the Series of Bonds affected by such modification or amendment shall be required to provide the required consent; and provided further, that in making the determination that such modification or amendment does not materially adversely affect or diminish the rights or interest of the Owners of a Series of Bonds, the Trustee shall be entitled to rely on an opinion of counsel. No such modification or amendment shall be made which will reduce the percentages of aggregate principal amount of Bonds, the consent of the Owners of which is required for any such modification or amendment, or permit the creation by IBank of any lien prior to or on a parity with, the lien of the Master Trust Indenture upon the rights and interest pledged to the Bonds under the Master Trust

Indenture, or which will affect the times, amounts and currency of payment of the principal (including sinking fund payments, if any) of premium, if any, and interest on the Bonds without the consent of the Owners of all Bonds then Outstanding and affected thereby.

If at any time IBank shall request the consent of Owners to the execution of any such Supplemental Indenture for any of the purposes of the Master Trust Indenture, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be given to Owners in the manner provided in the Master Trust Indenture. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal office of the Trustee for inspection by all Owners. If, within 60 days or such longer period as shall be prescribed by IBank following the giving of such notice, the required consent and approval of Owners is obtained, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain IBank or the Trustee from executing the same or restrain IBank or the Trustee from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as permitted and provided, the Master Trust Indenture shall be and be deemed to be modified and amended in accordance therewith.

## **Defeasance**

(a) If at any time: (i) there shall have been delivered to the Trustee for cancellation any or all of a Series (other than any Bonds which have been mutilated, lost, stolen or destroyed and which shall have been replaced or paid as provided in the Master Trust Indenture), or (ii) with respect to any or all of a Series not theretofore delivered to the Trustee for cancellation, the whole amount of the principal and the interest and the premium, if any, due and payable or to become due and payable on such Bond or Bonds then Outstanding shall be paid or deemed to be paid as set forth below, and provision shall also be made for paying all other sums payable under the Master Trust Indenture, including IBank's, the Board's, the Trustee's and any Paying Agent's fees and expenses with respect to such Series, then the Trustee, in such case, on demand of IBank, shall release the lien of the Master Trust Indenture with respect to such Bond or Bonds and turn over to or at the direction of IBank any balances remaining in any fund created under the Master Trust Indenture, other than moneys and Defeasance Obligations retained for the redemption or payment of Bonds; otherwise, the Master Trust Indenture shall be, continue and remain in full force and effect.

(b) Bonds shall be deemed to be paid whenever there shall have been deposited with the Trustee (whether upon or prior to the maturity or the redemption date of such Bonds) either moneys in an amount which shall be sufficient, or Defeasance Obligations certified by an independent accounting firm of national reputation to be of such maturities and interest payment dates and to bear such interest as will, without the necessity of further investment or reinvestment of either the principal amount thereof or interest therefrom, provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, and premium, if any, and interest due and to become due on all such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and if redeemed prior to maturity an irrevocable instruction to mail the redemption notice as provided in the Master Trust Indenture has been given, and the Trustee shall have given notice to the Owners of such Bonds in

the manner provided in the provisions of the Master Trust Indenture concerning Notices that a deposit meeting the requirements of this paragraph has been made and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of, premium, if any, and interest on, such Bonds; provided, however, that neither Defeasance Obligations nor moneys deposited with the Trustee pursuant to this paragraph nor principal or interest payments on any Defeasance Obligations shall be withdrawn, or used for any purpose other than, and shall be held in trust for, the payment of the principal of, premium, if any, and interest on such Bonds.

(c) Any Series Indenture may provide for additional or different defeasance provisions including, but not limited to, such provisions as may be required in connection with a Credit Facility or provisions relating to variable interest rates or optional or mandatory tender provisions.

(d) Notwithstanding any provisions of the Master Trust Indenture, any moneys held by the Trustee in trust for the payment of the principal of or interest on any Bonds and remaining unclaimed for two (2) years after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in the Master Trust Indenture), if such moneys were so held at such date, or one year after the date of deposit of such moneys if deposited after the date when all of the Bonds became due and payable, shall, upon receipt of a Board Officer Certificate, be repaid to the Board free and clear from the pledge and lien of the Master Trust Indenture, and all liability of the Trustee with respect to such moneys shall thereupon cease.

## **MASTER PAYMENT AND PLEDGE AGREEMENT**

### **Pledge and Assignment**

Under the Master Payment and Pledge Agreement, the Board pledges, assigns and transfers to IBank, in consideration of the receipt of the proceeds of each Series of Bonds in accordance with the provisions of the Master Trust Indenture, (i) all of the Board's right, title and interest in and to the Pledged Project Obligations, including all amounts received from time to time thereon, excluding Board Reserved Rights, and (ii) amounts held in the funds and accounts established under Master Trust Indenture controlled by Board, subject to application in accordance with the provisions described under the captions "Master Trust Indenture – Bond Proceeds Fund", "– Restricted Assets Funds" and "– Application of Prepayments; Prepayment Funds".

Under the Master Payment and Pledge Agreement, the Board may release Pledged Project Obligations from the lien of the Master Payment and Pledge Agreement so as to become Excluded Pledged Project Obligations and substitute and add Project Obligations to the lien of this Agreement, all to the extent provided in the provisions described under the caption "Master Trust Indenture – Release of Pledged Project Obligations From the Lien of the Master Trust Indenture; Pledge of Additional Pledged Project Obligations". The Master Pledge and Payment Agreement shall be deemed amended upon providing and filing with the Trustee, IBank and each Rating Agency then rating the Bonds a Board Officer Certificate which provides for a revised Schedule to the Master Payment and Pledge Agreement, in accordance with the provisions described under

the caption “Master Trust Indenture – Release of Pledged Project Obligations from the Lien of the Master Trust Indenture; Pledge of Additional Pledged Project Obligations”.

As security for the payment of the Bonds, pursuant to the Master Trust Indenture the IBank has assigned to the Trustee the Pledged Assets for the benefit of the Owners of the Bonds. The IBank hereby directs the Board to make the payments required to be made hereunder directly to the Trustee as more fully set forth in the Master Trust Indenture. The Board hereby agrees to such assignment and agrees to make such payments directly to the Trustee. The payments derived from the Pledged Project Obligations shall be applied and the rights so assigned shall be exercised by the IBank and the Trustee as provided in the Master Trust Indenture.

IBank shall not create a pledge, lien or charge upon the Pledged Assets other than as provided in the Master Trust Indenture; provided that, a pledge, lien or charge subject and subordinate to the pledge and lien created pursuant to the Master Trust Indenture may be created with the prior written consent of the Board.

The Board acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Board the right to receive brokerage confirmations of security transactions as they occur in connection with investments made by the Trustee pursuant to the Master Trust Indenture, the Board specifically waives receipt of such confirmations to the extent permitted by law.

To the extent permitted by law, the Trustee in performing any duties as provided in the Master Trust Indenture and herein shall have the rights and immunities including, but not limited to, exculpations and indemnifications, of the Trustee as set forth in the Master Trust Indenture to the same extent and as fully for all intents and purposes as though such rights and immunities had been set forth in the Master Payment and Pledge Agreement.

### **Deposit of Pledged Project Obligations and Payments on Pledged Project Obligations**

All amounts received as the principal of and interest on the CWSRF Pledged Project Obligations and other amounts received by the Board on account of the CWSRF Pledged Project Obligations (except Additional Payments) shall immediately be deposited and maintained by the Board in the Related Clean Water Bond Proceeds Fund and the Clean Water Restricted Assets Fund, subject to the appropriate procedures of the Controller of the State, as provided in the Master Trust Indenture. All amounts received as the principal of and interest on the DWSRF Pledged Project Obligations and other amounts received by the Board on account of the DWSRF Pledged Project Obligations (except Additional Payments) shall immediately be deposited and maintained by the Board in the Related Drinking Water Bond Proceeds Fund and the Drinking Water Restricted Assets Fund, subject to the appropriate procedures of the Controller of the State, as provided in the Master Trust Indenture. The Board shall allocate the amount of each Pledged Project Obligation which is equal to the Non-Proceed Percentage and the Proceed Percentage, provided that amounts received on a Pledged Project Obligation which was financed in whole or in part from proceeds of Bonds after such time as the Related Series of Bonds are paid or defeased shall be deposited into a Restricted Assets Fund. The Board shall promptly notify the IBank and the Trustee if and to the extent that any payments made on Pledged Project Obligations shall be less than the full amounts due thereunder. Any payments received by the Board under any Pledged

Project Obligation which are Additional Payments shall be held by the Board free and clear of the lien of the Master Payment and Pledge Agreement and applied by the Board for any lawful purpose.

### **Payments to Trustee and IBank**

The Board shall pay to the Trustee, as assignee of the IBank, solely from available amounts derived from Pledged Assets such amounts as shall be due and payable to the Trustee for amounts payable with respect to a Series of Bonds to fund CWSRF Project Obligations as provided in the provisions described under the captions “Master Trust Agreement – Restricted Assets Funds”, “Master Trust Agreement – Debt Service Funds” and “Master Trust Agreement – Payment Requirements”. The Board shall pay to the Trustee, as assignee of IBank, solely from available amounts derived from Pledged Assets such amounts as shall be due and payable to the Trustee for amounts payable with respect to a Series of Bonds to fund DWSRF Project Obligations as provided in the provisions described under the captions “Master Trust Agreement – Restricted Assets Funds”, “Master Trust Agreement – Debt Service Funds” and “Master Trust Agreement – Payment Requirements”. The Board shall pay to the IBank from the respective Administrative Costs amounts due to IBank for its Bond Expenses when due. The IBank’s fees shall be paid in accordance with to the Master Payment and Pledge Agreement.

### **Use of Prepayments**

At such time as the Board receives a Prepayment under any Pledged Project Obligations, it shall allocate the amount of each such Prepayment which is equal to the Proceed Percentage and the Non-Proceed Percentage and shall deposit the amount allocated to the Proceed Percentage into the Related Bond Proceeds Fund and the amount equal to the Non-Proceed Percentage into the Related Prepayment Fund, as provided in the Master Trust Indenture.

### **Unconditional Obligations**

The obligations of the Board to make the payments required by the Master Payment and Pledge Agreement, as described under the caption “Master Payment and Pledge Agreement – Payments to Trustee and IBank”, and by the Master Trust Indenture, as described under the caption “Master Trust Indenture – Restricted Assets Funds”, and to perform and observe the other agreements contained in the Master Payment and Pledge Agreement and the Master Trust Indenture shall be absolute and unconditional, irrespective of any defense or any rights of set-off, recoupment or counterclaim it might otherwise have against IBank or the Trustee. Until the principal of, and premium, if any, and interest on the Bonds have been fully paid, or provision for the payment thereof has been made as required by the Master Trust Indenture, the Board (a) shall make all payments required to be made by the Board, free of any deductions and without abatement, diminution or set-off, pursuant to the Master Payment and Pledge Agreement, (b) shall perform and observe all of its other covenants contained in Master Payment and Pledge Agreement, and (c) shall not terminate the Master Payment and Pledge Agreement for any cause, including, without limitation, the occurrence of any act or circumstances that may constitute failure of consideration, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State, or any political subdivision of either of these, or any failure of IBank to perform and observe any covenant, whether express or implied, or any duty,

liability or obligation arising out of or connected with Master Payment and Pledge Agreement or the Indenture.

### **Financial Statements; Annual Certifications; Additional Information**

The Board covenants and agrees at all times to keep, or cause to be kept, proper books of records and accounts, prepared in accordance with generally accepted accounting principles, in which complete and accurate entries shall be made of all transactions of or in relation to the business, properties and operations of the funding of Project Obligations acquired in whole or in part with the proceeds of the Bonds, and Pledged Project Obligations pledged and assigned to IBank hereunder. Such books of record and account shall be available for inspection by IBank or the Trustee, and the duly authorized agents of either of them, at reasonable hours and under reasonable circumstances.

The Board shall provide to the Trustee and IBank a copy of the annual report prepared in accordance with each Continuing Disclosure Agreement and each Coverage Test schedule prepared in accordance with the Master Trust Indenture. The Trustee shall not be responsible for reviewing such annual reports or schedules.

The Board shall provide to IBank such additional information as may be reasonably requested from time to time by IBank.

### **Tax Covenants**

The Board agrees to comply with each Related Tax Certificate in order that interest on the Tax-Exempt Bonds is and remains tax-exempt. The Board shall take, and shall require each Recipient to take, the actions required for the interest on any Tax-Exempt Bonds to be and remain excluded from gross income of the Related Series of Bond Owners for federal income tax purposes and shall not take, or knowingly permit any Recipient to take, any action that would cause interest on Related Series of Bonds to be included in gross income of the Related Series of Bond Owners thereof for federal income tax purposes or would cause the Related Series of Bonds to be or become “private activity bonds” within the meaning of Section 141 of the Code. The Board shall comply with all the rebate requirements imposed under Section 148(f) of the Code that are necessary to preserve the exclusion of interest on any Tax-Exempt Bonds from gross income of the Related Series of Bond Owners thereof for federal income tax purposes, including (as applicable) the requirement to make periodic calculations of the rebate amount as provided in the Related Tax Certificate and the requirement to make all required rebate payments to the United States. The Board shall not make any investment of funds or take, or knowingly permit it or any Recipient to take, any action that would cause any Tax-Exempt Series of Bonds to become “arbitrage bonds” within the meaning of Section 148 of the Code.

### **Enforcement of the Pledged Project Obligations**

The Board agrees to monitor each Recipient’s performance under the Pledged Project Obligations and to exercise all rights and remedies under any statute, rule, or agreement to ensure the timely performance by the Recipient and the timely payment of all amounts due under the Pledged Project Obligations. The Board shall promptly notify the IBank and the Trustee if and to the extent that any payment due on Pledged Project Obligations is either delinquent or less than

the full amounts due thereunder. The Board shall diligently enforce, and take all reasonable steps, actions and proceedings necessary for the enforcement of, all terms, covenants and conditions of all Pledged Project Obligations. In furtherance of the pledge hereby granted by the Board of the Pledged Project Obligations, the Board agrees to provide access to IBank and the Trustee to the Pledged Project Obligations upon reasonable notice at the office of the Board during normal business hours.

### **Performance of Obligations Under the Indenture**

The Board agrees to perform the obligations imposed on it under the Indenture.

### **Termination of Master Payment and Pledge Agreement**

After (a) payment in full of the principal of, premium, if any, and interest on, the Bonds, or provision for such payment, shall have been made as provided in the Indenture, (b) payment, or provision for payment satisfactory to the Trustee and the IBank, of the fees, charges and expenses of the Trustee and IBank in accordance with the Indenture, and (c) payment, or provision for payment satisfactory to the affected parties, of all other amounts required to be paid under the Master Payment and Pledge Agreement and the Indenture by the Board, the Master Payment and Pledge Agreement and the pledge and assignment of the Pledged Project Obligations contained therein shall terminate.

### **Events of Default**

Each of the following events shall constitute and is referred to in the Master Payment and Pledge Agreement as an “Event of Default”:

(i) the pledge and assignment created by the Master Payment and Pledge Agreement shall at any time and for any reason cease to be or fail to constitute a valid pledge under the Master Payment and Pledge Agreement;

(ii) the Master Payment and Pledge Agreement shall at any time after its execution and delivery and for any reason cease to be in full force and effect, or shall be declared to be null and void;

(iii) a failure by the Board to make any of the payments, to the extent that amounts are available in the Restricted Assets Fund established under the Master Trust Indenture to make such payments when due as required pursuant to the Master Payment and Pledge Agreement; or

(iv) a failure by the Board to observe and perform any covenant, condition, agreement or provision contained in the Master Payment and Pledge Agreement on the part of the Board to be observed or performed, which failure shall continue for a period of 60 days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Board by the Trustee or IBank.

## **Remedies**

Upon the happening and continuance of any Event of Default, IBank and the Trustee, as assignee, may enforce payment or other performance by the Board by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as IBank or the Trustee, respectively, shall deem effectual in support of its rights or duties hereunder, including to direct transfer of all amounts then and thereafter to be held in the Restricted Assets Fund to the Trustee to be held for the benefit of the Owners of the Bonds and applied as provided in the Master Trust Indenture and any Series Indenture. No delay or omission of IBank or the Trustee to exercise any right or power arising from any default or acquiescence therein, and every power and remedy given by this caption may be exercised from time to time and as often as shall be deemed expedient.

## **Agreement to Pay Attorneys' Fees and Expenses**

In the event the Board should default under any of the provisions of the Master Payment and Pledge Agreement, including the failure to perform an obligation imposed on it under the Indenture pursuant to the Master Payment and Pledge Agreement, as described under the caption "Master Payment and Pledge Agreement – Performance of Obligations Under the Indenture", whether or not such default constitutes an Event of Default under the Master Payment and Pledge Agreement, and IBank or the Trustee should employ attorneys, including, in the case of IBank, the State Attorney General's Office and its internal counsel, or incur other expenses for the collection of the payments due under the Master Payment and Pledge Agreement or the enforcement of performance or observance of any obligation or agreement on the part of the Board therein contained, the Board agrees to pay to IBank and the Trustee the reasonable fees and expenses of such attorneys and such other reasonable expenses so incurred by IBank or the Trustee.

## **Effect of Discontinuance or Abandonment**

In case any proceeding taken by IBank or the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to IBank or the Trustee, as applicable, then and in every such case IBank and the Trustee shall be restored to their former positions and rights under the Indenture and the Master Payment and Pledge Agreement, and all rights, remedies and powers of the Trustee, the Owners of the Bonds and IBank shall continue as though no such proceeding had been taken.

## **IBank's and Trustee's Right to Enforce Rights in Respect of Bonds in Own Name and Without Possession of Bonds**

All rights of action under the Master Payment and Pledge Agreement which are enforceable by IBank or the Trustee in respect of the Bonds may be enforced by it without the possession of any of the Bonds or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by IBank or the Trustee shall be brought in its name, as trustee, for the equal and ratable benefit of the Owners of the Bonds, subject to the provisions of the Master Trust Indenture.

## **No Remedy Exclusive**

No remedy in the Master Payment and Pledge Agreement conferred upon or reserved to the Trustee, IBank or to the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given thereunder.

## **No Delay or Omission to be Deemed Waiver of Default**

No delay or omission by the Trustee, IBank or of any Owner of the Bonds to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default, or an acquiescence therein; and every power and remedy given to the IBank or the Trustee and to the Owners of the Bonds, respectively, may be exercised from time to time as often as may be deemed expedient.

## **Indemnification**

To the extent permitted by law, the Board releases IBank and the Trustee from, and covenants and agrees that neither IBank nor the Trustee shall be liable for, and covenants and agrees to indemnify and hold harmless IBank and the Trustee and their members, past, present and future directors, officers, employees and agents and each person, if any, who controls (as such term is defined in Section 15 of the Securities Act of 1933, as amended (collectively, the "Indemnified Parties")) from and against any and all judgments, losses, claims, damages, liabilities, joint or several, or expenses, of every conceivable kind, character and nature whatsoever arising out of, resulting from, or in any way connected with:

(a) a Pledged Project Obligation, or the conditions, occupancy, use, possession, conduct or management of, or work done in or about, or from the planning, design, acquisition, installation or construction of, a Pledged Project Obligation or any part thereof;

(b) the issuance of the Bonds or any certifications or representations made in connection therewith by the Board and the carrying out of any of the transactions contemplated by the Bonds, the Master Trust Indenture or the Master Payment and Pledge Agreement;

(c) the Trustee's acceptance or administration of the trusts under the Master Trust Indenture, or the exercise or performance of any of its powers or duties under the Indenture; or

(d) any untrue statement or alleged untrue statement of a material fact contained in an Official Statement (except for any information provided by IBank or the underwriters for such Series of Bonds) or that arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading with respect to the information contained therein (except as aforesaid) utilized by any underwriter in connection with the sale or offering of such Series of Bonds; provided that in each case such indemnity shall not be required for damages that result from the willful misconduct or negligence on the part of the party seeking such indemnity; and, provided, further that, the Board shall not be liable to any Indemnified Person in any such case to the extent that any such loss, claim, damage or liability arises out of, or is based upon, any information furnished by such Indemnified Person specifically for inclusion in the Official Statement, subject to the Board's

acknowledgement that the IBank and its officers, agents or employees have not provided any information for the Official Statement except as aforesaid and none of the State Treasurer, its officers, agents or employees has provided any information for the Official Statement.

The Board further covenants and agrees to pay or to reimburse the Indemnified Parties for any and all costs, attorneys' fees, liabilities or expenses reasonably incurred in connection with investigating, defending or preparing to defend against or otherwise in connection with investigating, any such losses, claims, damages, liabilities, expenses or actions, except to the extent that the same arise out of the willful misconduct or negligence of the party claiming such payment or reimbursement. The provisions of this caption shall survive the payment and retirement of the Bonds, the termination of the Master Payment and Pledge Agreement and the resignation or removal of the Trustee.

Promptly after receipt by an Indemnified Person of notice of the assertion of any claim or the commencement of any action, such Indemnified Person shall, if a claim in respect thereof is to be made against the Board, notify the Board in writing of the assertion or commencement thereof; provided, however, that the failure to provide such notice shall not affect the obligation to indemnify under the Master Payment and Pledge Agreement. In case any such action shall be brought against any Indemnified Person, and such Indemnified Person shall notify the Board of the commencement thereof, the Board shall be entitled to participate in and, to the extent that either wishes, to assume the defense thereof, with counsel reasonably satisfactory to such Indemnified Person, and after notice from the Board to such Indemnified Person of its election so to assume the defense thereof, the Board shall not be liable to such Indemnified Person under this caption for any legal or other expenses subsequently incurred by such Indemnified Person in connection with the defense thereof; provided, however, that if (a) the named parties to any such action (including any impleaded parties) include the Indemnified Person and the Board, and the Indemnified Person reasonably concludes that there may be one or more legal defenses available to it which are different from or additional to those available to the Board, (b) representing multiple clients would create a conflict of interest or the appearance of a conflict of interest for counsel, or (c) the office of the Attorney General of the State of California notifies the Board that it will assume the defense of IBank and/or the State Treasurer, then the Indemnified Person in any such case shall have the right to select separate counsel to assume such legal defense and to otherwise participate in the defense of such action on behalf of itself; provided further, however, that the Board shall not, in connection with any one such action or separate but substantially similar or related actions arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate firm of attorneys at any point in time for any such Indemnified Person.

No Indemnified Person shall, without the prior written consent of the Board, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought under the Master Payment and Pledge Agreement (whether or not the Indemnified Person is an actual or potential party to such claim or action) unless (i) such settlement, compromise or consent includes an unconditional release of the Board from all liability arising out of such claim, action, suit or proceeding and (ii) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of the Board.

The Board shall not, without the prior written consent of the Indemnified Persons, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought the Master Payment and Pledge Agreement (whether or not the Board is an actual or potential party to such claim or action) unless (x) such settlement, compromise or consent includes an unconditional release of the Indemnified Persons from all liability arising out of such claim, action, suit or proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

## APPENDIX E

### FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Agreement”) dated as of \_\_\_\_\_, 2025 by and between the State Water Resources Control Board (the “Board”) and the Treasurer of the State of California, as dissemination agent hereunder (the “Dissemination Agent”) and as trustee (the “Trustee”) under an Amended and Restated Master Trust Indenture, dated as of March 1, 2022 (the “Master Trust Indenture”), as supplemented by the Series Indenture, dated as of \_\_\_\_\_, 2025 and as may be further supplemented from time to time by series indenture or supplemental indenture in accordance with the Master Trust Indenture (the “Trust Indenture”), is executed and delivered in connection with the issuance of California Infrastructure and Economic Development Bank (the “IBank”) \$\_\_\_\_\_ principal amount Clean Water and Drinking Water State Revolving Fund Revenue Bonds Series 2025 (Green Bonds) (the “Bonds”).

#### ARTICLE I Definitions

Section 1.1 Definitions. Terms used and not defined herein shall have the meanings ascribed to such terms in the Trust Indenture. The following terms used in this Agreement shall have the following respective meanings:

(1) “Annual Financial Information” means the (i) financial information or operating data with respect to the SRFs for each fiscal year of the Board, including (a) financial information and operating data concerning the SRFs programs of the type appearing under the caption “CASH FLOW SCHEDULE” to the Official Statement, (b) the number of Recipients under the Pledged Project Obligations, the number and outstanding aggregate principal amount of the Pledged Project Obligations, and whether there has been any change in the identity of the Significant Borrowers with respect to the Series 2025 Bonds and financial information and operating data of the type appearing in the Official Statement in APPENDIX A – “PLEDGED PROJECT OBLIGATIONS,” and (c) with respect to any future Bonds, such financial information and operating data as may be identified in the written certificate of an Authorized Board Officer evidencing the Board’s election that owners of Additional Bonds be entitled to the benefit of this Agreement; (ii) financial information with respect to each Significant Borrower as further described in this Section 1.1(14) hereof; and (iii) the information regarding amendments to this Agreement required pursuant to Sections 4.2(c) and (d) of this Agreement. Annual Financial Information shall also include Audited Financial Statements, if then available, or Unaudited Financial Statements.

The descriptions contained in clauses (i) and (ii) above of financial information and operating data constituting Annual Financial Information are of general categories of financial information and operating data. When such descriptions include information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided in lieu of such information.

(2) “Audited Financial Statements” means the annual financial statements, if any, of the State Water Board relating to the SRFs and any Significant Borrower, as the case may be, audited by such auditor as shall then be required or permitted by State law. In the case of the SRFs or any Significant Borrower, Audited Financial Statements shall be prepared in accordance with GAAP; provided, however, that the State Water Board or any Significant Borrower may, from time to time, if required by federal or State legal requirements, modify the basis upon which its financial statements are prepared; provided further, however, that in the case of any Significant Borrower, Audited Financial Statements may be prepared in accordance with such other accounting principles as shall be specified in the initial filing of

Annual Financial Information of such Significant Borrower by the State Water Board or such Significant Borrower or in the initial official statement or other disclosure document of the State Water Board setting forth the financial and operating data of such Significant Borrower. Notice of any such modification shall include a reference to the specific federal or State law or regulation describing such accounting basis and shall be provided by the State Water Board or any Significant Borrower, as applicable, to the MSRB.

(3) “Counsel” means Hawkins Delafield & Wood LLP or any other nationally recognized bond counsel or counsel expert in federal securities laws as they relate to municipal securities selected by the State Water Board.

(4) “Dissemination Agent” means the Trustee acting in such capacity hereunder, or any successor Dissemination Agent designated in writing by the State Water Board and which has filed with the State Water Board a written acceptance of such designation.

(5) “Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii), but does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(6) “GAAP” means generally accepted accounting principles as prescribed from time to time for governmental units by the Governmental Accounting Standards Board.

(7) “MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

- (8) “Notice Event” means any of the following events with respect to the Bonds:
- (i) principal and interest payment delinquencies;
  - (ii) non payment related defaults, if material;
  - (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
  - (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
  - (v) substitution of credit or liquidity providers, or their failure to perform;
  - (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Series 2025 Bonds, or other material events affecting the tax status of the Series 2025 Bonds;
  - (vii) modifications to rights of Bondholders, if material;
  - (viii) Benefited Bond calls, if material, and tender offers;
  - (ix) defeasances;

- (x) release, substitution, or sale of property securing repayment of the Series 2025 Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the State Water Board;

Note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the State Water Board, in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the State Water Board, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the State Water Board;

- (xiii) the consummation of a merger, consolidation, or acquisition involving the State Water Board, or the sale of all or substantially all of the assets of the State Water Board, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) incurrence of a financial obligation of the State Water Board, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the State Water Board, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation on of the State Water Board, any of which reflect financial difficulties.

(9) “Official Statement” means the “final official statement,” as defined in paragraph (f)(3) of the Rule, relating to a Series of Bonds.

(10) “Pledged Project Obligation” means a loan contract, an installment sales agreement, another financing agreement, or a separate agreement, if any, of a Recipient committing a Recipient to make Installment Payments, Additional Payments or other payments or to provide continuing disclosure relating to certain financial and operating data relating to its affairs which is assigned and pledged as security for the benefit of a Series of Bonds.

(11) “Rule” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as amended, as in effect on the date of this Agreement, including any official interpretations thereof issued either before or after the effective date of this Agreement which are applicable to this Agreement.

(12) “SEC” means the United States Securities and Exchange Commission.

(13) “SRFs” means CWSRF and DWSRF.

(14) “Significant Borrower” means a Recipient under Pledged Project Obligations that have an aggregate unpaid principal amount equal to or greater than twenty percent (20%) of the aggregate unpaid principal amount of all Pledged Project Obligations.

(15) “Significant Borrower Annual Financial Information” means financial information and operating data of the type necessary, in the opinion of Counsel, to comply with the Rule (whether expressly set forth therein or incorporated by reference therein). Significant Borrower Annual Financial Information shall include Audited Financial Statements of the Significant Borrower, if then available, or Unaudited Financial Statements of the Significant Borrower.

(16) “Unaudited Financial Statements” means the same as Audited Financial Statements, except that they shall not have been audited.

## **ARTICLE II** **The Undertaking**

Section 2.1 Purpose. This Agreement shall constitute a written undertaking by the State Water Board for the benefit of the Owners of the Series 2025 Bonds and, to the extent that the State Water Board elects in accordance with the following sentence, other Bonds, and is being executed and delivered solely to assist the Initial Purchaser of any Series 2025 Bonds in complying with subsection (b)(5) of the Rule. This Agreement initially benefits only the Owners of the Series 2025 Bonds and, at the option of the State Water Board, shall benefit Owners from time to time of additional Series of Bonds hereafter issued under the Trust Indenture (the “Additional Bonds”) to the extent the Board shall deliver a written certificate of an Authorized Board Officer to the Trustee evidencing the State Water Board’s election that the Owners of such Additional Bonds are to be entitled to the benefit of this Agreement. In such event, these undertakings also shall be for the benefit of the Owners of such Additional Bonds.

Section 2.2. Appointment of Dissemination Agent. The State Water Board hereby appoints the Treasurer of the State of California, as Dissemination Agent under this Agreement.

Section 2.3 Annual Financial Information. (a) The State Water Board shall provide to the Dissemination Agent Annual Financial Information with respect to each fiscal year of the State Water Board and each Significant Borrower, by no later than February 1 of each year (the “Due Date”), with respect to the State Water Board’s prior fiscal year (which fiscal year as of the date hereof ends June 30), commencing with the fiscal year ended June 30, 2025, and to provide notices of the occurrence of certain Notice Events as hereinafter provided; provided, however, that if the State Water Board’s fiscal year ends on a date other than June 30, the Due Date shall be no later than 215 days after the end of such fiscal year. The Dissemination Agent shall disseminate the Annual Financial Information by no later than 230 days after the end of the State Water Board’s fiscal year to the MSRB. The Dissemination Agent shall have no duty or obligation to review such Annual Financial Information. If by the Due Date of each year, the Dissemination Agent has not received a copy of the Annual Financial Information, the Dissemination Agent shall notify the Board and IBank of such failure to receive such information.

(b) The State Water Board shall not be required to undertake any responsibility with respect to any Annual Financial Information required by or provided pursuant to any Pledged Project Obligation, and neither the State Water Board, its directors, officers, nor employees have any responsibility or liability to any person, including any Owner of the Bonds, with respect to any such Annual Financial Information or for the performance or enforcement of any Pledged Project Obligation, except as provided in a Pledged Project Obligation or other undertaking of a Significant Borrower and except as provided in the final sentence of this Section 2.3(b). The State Water Board hereby assigns to the Trustee for the benefit of the Owners of the Bonds all of its right, title and interest in the obligations of the Significant Borrowers set forth in the Pledged Project Obligations to provide Annual Financial Information to the State Water Board or otherwise in connection with the Bonds, subject to a right of the State Water Board to independently enforce such obligations and to a right of the State Water Board to consent to an amendment of such obligations on the same basis and subject to the same conditions applicable to an amendment of this Agreement pursuant to Section 4.2 hereof. The State Water Board covenants to exercise and enforce any and all rights to the full extent permitted by law, and to fully cooperate with the Trustee in so exercising and enforcing any and all of the Trustee's rights as assignee to obtain Annual Financial Information of any Significant Borrower under a Pledged Project Obligation, including without limitation seeking mandate or specific performance by court order to cause any Significant Borrower to provide Annual Financial Information.

(c) The State Water Board shall provide to the Dissemination Agent, in a timely manner, notice of any of its failures to provide the Annual Financial Information by the date specified in subsection (a) above which Dissemination Agent shall then provide notice to the MSRB.

Section 2.4. Audited Financial Statements. If not provided as part of Annual Financial Information by the date required by Section 2.3(a) hereof, the State Water Board and any Significant Borrower, as applicable, shall provide to the Dissemination Agent the Audited Financial Statements, when and if available, to the MSRB.

Section 2.5. Notice Events. (a) If a Notice Event occurs, the State Water Board shall provide, in a timely manner not in excess of ten (10) business days after the occurrence of such Notice Event, notice of such Notice Event to (i) the MSRB, (ii) the Trustee and (iii) IBank.

(b) Any notice of a defeasance of Bonds shall state whether the Series 2025 Bonds have been escrowed to maturity or to an earlier redemption date and the timing of such maturity or redemption.

Section 2.6. Additional Information. Nothing in this Agreement shall be deemed to prevent the State Water Board or any Significant Borrower from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information or notice of a Notice Event, in addition to that which is required by this Agreement. If the State Water Board chooses to include any information in any Annual Financial Information or notice of a Notice Event in addition to that which is specifically required by this Agreement, the State Water Board shall have no obligation under this Agreement to update such information or include it in any future Annual Financial Information or notice of a Notice Event.

Section 2.7. Additional Disclosure Obligations. The State Water Board acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the State Water Board and that, under some circumstances, compliance with this Agreement without additional disclosures or other action may not fully discharge all duties and obligations of the State Water Board under such laws.

Section 2.8. Compliance with Previous Undertakings. The State Water Board represents that, except as set forth in the Official Statement, in the previous five years it has not failed to comply in all material respects with any previous undertaking in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

### **ARTICLE III** **Operating Rules**

Section 3.1. Reference to Other Documents. It shall be sufficient for purposes of Sections 2.2 and 2.5 hereof if the State Water Board provides Annual Financial Information or Significant Borrower Annual Financial Information by specific reference to documents (i) available to the public on the MSRB Internet Web site (currently, [www.emma.msrb.org](http://www.emma.msrb.org)) or (ii) filed with the SEC. The State Water Board shall clearly identify each other such document so included by reference. The provisions of this Section shall not apply to notices of Notice Events pursuant to Section 2.5 hereof.

Section 3.2. Submission of Information. Annual Financial Information and Significant Borrower Annual Financial Information may each be provided in one document or multiple documents, and at one time or in part from time to time, and may be provided by delivery of an official statement which includes such information.

Section 3.3. Notice Events. Each notice of Notice Event shall be so captioned and shall prominently state the title, date and Series of the Bonds.

Section 3.4. Transmission of Information and Notices. (a) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the MSRB's Electronic Municipal Markets Access (EMMA) system, the current Internet Web address of which is [www.emma.msrb.org](http://www.emma.msrb.org).

(b) All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

Section 3.5. Annual Financial Information. Annual Financial Information is to be provided at least annually notwithstanding any fiscal year longer than 12 calendar months.

### **ARTICLE IV** **Termination, Amendment and Enforcement**

Section 4.1 Termination. (a) The State Water Board's, the Dissemination Agent's and the Trustee's obligations under this Agreement shall terminate upon a legal defeasance pursuant to Article XII of the Master Trust Indenture, prior redemption or payment in full of all of the Bonds.

(b) This Agreement, or any provision hereof, shall be null and void in the event that the State Water Board (1) delivers to the Trustee and IBank an opinion from Counsel, addressed to the Trustee and the Dissemination Agent, to the effect that those portions of the Rule which require the provisions of this Agreement, or any of such provisions, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) delivers copies of such opinion to the Dissemination Agent for delivery the MSRB within ten (10) business days from the execution thereof.

Section 4.2. Amendment. (a) This Agreement may be amended, by written agreement of the parties, without the consent of the Owners of the Bonds (except to the extent required under clause (4)(ii) below), if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the State Water Board or the type of business conducted thereby, (2) this Agreement as so amended would have complied with the requirements of the Rule as of the date of this Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the State Water Board shall have delivered to the Trustee and IBank an opinion from Counsel, addressed to the State Water Board and the Trustee, to the same effect as set forth in clause (2) above, (4) either (i) the State Water Board shall have delivered to the Trustee and IBank an opinion from Counsel addressed to the State Water Board and the Trustee, to the effect that the amendment does not materially impair the interests of the Owners of the Bonds, or the Trustee shall have independently determined that the amendment does not materially impair such interests, or (ii) the Owners of the Bonds consent to the amendment to this Agreement pursuant to the same procedures as are required for amendments to the Trust Indenture with consent of Owners of Bonds pursuant to Section 11.02 of the Trust Indenture as in effect on the date of this Agreement, and (5) the State Water Board shall have delivered copies of any such opinion(s) and amendment, as applicable, to the Dissemination Agent for delivery to the MSRB within ten (10) business days from the execution thereof.

(b) In addition to subsection (a) above, this Agreement may be amended and any provision of this Agreement may be waived, by written agreement of the parties, without the consent of the Owners of the Bonds, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Agreement which is applicable to this Agreement, (2) the State Water Board shall have delivered to the Trustee and IBank an opinion from Counsel, addressed to the State Water Board, the Dissemination Agent and the Trustee, to the effect that performance by the State Water Board and the Trustee under this Agreement as so amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule, and (3) the State Water Board shall have delivered copies of such opinion and amendment to the Dissemination Agent for delivery to the MSRB within ten (10) business days from the execution thereof.

(c) To the extent any amendment to this Agreement results in a change in the type of financial information or operating data provided pursuant to this Agreement, the first Annual Financial Information provided thereafter by the State Water Board shall include a narrative explanation of the reasons for the amendment and the impact of the change.

(d) If an amendment is made to the basis on which financial statements are prepared, the Annual Financial Information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a quantitative and, to the extent reasonably feasible, qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. Notice of such change shall be provided by the State Water Board to the Dissemination Agent for delivery to the MSRB.

Section 4.3. Benefit; Third-Party Beneficiaries; Enforcement. (a) The provisions of this Agreement shall inure solely to the benefit of the Owners from time to time of the Bonds, except that, if the Bonds are book entry Bonds within the meaning of Section 2.06 of the Master Trust Indenture, beneficial owners of Bonds as shown on the records of the Securities Depository or its participants shall be third-party beneficiaries of this Agreement.

(b) Except as provided in this subsection (b), the provisions of this Agreement shall create no rights in any person or entity. The obligation of the State Water Board to comply with the provisions of this Agreement shall be enforceable (i) in the case of enforcement of obligations to provide financial statements, financial information, operating data and notices, by any Owner of Outstanding Bonds, or by the Trustee on behalf of the Owners of Outstanding Bonds, or (ii) in the case of challenges to the adequacy of the financial statements, financial information and operating data so provided, by the Trustee on behalf of the Owners of Outstanding Bonds; provided, however, that the Trustee shall not be required to take any enforcement action except at the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding who shall have provided the Trustee with adequate security and indemnity. Neither the State Water Board, its directors, officers nor employees shall have any liability hereunder for any act or failure to act hereunder; the Owners' and Trustee's sole remedy with respect to enforcement of the provisions of this Agreement shall be a right, by action in mandamus or for specific performance, to compel performance of the State Water Board's obligations under this Agreement. In consideration of the third-party beneficiary status of beneficial owners of Bonds pursuant to subsection (a) of this Section, beneficial owners shall be deemed to be Owners of Bonds for purposes of this subsection (b).

(c) Any failure by the State Water Board to perform in accordance with this Agreement shall not constitute a default or an Event of Default under the Trust Indenture, and the rights and remedies provided by the Trust Indenture upon the occurrence of a default or an Event of Default shall not apply to any such failure.

(d) This Agreement shall be construed and interpreted in accordance with the laws of the State of California, and any suits and actions arising out of this Agreement shall be instituted in a court of competent jurisdiction in the County of Sacramento, State of California; provided, however, that to the extent this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

## **ARTICLE V** **Miscellaneous**

Section 5.1. Duties, Immunities and Liabilities of Dissemination Agent and Trustee. Article X of the Master Trust Indenture is hereby made applicable to this Agreement as if this Agreement were (solely for this purpose) contained in the Master Trust Indenture. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee under the Master Trust Indenture. Without limiting the generality of the foregoing, the Trustee and the Dissemination Agent shall have only those duties hereunder which are specifically set forth in this Agreement whether or not a default has occurred hereunder. The State Water Board agrees to indemnify and save the Dissemination Agent and the Trustee, their officers, directors, employees and agents, shall be held harmless against any loss, expense or liability which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's or the Trustee's gross negligence or willful misconduct in the performance of its duties hereunder, to the same extent and from the same sources as shall be available to the Dissemination Agent or the Trustee and such persons in connection with actions taken under the Trust Indenture. Any company succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor to the Dissemination Agent hereunder without the execution or filing of any paper or any further act. The obligation of the State Water Board under this Section shall survive the termination of this Agreement, the payment of the Bonds and the resignation or removal of the Dissemination Agent or Trustee.

The Dissemination Agent or the Trustee shall have no liability, duty or obligation under this Agreement for, with respect to or arising out of: (i) the selection of Counsel or the determination whether such counsel is a recognized expert in federal securities law; (ii) the adequacy, completeness or sufficiency, for any purpose, of the Annual Financial Information; (iii) the determination of whether a Material Event has occurred or communicating to any party or persons whether a Material Event has occurred; and (iv) the providing of Annual Financial Information to any party or persons.

Section 5.2. Compensation of Dissemination Agent. The Dissemination Agent shall be paid reasonable compensation for its services provided hereunder in accordance with its schedule of fees as amended from time to time and all reasonable expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent, IBank and the Trustee shall have no duty or obligation to review any information provided to them hereunder and shall not be deemed to be acting in any fiduciary capacity for the State Water Board, the Owners or any other party.

Section 5.3. Removal, Replacement or Resignation of Dissemination Agent. The State Water Board may from time to time, appoint or engage a Dissemination Agent other than the original Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing 30 days written notice to the State Water Board, IBank and the Trustee. The Dissemination Agent shall not be responsible for the content of any report or notice prepared hereunder. The Dissemination Agent shall have no duty to prepare any information report nor shall the Dissemination Agent be responsible for the failure to file any report on a timely basis where the failure to meet any deadline is caused by the failure of the State Water Board to provide information to the Dissemination Agent on a timely basis.

Section 5.4. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have each caused this Agreement to be executed by their duly authorized representatives, all as of the date first above written.

STATE WATER RESOURCES CONTROL BOARD

By: \_\_\_\_\_

TREASURER OF THE STATE OF CALIFORNIA,  
as Dissemination Agent and as Trustee

By: \_\_\_\_\_

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**APPENDIX F**  
**FORM OF OPINION OF BOND COUNSEL**

*Upon delivery of the Series 2025 Bonds, Hawkins Delafield & Wood LLP proposes to deliver its approving opinion in substantially the following form:*

California Infrastructure and Economic  
Development Bank  
Sacramento, CA 95814

Re: California Infrastructure and Economic Development Bank  
Clean Water and Drinking Water State Revolving  
Fund Revenue Bonds Series 2025 (Green Bonds)

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$ \_\_\_\_\_ in aggregate principal amount of the California Infrastructure and Economic Development Bank Clean Water and Drinking Water State Revolving Fund Revenue Bonds Series 2025 (Green Bonds) (the “Series 2025 Bonds”). The Series 2025 Bonds are issued under the Bergeson-Peace Infrastructure and Economic Development Bank Act, constituting Division 1 of Title 6.7 of the California Government Code (commencing at Section 63000 thereof) (the “Act”), and pursuant to an Amended and Restated Master Trust Indenture, dated as of March 1, 2022, by and between the California Infrastructure and Economic Development Bank (the “IBank”) and the Treasurer of the State of California, as Trustee (the “Trustee”) (the “Master Trust Indenture”) and a Series 2025 Indenture, dated as of \_\_\_\_\_, 2025, by and between IBank and the Trustee (the “Series Indenture” and, together with the Master Trust Indenture, the “Indenture”). The payment of principal, premium, if any, and interest on the Series 2025 Bonds are secured by payments made under the Amended and Restated Master Payment and Pledge Agreement, dated as of March 1, 2022, by and between the State Water Resources Control Board (the “State Water Board”) and IBank (the “Master Payment and Pledge Agreement”). All terms used herein and not otherwise defined shall have the meanings given such terms in the Indenture.

The Series 2025 Bonds are dated, mature on the dates in the principal amounts and bear interest, all as provided in the Indenture.

On the basis of the foregoing examination, we are of the opinion that:

- (i) IBank is a public instrumentality and political subdivision of the State of California, duly organized and validly existing pursuant to the Act.
- (ii) The Indenture has been duly authorized, executed and delivered by, and constitutes the valid and binding agreement of, the parties thereto.
- (iii) The Master Payment and Pledge Agreement has been duly authorized, executed and delivered by IBank, is a valid and binding agreement of IBank and, assuming due authorization, execution and delivery by the State Water Board, is enforceable against IBank in accordance with its terms.

(iv) The Series 2025 Bonds are valid and legally binding obligations of IBank, secured by the Indenture to the extent provided therein, and are payable as to principal, premium, if any, and interest on a parity with all Bonds heretofore or hereafter issued under the Indenture from, and are secured equally and ratably with said Bonds by a valid lien on and pledge of, the Pledged Project Obligations and the payments by the Recipients of amounts due on the Pledged Project Obligations (except for State Water Board Reserved Rights and IBank Reserved Rights, as provided in the Master Payment and Pledge Agreement) pursuant to the Master Payment and Pledge Agreement and other moneys controlled by the Trustee under the Indenture and pledged and available therefor under the terms of the Indenture, all in the manner provided in the Indenture. The Series 2025 Bonds are enforceable in accordance with their terms and the terms of the Indenture and are entitled to the benefits of the Act and the Indenture. All conditions precedent to the delivery of the Series 2025 Bonds have been fulfilled.

(v) Under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described below, (i) interest on the Series 2025 Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Series 2025 Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Series 2025 Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

(vi) Under existing statutes, interest on the Series 2025 Bonds is exempt from personal income taxes imposed by the State of California.

The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the Series 2025 Bonds in order that, for federal income tax purposes, interest on the Series 2025 Bonds be not included in gross income pursuant to Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Series 2025 Bonds, restrictions on the investment of proceeds of the Series 2025 Bonds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause interest on the Series 2025 Bonds to become subject to federal income taxation retroactive to their date of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of delivery of the Series 2025 Bonds, IBank and the State Water Board will execute a Tax Certificate (the “Tax Certificate”) containing provisions and procedures pursuant to which such requirements can be satisfied. In the Tax Certificate, IBank and the State Water Board covenant that they will comply with the provisions and procedures set forth therein and that they will do and perform all acts and things necessary or desirable to assure that interest paid on the Series 2025 Bonds will, for the purpose of federal income taxation, be excluded from gross income.

In rendering the opinion in paragraph (v) hereof, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of interest paid on the Series 2025 Bonds, and (ii) compliance by IBank, the State Water Board and the Recipients with the procedures and covenants set forth in the Tax Certificate and other documents as to such tax matters.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Series 2025 Bonds or the ownership or disposition thereof, except as stated in paragraphs (v) and (vi) above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation

thereof that may hereafter occur or for any other reason. We express no opinion as to the consequence of any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Series 2025 Bonds.

The foregoing opinions are qualified to the extent that the enforceability of the Master Trust Indenture, and the Master Payment and Pledge Agreement may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditors' rights or remedies and are subject to general principles of equity (regardless of whether such enforceability is considered in equity or at law).

Very truly yours,

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## **APPENDIX G BOOK ENTRY SYSTEM**

**THE INFORMATION IN THIS APPENDIX G CONCERNING DTC (DEFINED HEREIN) AND DTC'S BOOK ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE INFRASTRUCTURE BANK AND THE STATE WATER BOARD BELIEVE TO BE RELIABLE, BUT NEITHER THE INFRASTRUCTURE BANK NOR THE STATE WATER BOARD TAKES ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS THEREOF. THERE CAN BE NO ASSURANCE THAT DTC WILL ABIDE BY ITS PROCEDURES OR THAT SUCH PROCEDURES WILL NOT BE CHANGED FROM TIME TO TIME.**

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2025 Bonds. The Series 2025 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2025 Bond certificate will be issued for each maturity of the Series 2025 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Series 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2025 Bonds, except in the event that use of the book entry system for the Series 2025 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2025 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2025 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2025 Bond documents. For example, Beneficial Owners of Series 2025 Bonds may wish to ascertain that the nominee holding the Series 2025 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2025 Bonds of a single maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to IBank as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of and interest and redemption proceeds on the Series 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from IBank or the trustee on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or IBank or the State Water Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of principal of and interest and redemption proceeds on each Series 2025 Bond to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2025 Bonds at any time by giving reasonable notice to IBank or the trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2025 Bond certificates are required to be printed and delivered. IBank may decide to discontinue use of the system of book entry transfers through DTC (or a successor securities depository). In that event, Series 2025 Bond certificates will be printed and delivered. To DTC and the requirements of the Indenture with respect to certificated Series 2025 Bonds will apply.

IBANK AND THE INITIAL PURCHASER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SECURITIES (I) PAYMENTS OF PRINCIPAL OF AND INTEREST ON THE SERIES 2025 BONDS (II) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE SECURITIES OR (III) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE SECURITIES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

NEITHER IBANK NOR THE INITIAL PURCHASER WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OR COMPLETENESS OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON SECURITIES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS UNDER THE TERMS OF THE INDENTURE; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS OWNER OF THE SECURITIES.

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## APPENDIX H

### SERIES 2025 (GREEN BONDS) PROJECT DESCRIPTIONS

Project Number	Contract Number	Party	CWSRF Financing Amount <sup>1</sup>	Project Description	Anticipated Amount to be Refinanced with Series 2025 Bond Proceeds <sup>2</sup>	Anticipated Future Disbursements from Series 2025 Bond Proceeds	Anticipated Percentage of Series 2025 Bonds Disbursed at Closing <sup>3</sup>	Construction Completion Date
7899-110	14820	Carlsbad Municipal Water District	\$22,150,000	The Phase III Project includes expansion of the treatment capacity of the Water Recycling Facility from 4.0 Million Gallon per Day (MGD) to 6.0 MGD, installation of 85,000 linear feet of pipeline, a 1.5 million gallon storage tank, conversion of existing potable water facilities to recycled water use, and irrigation retrofits.	\$0	\$5,017,414	0%	6/30/2024
8111-110	D1701001	San Francisco, Public Utilities Commission of the City and County of	176,094,031.00	The project includes construction of a new recycled water treatment facility consisting of membrane filtration, reverse osmosis, and ultraviolet light disinfection; a 1.6 mg storage reservoir; distribution pumping facilities; 5-6 miles of new distribution pipelines; and irrigation retrofits.	\$4,888,064	\$1,941,432	72%	6/30/2027
8029-110	D1801003	San Luis Obispo, City of	140,000,000.00	The Project will replace aging equipment including upgrades to secondary treatment and disinfection technologies used, as well as various expansion and improvement throughout the site.	\$2,981,101	\$3,397,796	47%	12/31/2023
8095-110 <sup>4</sup>	D1901007	Brentwood, City of	\$65,102,000	The Project includes expansion of the WWTP to 10 MGD including: oxidation ditches, secondary clarifiers, filters, belt presses and related infrastructure, and conversion of the chlorine contact basin to ultraviolet disinfection.	\$21,015,820	\$2,447,390	90%	12/31/2025
8371-110	D1901027	San Francisco, Public Utilities Commission of the City and County of	\$54,387,969	The Project includes replacement of gas storage vessel, digester gas conditioning equipment, cogeneration Internal-Combustion units (IC engines) and controls. Other improvements include ancillary exhaust gas conditioning and heat exchanger systems, improved hot water and electrical energy production systems, ventilation upgrades and electrical gear.	\$9,285,342	\$0	100%	3/31/2024
8286-110	D2001005	San Francisco, Public Utilities Commission of the City and County of	112,036,181.00	The Project includes construction of: new influent junction area; new fine screens and screening handlings; new grit removal and grit handling systems; and a two-stage odor control system.	\$21,015,820	\$0	100%	3/1/2024
8470-110	D2001010	Coachella Valley Water District	\$28,632,117	The Project includes construction of approximately 9.5 miles of Non-Potable Water pipeline segments and replacement of existing pump station.	\$3,362,786	\$5,764,266	37%	12/31/2026

Project Number	Contract Number	Party	CWSRF Financing Amount <sup>1</sup>	Project Description	Anticipated Amount to be Refinanced with Series 2025 Bond Proceeds <sup>2</sup>	Anticipated Future Disbursements from Series 2025 Bond Proceeds	Anticipated Percentage of Series 2025 Bonds Disbursed at Closing <sup>3</sup>	Construction Completion Date
8185-210	D2001033	Morro Bay, City of	66,662,486.00	The Project includes: construction of a new treatment plant; sewage pump station and pipeline; injection wells for groundwater storage; recycled water pipeline; discharge (brine) pipeline; and demolition of the existing beach-side wastewater treatment plant.	\$5,625,012	\$12,093,408	32%	9/30/2026
8433-110	D2001041	Oxnard, City of	\$88,601,724	This Project will repair and replace facilities and equipment at the WWTP and rehabilitation of the City's collection system.	\$4,332,028	\$4,331,573	50%	1/15/2028
8524-110	D2001047	Oro Loma Sanitary District	\$25,000,000	The Project includes replacement of sewer clay pipe with HDPE pipe throughout the District's service area	\$12,111,170	\$2,549,728	83%	12/31/2024
8462-110	D2001048	Elsinore Valley Municipal Water District	\$179,860,229	The project will expand RWRF capacity from 8 to 12 mgd by adding Train C with membrane bioreactor and UV treatment. Key upgrades include pump station expansion, biosolids handling improvements, odor control, stormwater drainage, and facility modifications to support the new treatment processes	\$5,625,012	\$3,484,536	62%	5/17/2027
8173-210	D2101014	Inland Empire Utilities Agency	101,530,000.00	The RP-5 upgrade will expand liquids and solids treatment capacity with new pump stations, clarifiers, aeration enhancements, and a 30 MGD MBR system. It also includes odor control, stormwater infrastructure, lift station improvements, and solids processing upgrades such as digestion, dewatering, storage, and food waste handling.	\$969,242	\$6,837,046	12%	7/31/2027
8419-110	D2101037	San Diego, City of	\$155,106,453	The North City Morena Blvd Pump Station and Pipeline Project will deliver additional wastewater flows to the North City Water Reclamation Plant. The Wastewater Portion of this project includes a 24.5 mgd pump station and 10.4 mile force main which will collect wastewater flows from four pipelines and convey to the North City Water Reclamation Plant for treatment.	\$9,556,639	\$576,765	94%	9/29/2028 <sup>5</sup>
8419-120	D2101038	San Diego, City of	225,000,000.00	Project includes the construction of a 10.8 mile force main to convey wastewater to the North City Water Reclamation Plant.	\$16,193,524	\$11,825,415	58%	9/29/2028 <sup>5</sup>
8167-120	D2101041	Jurupa Community Services District	\$19,800,000	Construct an 800 horsepower (HP) booster station at the Western Riverside County Regional Wastewater Authority (WRCWA) treatment plant, Construct approximately 16,900 linear feet (LF) of 24-inch diameter transmission pipeline, and	\$0	\$19,757,741	0%	12/31/2026

Project Number	Contract Number	Party	CWSRF Financing Amount <sup>1</sup>	Project Description	Anticipated Amount to be Refinanced with Series 2025 Bond Proceeds <sup>2</sup>	Anticipated Future Disbursements from Series 2025 Bond Proceeds	Anticipated Percentage of Series 2025 Bonds Disbursed at Closing <sup>3</sup>	Construction Completion Date
				Construct approximately 37,985 LF distribution pipeline system with diameters ranging from 8-inch to 18-inch.				
8548-110	D2101044	East County Advanced Water Purification JPA	378,150,850.00	The Project includes upgrades to the existing influent pump station, expansion of the WRF capacity, construction of new Solids Handling and Energy Recovery Facilities (SHERF), an new Advanced Water Treatment Plant (AWTP) Facility of up to 11.5 mgd, conveyance pipeline; and, modifications to the existing pump station.	\$1,347,495	\$220,351,659	1%	7/31/2027
8297-110	D2101045	San Mateo-Foster City Public Financing Authority	\$137,456,000	This project modernizes aging infrastructure by replacing 1930s-era clarifiers, boosting wet weather capacity, and enhancing effluent quality with advanced nutrient removal. Upgrades include new treatment structures, odor control, BNR/MBR systems, retrofitted basins, facility improvements, and chlorination enhancements.	\$14,397,217	\$8,413,825	63%	12/31/2025
8546-110	D2101048	Oceanside, City of	17,523,327.00	The Project includes construction of a 2.2 MG storage reservoir at Fire Mountain and one pump station to expand their current water recycling program and provide additional water for irrigation.	\$3,597,218	\$7,534,609	32%	1/1/2027
8573-110	D2101049	Vallejo Flood and Wastewater District	\$50,000,000	The Vallejo MIPS 3W Effluent Bypass Project aims to replace MIPS.1, rehabilitate the Carquinez Pump Station, and upgrade electrical systems and instrumentation. It will improve effluent routing, enable 3W production from multiple sources, support future infrastructure changes, allow non-compliant discharge to Ryder Street Basin, meter outfall flows, establish a gravity outfall to Mare Island, and enhance energy efficiency.	\$3,166,927	\$3,021,888	51%	12/31/2025
8483-110	D2201001	Sunnyvale, City of	\$312,800,000	The project will upgrade the Sunnyvale Water Pollution Control Plant with a new Conventional Activated Sludge facility, thickening and dewatering systems, and supporting infrastructure. Key improvements include bioreactors, clarifiers, pump stations, nitrogen removal, odor control, and rehabilitation of existing drainage and pump systems.	\$0	\$9,145,621	0%	1/31/2027
8514-110	D2201002	Elsinore Valley Municipal Water District	36,540,937.00	This project will replace the B-1, Summerly, and Back Basin lift stations to support the Diamond Specific Plan and establish the Diamond Regional Sewer Lift Station with a peak design flow of 19.9 million gallons per day by 2040. Improvements include dual wet-well lift stations with six pumps, site layout upgrades, odor control biofilters, a	\$14,337,544	\$1,347,465	91%	8/27/2026 <sup>5</sup>

Project Number	Contract Number	Party	CWSRF Financing Amount <sup>1</sup>	Project Description	Anticipated Amount to be Refinanced with Series 2025 Bond Proceeds <sup>2</sup>	Anticipated Future Disbursements from Series 2025 Bond Proceeds	Anticipated Percentage of Series 2025 Bonds Disbursed at Closing <sup>3</sup>	Construction Completion Date
8602-110	D2201003	Santa Barbara, City of	9,351,381.00	pretreatment facility, and 3,100 feet of force main ranging from 16 to 24 inches in diameter.  The aging pump station poses a risk of costly sewer overflows and disruptive emergency repairs. The project will replace pumps and motors, upgrade electrical systems, demolish the existing building, and construct a new catch basin and facility.	\$3,091,920	\$2,646,134	54%	12/31/2025
8508-110	D2201009	Santa Barbara, City of	\$30,188,647	This project will replace the outdated electrical distribution system at the El Estero Wastewater Treatment Plant, much of which dates back to the 1970s and poses a significant operational risk due to potential failure. The new system will modernize equipment, improve facility layout, eliminate single points of failure, and ensure reliable performance throughout its expected life cycle.	\$3,597,218	\$11,240,612	24%	3/1/2028 <sup>5</sup>
8577-110	D2201018	Santa Paula Utility Authority	\$20,340,000	The Project includes upgrades to the Water Recycling Facility with nanofiltration, reverse osmosis, intermediary chemical precipitation, sludge dewatering, and water/concentrate storage to meet the chloride effluent limitations.	\$0	\$2,547,853	0%	7/31/2026
8308-210	D2301001	South Coast Water District	\$4,375,000	The Project includes construction of approximately 3,670 linear feet of 16-inch recycled water distribution pipeline and approximately 840 linear feet of 12-inch recycled water distribution pipeline. The Project will also replace a pressure reducing station, and remove and relocate existing valves and irrigation services.	\$3,025,805	\$1,567,704	66%	1/31/2025
8553-110 <sup>4</sup>	D2301012	San Diego, City of	\$55,000,000	The project's primary objectives include reducing flood risk and inundation within the project vicinity and improving water quality within Mission Bay by treating dry weather and wet weather storm water runoff via Low-Impact Development features. Water quality is one of the main objectives of this project and this is achieved through implementation of Green Infrastructure (GI)/Low-Impact Development features which include eight (8) proposed biofiltration/bioretenion basins.	\$0	\$7,863,832	0%	8/31/2028
8366-110	D2301013	Carpinteria Valley Water District	\$39,301,212	"The Project includes construction of an advanced water purification facility (AWPF) including: membrane filtration, reverse osmosis, UV disinfection, recycled water pump, station, recycled water pipeline, recycled water injection wells, and groundwater monitoring wells.	\$0	\$4,916,828	0%	6/30/2027

Project Number	Contract Number	Party	CWSRF Financing Amount <sup>1</sup>	Project Description	Anticipated Amount to be Refinanced with Series 2025 Bond Proceeds <sup>2</sup>	Anticipated Future Disbursements from Series 2025 Bond Proceeds	Anticipated Percentage of Series 2025 Bonds Disbursed at Closing <sup>3</sup>	Construction Completion Date
8651-110	D2301016	San Francisco, Public Utilities Commission of the City and County of	\$100,000,000	The Project includes construction of a new recycled water facility to produce and convey recycled water.	\$3,091,920	\$12,510,638	20%	2/27/2027
8417-110	D2401001	Palo Alto, City of	\$56,279,960	Construct the Advanced Water Purification System which includes: Membrane Filtration, Reverse Osmosis, Chemical Storage, ancillary components, a new odor control system.	\$2,268,142	\$12,247,971	16%	12/31/2027
8502-110 <sup>4</sup>	D2401002	Daly City Joint Powers Financing Authority	\$67,889,860	The Project includes replacement of the existing Vista Grande Tunnel and a portion of the existing Vista Grande Canal with several new facilities to improve stormwater quality and conveyance capacity.	\$2,554,531	\$9,706,808	21%	12/31/2027
8732-110 <sup>4</sup>	D2401010	San Francisco, Public Utilities Commission of the City and County of	\$55,000,000	This Project includes construction of 3,800 LF of a new 12-foot diameter tunnel and 12,500 LF of upstream sewer pipes and sewer boxes.	\$3,025,805	\$6,880,853	31%	9/1/2028
8598-210	D2401013	Union Sanitary District	\$100,000,000	This project aims to expand the Alvarado Wastewater Treatment Plant's capacity and enhance treatment processes to meet Union Sanitary District's permit requirements. Planned upgrades include new clarifiers, chemical treatment facilities, effluent pump stations, support infrastructure, and demolition of existing structures to accommodate the improvements.	\$9,261,506	\$7,872,340	54%	8/31/2029
8643-110	D2401020	Redlands, City of	\$45,000,000	The project aims to upgrade the wastewater treatment plant and expand capacity using membrane bioreactor (MBR) technology. Construction includes improvements across key systems such as headworks, clarifiers, pumps, aeration basins, thickening, dewatering, digestion, electrical, and plant-wide controls.	\$0	\$6,434,040	0%	7/1/2028
<b>Eligible Revenue Bond Refinance (Reimbursements)/Disbursements</b>					<b>\$183,724,808</b>	<b>\$416,275,192</b>		
					<b>\$600,000,000</b>			

<sup>1</sup> The CWSRF financing amount includes anticipated Series 2025 Bond proceeds as well as other CWSRF funding sources.

<sup>2</sup> These amounts represent previously disbursed CWSRF funds to be refinanced with Series 2025 Bond proceeds upon closing.

<sup>3</sup> These percentages represent the estimated portion of total Series 2025 Bond proceeds to be assigned to this project that will be refinanced at closing.

<sup>4</sup> Loan Amount includes an additional Principal Forgiveness (PF) Amount. PF amount will not be reimbursed/dispursed with revenue bond proceeds.

<sup>5</sup> Anticipated construction completion date upon execution of pending amendment.

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## APPENDIX I

### NOTICE OF SALE

**[\$[PRELIMINARY PAR]\***  
**CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK**  
**CLEAN WATER AND DRINKING WATER**  
**STATE REVOLVING FUND REVENUE BONDS, SERIES 2025 (GREEN BONDS)**

NOTICE IS HEREBY GIVEN, that bids will be received on [Pricing Date] (the “Bid Date”), in electronic form only and solely through S&P’s BidCOMP/PARITY® (“Parity”), in the manner and subject to adjustment as described below, by the Honorable Fiona Ma, Treasurer of the State of California (“State Treasurer”), as agent of sale for the California Infrastructure and Economic Development Bank (“IBank”), for the purchase of \$[Preliminary Par]\* aggregate principal amount of California Infrastructure and Economic Development Bank Clean Water and Drinking Water State Revolving Fund Revenue Bonds, Series 2025 (Green Bonds) (the “Bonds”), expected to be dated and delivered on [Closing Date] (the “Closing Date”). The Bonds are authorized to be issued under a Resolution of IBank adopted on [IBank Resolution Adoption Date] (the “IBank Resolution”), a Resolution of the State Water Resources Control Board (the “Board”) adopted on November 4, 2025 (the “State Water Board Resolution” and, together with the IBank Resolution, the “Resolutions”), the Amended and Restated Master Trust Indenture, dated as of March 1, 2022 (the “Master Trust Indenture”), by and between IBank and the State Treasurer, as Trustee, and the Series 2025 Indenture dated as of [As of Date] between IBank and the State Treasurer, as Trustee.

Bidding procedures and sale terms are as follows.

The State Treasurer, IBank and the Board reserve the right, prior to the acceptance of a bid, to modify or amend this Notice of Sale (this Notice of Sale, together with any modifications or amendments, is referred to herein as the “Notice of Sale”), including (but not limited to) changing (i) the date on which or time at which bids will be received, (ii) the Maturity Schedule, including the aggregate principal amount of Bonds offered for sale (see “PRINCIPAL”), (iii) the terms of redemption of the Bonds and (iv) the requirements relating to the interest rates on or purchase price of the Bonds. Any such modifications or amendments will be disseminated via MuniOS ([www.munios.com](http://www.munios.com)) and posted on Parity not later than 1:00 p.m., California time on [Pricing Date minus 1], which is one day prior to the Bid Date. Any such modification or amendment will also be available on the State Treasurer’s investor relations website at <http://www.buycaliforniabonds.com>. Any delay in making such modification or amendment, or the failure of any bidder to receive such notice, or the failure to make available such notice on the investor relations website shall not affect the validity of the sale of the Bonds. Bidders are required to bid upon the Bonds in accordance with this Notice of Sale, as it may be amended. The State Treasurer, IBank and the Board reserve the right to postpone or cancel the sale of the Bonds at any time. After the award, the State Treasurer, IBank or the Board may elect to adjust the principal amounts and amortization schedule for the Bonds as described under “ADJUSTMENT OF

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\* Subject to change by amendment, modification or adjustment as described in this Notice of Sale.

**AGGREGATE PRINCIPAL AMOUNT, PRINCIPAL AMOUNT OF EACH MATURITY AND AGGREGATE PERCENTAGE PURCHASE PRICE AFTER THE RECEIPT OF BIDS.”**

Any questions on the bidding procedures and sale terms set forth in this Notice of Sale, or any modification or amendment thereof, or any postponement or cancellation of the sale of the Bonds, should be directed to Hilltop Securities Inc. (“Municipal Advisor”), 70 NE Loop 410, Suite 750, San Antonio, Texas 78216; telephone 210-308-2204 (office), Attention: Anne Burger Entrekin (e-mail: Anne.BurgerEntrekin@hilltopsecurities.com).

**ISSUE:** The Bonds are described in the Preliminary Official Statement dated [POS Date] (as the same may be modified, amended or supplemented, the “Preliminary Official Statement”).

**BID DATE:** [Pricing Date].

**TIME:** Bids must be delivered at or before 8:30 A.M., California time on the Bid Date.

**PLACE:** Bids must be electronically delivered as described under the caption “ONLY ELECTRONIC BIDS SUBMITTED THROUGH PARITY WILL BE ACCEPTED” below.

**PRE-BID FORMS:** Each bidder is required to submit certain certificates prior to 3:00 p.m. California time on [Pricing Date minus 1]. See “CERTIFICATES TO BE COMPLETED PRIOR TO BIDDING” below.

**QUALIFICATION OF BIDDERS:** The State Treasurer will only accept bids received from members of the State Treasurer’s 2025-2027 Underwriter Pool (currently posted on the State Treasurer’s website at <http://www.treasurer.ca.gov>). Each syndicate member, if any, must also be a member of the State Treasurer’s 2025-2027 Underwriter Pool. Selling group members, if any, are not required to be members of the State Treasurer’s 2025-2027 Underwriter Pool. By submitting a bid, each bidder shall be deemed to have certified that its syndicate members, if any, are members of the State Treasurer’s 2025-2027 Underwriter Pool. In addition, as a condition to the award of the Bonds, each bidder shall provide to the State Treasurer the names of each of its syndicate members and selling group members, if any, within 30 minutes of its receipt of a request for such names from the State Treasurer.

Each bidder (and not the State Treasurer, IBank or the Board) is responsible for the timely delivery of its bid. The official time will be determined by the State Treasurer and not by any bidder or Parity.

**TERMS RELATING TO THE BONDS**

**EACH BIDDER IS DEEMED TO HAVE OBTAINED AND REVIEWED THE PRELIMINARY OFFICIAL STATEMENT PRIOR TO BIDDING FOR THE BONDS. THE DESCRIPTION OF THE BONDS CONTAINED IN THIS NOTICE OF SALE IS QUALIFIED IN ALL RESPECTS BY THE DESCRIPTION CONTAINED IN THE PRELIMINARY OFFICIAL STATEMENT. CAPITALIZED TERMS USED HEREIN BUT NOT OTHERWISE DEFINED HEREIN SHALL HAVE THE MEANINGS ASCRIBED TO SUCH TERMS IN THE PRELIMINARY OFFICIAL STATEMENT.**

**INTEREST:** Bidders must specify the rate or rates of interest which the Bonds will bear, subject to the following limitations. Interest on the Bonds will accrue from the Closing Date. Interest on the Bonds will be payable on April 1 and October 1 in each year, commencing April 1, 2026. Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Bidders may specify any number of separate rates and the same rate or rates may be repeated as often as desired, but:

- each interest rate specified in any bid must be a multiple of one-eighth or one-twentieth of one percent (1/8 or 1/20 of 1%) per annum,
- no Bond shall bear an interest rate greater than [5.00]% per annum,
- no Bond shall bear more than one rate of interest,
- no Bond shall bear a zero rate of interest,
- each Bond maturity on or after October 1, [2026], shall bear interest at a minimum of [4.00]% per annum.
- each Bond shall bear interest from the Closing Date to its stated maturity date or earlier redemption at the interest rate specified in the applicable bid, and
- all Bonds of the same maturity (including a term Bond maturity subject to Sinking Fund Installments (as defined in the Preliminary Official Statement)) shall bear the same rate of interest.

**PRINCIPAL:** Subject to any adjustments as provided in “ADJUSTMENT OF AGGREGATE PRINCIPAL AMOUNT, PRINCIPAL AMOUNT OF EACH MATURITY AND AGGREGATE PERCENTAGE PURCHASE PRICE AFTER THE RECEIPT OF BIDS” herein, the Bonds will mature or be subject to redemption from Sinking Fund Installments on October 1 in any of the years from [2026\* to 2050\*] inclusive, in the amounts set forth on the next page.

**MATURITY SCHEDULE\***

<b>Date (October 1)</b>	<b>Principal Amount</b>	<b>Date (October 1)</b>	<b>Principal Amount</b>
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<sup>†</sup> The interest rate specified for a term Bond maturity shall be deemed to apply to each Sinking Fund Installment of such term Bond.

Each bid must specify whether the principal amount of Bonds to be paid on each applicable date will be a payment at maturity of serial Bonds or a Sinking Fund Installment for a term Bond maturity. Bidders may specify more than one term Bond maturity, but the Sinking Fund Installments specified for each term Bond maturity must be on consecutive principal payment dates immediately preceding the maturity date of that term Bond. No term Bond shall have a Sinking Fund Installment due on or prior to, or mature prior to, the first optional redemption date of the Bonds [(October 1, 2035)].

**PURCHASE PRICE:** The purchase price bid for the Bonds may not be (i) less than [100]\*% of the aggregate principal amount of such Bonds or (ii) more than [122]\*% of the aggregate principal amount of the Bonds. Each bid must state the purchase price bid for the Bonds.

**INITIAL REOFFERING PRICES:** Upon a request from the State Treasurer, the IBank or the Board, or their respective agents, bidders must promptly, in any case not later than 60 minutes after receiving the notice of award, submit information specifying the initial reoffering price of each maturity in their bid for the Bonds. Each maturity of the Bonds must be reoffered at a yield that will produce a price (when expressed as a percentage of the corresponding principal amount reoffered) not less than ninety-eight percent [(98.0%)] of the principal amount thereof. See also “PROMPT AWARD; SUBMISSION OF SIGNED BID” and “CERTIFICATES TO BE COMPLETED BY THE PURCHASER PRIOR TO CLOSING” below.

**REDEMPTION:** The Bonds maturing on or after [October 1, 2035]\* are subject to redemption prior to their respective stated maturities at the option of the Board from lawfully available funds as a whole or in part (in such order of maturity as shall be selected by the Trustee upon direction by the Board and by lot within a maturity) on any date on or after [October 1, 2035]\* at a redemption price equal to 100% of the principal amount of the Series 2025 Bonds to be redeemed plus accrued interest, if any, to the date of redemption, without premium.

In the event the winning bidder (the “Purchaser”) specifies in its bid that any Bonds are to be term Bonds with Sinking Fund Installments, each term Bond maturity will be subject to redemption prior to its stated maturity, in part, by lot, at 100 percent of the principal amount to be redeemed plus accrued interest to the date fixed for redemption, without premium, from the Sinking Fund Installments designated for such term Bond Maturity.

**SECURITY:** See the Preliminary Official Statement – “SECURITY AND SOURCE OF PAYMENT FOR BONDS.”

**ADDITIONAL INFORMATION:** Prospective bidders must read the entire Preliminary Official Statement. Copies of the Preliminary Official Statement may be obtained electronically from the State Treasurer via email at [investorrelations@treasurer.ca.gov](mailto:investorrelations@treasurer.ca.gov) or by calling 1-800-900-3873. The Preliminary Official Statement is also available through the State Treasurer’s investor relations website at <http://www.buycaliforniabonds.com>. and at <http://www.munios.com>.

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\* Preliminary, subject to change.

## TERMS OF THE SALE

**FORM OF BID:** Each bid must be unconditional and in an amount consistent with the requirements under the captions “PURCHASE PRICE” and “INITIAL REOFFERING PRICES” herein. Each bid must conform to all of the sale terms provided herein and include the information required by the Parity bid form. By submitting a bid, the bidder agrees to all of the terms and conditions of this Notice of Sale, as it may have been amended or modified by the State Treasurer, IBank and the Board pursuant to this Notice of Sale. In submitting a bid, each bidder acknowledges that its bid is an offer to purchase all of the Bonds upon the terms contained herein, and if accepted, will become a contract to purchase the Bonds on such terms. *All bids shall be deemed to incorporate all of the applicable terms of this Notice of Sale.*

**ONLY ELECTRONIC BIDS SUBMITTED THROUGH PARITY WILL BE ACCEPTED:** The State Treasurer will only accept bids received in electronic form and submitted through Parity. Information about Parity, including any fees charged and registration requirements, may be obtained by contacting Parity via email at [parity@ihsmarket.com](mailto:parity@ihsmarket.com) or by calling (212) 849-5021.

Each bidder submitting an electronic bid agrees by doing so that (i) it is solely responsible for all arrangements with Parity, (ii) Parity is not acting as an agent of the State Treasurer, IBank, or the Board, and (iii) the State Treasurer, IBank, and the Board are not responsible for ensuring or verifying bidder compliance with Parity’s procedures. The State Treasurer, the Board and IBank are not responsible for, and each bidder expressly assumes the risk of and responsibility for, any incomplete, inaccurate or untimely bid submitted by such bidder. Instructions for submitting electronic bids must be obtained by each bidder from Parity. The State Treasurer, IBank and the Board shall be entitled to assume that any bid received has been made by a duly authorized agent of the bidder. *If any provision of this Notice of Sale conflicts with information provided by Parity, this Notice of Sale shall control.*

THE STATE TREASURER, IBANK, THE BOARD, THE MUNICIPAL ADVISOR, BOND COUNSEL AND DISCLOSURE COUNSEL ASSUME NO RESPONSIBILITY FOR ANY ERROR CONTAINED IN ANY BID SUBMITTED, OR FOR FAILURE OF ANY BID TO BE TRANSMITTED, RECEIVED OR OPENED BY OR BEFORE THE DEADLINE FOR RECEIPT OF BIDS. THE STATE TREASURER, IBANK, AND THE BOARD SHALL NOT BE REQUIRED TO ACCEPT THE TIME KEPT BY PARITY AS THE OFFICIAL TIME. THE STATE TREASURER, IBANK AND THE BOARD DO NOT ASSUME ANY RESPONSIBILITY FOR INFORMING ANY BIDDER PRIOR TO THE DEADLINE FOR RECEIVING BIDS THAT ITS BID IS NONCOMPLIANT, INCOMPLETE OR NOT RECEIVED. BY SUBMITTING A BID, THE BIDDER AGREES THAT ANY DELAY BY THE STATE TREASURER, IBANK AND THE BOARD IN MAKING A MODIFICATION OR AMENDMENT TO THIS NOTICE OF SALE OR THE FAILURE OF ANY BIDDER TO RECEIVE NOTICE OF ANY SUCH MODIFICATION OR AMENDMENT SHALL NOT AFFECT THE VALIDITY OF THE SALE OF THE BONDS.

**GOOD FAITH DEPOSIT:** The Purchaser is required to provide to the State Treasurer by wire transfer in immediately available funds not more than two hours after the State Treasurer has communicated the acceptance of its bid, a good faith deposit of \$[Good Faith Deposit] (the “Good

Faith Deposit”). If the Good Faith Deposit is not received from the Purchaser by the time specified above, the State Treasurer may rescind the award of sale. Bidders may obtain the wire instructions for the wire transfer by submitting a written request via e-mail to the State Treasurer’s Office (publicfinance@treasurer.ca.gov), referencing “IBANK SERIES 2025” in the subject line. Potential bidders may request the wire instructions in advance of bidding. However, the Good Faith Deposit need only be provided following the award of the Bonds.

The Good Faith Deposit will become the property of the Board and will be credited to the purchase price of the Bonds at the time of delivery of the Bonds. If the purchase price is not paid in full when due, the Purchaser shall have no right to the Bonds and the Good Faith Deposit shall be retained by the Board as and for full liquidated damages for such failure and shall constitute a full release and discharge of all claims and rights of the Board, IBank and the State Treasurer against the Purchaser and a waiver of any right the Board, IBank and the State Treasurer may have to additional damages for any such default. By submitting a bid each bidder waives any right to claim that actual damages resulting from any such default are less than the Good Faith Deposit, and agrees that the amount of the Good Faith Deposit is a reasonable estimate of damages that the Board and IBank may suffer in the event of such a failure.

**No interest will be paid by the State Treasurer, IBank or the Board on the Good Faith Deposit.**

**BASIS OF THE AWARD:** The Bonds will be awarded to the bidder whose bid will result in the lowest true interest cost (“TIC”) to the Board, assuming the principal amount of each maturity set forth in the Maturity Schedule and the interest rates and purchase price specified by the bidder. The TIC will be the nominal interest rate which, when compounded semiannually and used to discount the debt service payments on all of the Bonds to the scheduled Closing Date, results in an amount equal to the purchase price bid for all of the Bonds. For the purpose of calculating the TIC, the principal amount of Bonds designated by the bidder for redemption with a Sinking Fund Installment as part of a term Bond, if any, shall be treated as serial Bonds maturing on the date of such Sinking Fund Installment. In the event that two or more bidders offer bids at the same lowest TIC for the Bonds, the bidder that submitted such a bid first, as determined by the State Treasurer, will be awarded the Bonds.

**MULTIPLE BIDS FROM A SINGLE BIDDER:** In the event multiple bids are received from a single bidder, the State Treasurer shall be entitled to accept the bid with the lowest TIC for the Bonds, calculated in accordance with this Notice of Sale, as determined by the State Treasurer, from among all such bids, and each bidder agrees by submitting any bid to be bound by such lowest bid unless such bid is expressly withdrawn prior to the deadline for receiving bids. See “BASIS OF THE AWARD.”

**PROMPT AWARD; SUBMISSION OF SIGNED BID:** The State Treasurer will take action awarding the Bonds or rejecting all bids for the Bonds. Formal notice of award will be given promptly by telephone by the State Treasurer to the Purchaser and shall constitute acceptance by the State Treasurer, IBank and the Board of such bidder’s offer to purchase all the Bonds on the terms contained herein and in such bid. Bid evaluations or rankings by Parity are not binding on the State Treasurer, IBank or the Board. During the telephone call, the State Treasurer will inform the Purchaser whether the competitive sale requirements described below under

“ESTABLISHMENT OF THE ISSUE PRICE OF THE BONDS” have been satisfied or not satisfied.

**The State Treasurer’s Office will furnish to the Purchaser a copy of the winning bid. The Purchaser must ensure that a signed copy of its bid along with the name of each of its underwriting syndicate members, if any, is submitted to the State Treasurer’s Office by e-mail (publicfinance@treasurer.ca.gov) not later than 60 minutes after receiving notification of the award of the Bonds; the State Treasurer will then promptly execute the acceptance of the bid.**

Each of the Purchaser, the State Treasurer, the IBank and the Board agrees that the transaction described in this Notice of Sale and memorialized in the copy of the winning bid may be conducted by electronic means. Each of them agrees, and acknowledges that it is their intent, that if any such party signs the winning bid form using an electronic signature, it is signing, adopting, and accepting the terms thereof and that signing the winning bid form using an electronic signature is the legal equivalent of having placed its handwritten signature on the winning bid form on paper. Each of them acknowledges that it is being provided with an electronic or paper copy of the winning bid form and the Notice of Sale in a usable format.

**INSURANCE:** No bids with municipal bond insurance will be accepted.

**CUSIP NUMBERS:** The Municipal Advisor will timely apply for CUSIP numbers with respect to the Bonds as required by Municipal Securities Rulemaking Board’s Rule G 34. The Purchaser will be responsible for the cost of assignment of such CUSIP numbers and any CUSIP Service Bureau charges related to the Bonds. The Purchaser shall also notify the CUSIP Service Bureau as to the final structure of the Bonds.

It is anticipated that CUSIP numbers will be printed on the Bonds, but neither the failure to print CUSIP numbers on any Bond nor any error with respect thereto will constitute cause for a failure or refusal by the Purchaser to accept delivery of and pay for the Bonds in accordance with the terms contained herein and in the accepted bid.

**EXPENSES OF PURCHASER:** In addition to the cost related to CUSIP numbers, the Purchaser will be responsible for California Debt and Investment Advisory Commission (“CDIAC”) fees (California Government Code Section 8856), The Depository Trust Company charges and all its other expenses related to the purchase and delivery of the Bonds. CDIAC will separately invoice the Purchaser of the Bonds after the Closing Date. The cost of preparing the Bonds will be paid for by the Board.

**RIGHT OF WAIVER OR REJECTION:** The State Treasurer reserves the right to reject any or all bids. The State Treasurer also reserves the right to waive, without limitation, any irregularity or informality with respect to any bid, except the time of receipt of bids.

**ADJUSTMENT OF AGGREGATE PRINCIPAL AMOUNT, PRINCIPAL AMOUNT OF EACH MATURITY AND AGGREGATE PERCENTAGE PURCHASE PRICE AFTER THE RECEIPT OF BIDS:** The aggregate principal amount of Bonds and the principal amount of each maturity of the Bonds set forth in the Maturity Schedule reflect estimates of the State Treasurer, IBank and the Board as to the likely interest rates, reoffering prices and

underwriter's spread to be reflected by the winning bid. After selecting the actual winning bid, the principal amount of Bonds to be paid in each year may be adjusted in \$5,000 increments, if the State Treasurer, IBank or the Board elect to do so, to reflect the interest rates and purchase price specified in the winning bid and the reoffering prices certified by the Purchaser. The adjustments, if any, will be done in such a manner that the average percentage underwriter's spread will remain constant. Such adjustments will neither (i) change the aggregate principal amount of Bonds to be issued from the amount set forth in the Maturity Schedule by more than ten percent (10%) nor (ii) change the principal amount of the Bonds due in any year by more than fifteen percent (15%) of the principal amount for such year set forth above. The percentage purchase price to be paid for the Bonds by the Purchaser will be adjusted in order to result in the same percentage underwriter's spread, if any, as the spread reflected by the purchase price bid and the reoffering prices certified by the Purchaser. Any such adjustments will be communicated to the Purchaser within 24 hours after the award of the Bonds. Any such adjustments will not affect the determination of the Purchaser or give the Purchaser any right to reject the Bonds. In addition, adjustments in the Maturity Schedule may also be made prior to the acceptance of bids as described in the second paragraph of this Notice of Sale.

**CERTIFICATES TO BE COMPLETED PRIOR TO BIDDING:** Prior to bidding on the Bonds, all prospective bidders are required to submit the following certifications.

- (i) *Expatriate Act Certification.* (See EXHIBIT 1).
- (ii) *Darfur Contracting Act Certification.* (See EXHIBIT 2).
- (iii) *Iran Contracting Act Certification.* (See EXHIBIT 3).
- (iv) *California Civil Rights Laws Certification.* (See EXHIBIT 4).
- (v) *Economic Sanctions Against Russia CERTIFICATION.* (See EXHIBIT 5).

Each certification should be dated no earlier than this Notice of Sale and submitted by 3:00 p.m. California time on [Pricing Date minus 1] to the State Treasurer via e-mail to [publicfinance@treasurer.ca.gov](mailto:publicfinance@treasurer.ca.gov). Please include firm name and "IBANK SERIES 2025" in the subject line.

**ESTABLISHMENT OF THE ISSUE PRICE OF THE BONDS:** By submitting a bid, the Purchaser confirms that each maturity of the Bonds has been or will be offered to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the Purchaser.

By submitting a bid, the Purchaser agrees to assist the Board, IBank, the State Treasurer and Bond Counsel in establishing the issue price of the Bonds and to execute and deliver to the Board on the Closing Date the applicable Closing Issue Price Certificate, described under "CERTIFICATES TO BE COMPLETED BY THE PURCHASER PRIOR TO CLOSING" herein, setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as EXHIBIT 6 or EXHIBIT 7, as applicable. By being a member of the syndicate that submits the successful bid for the Bonds, each other underwriter (on

behalf of itself and other entities with which it has a third-party distribution agreement) or selling group member agrees that if the certificates described in the prior sentence are insufficient to assist the Board or IBank in establishing the issue price of the Bonds, it shall execute and deliver to the Board and IBank on the Closing Date a certificate substantially in the form of EXHIBIT 6 or EXHIBIT 7, as applicable, to the extent necessary to assist the Board and IBank in establishing the issue price of the Bonds. The certificates actually delivered will have such modifications as may be appropriate or necessary, in the reasonable judgment of the Purchaser, the Board, IBank and Bond Counsel to accurately reflect, as applicable, the role of the signatory and the sales price or prices or the initial offering price or prices to the public of the Bonds.

*Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.*

Bids will not be subject to cancellation in the event that the Competitive Sale Requirements described below are not satisfied. If the Competitive Sale Requirements are not satisfied, the hold-the-offering-price rule (as described below) will apply to each maturity of the Bonds that does not satisfy the 10% Test (as defined below) as of the date and time of the award. The Purchaser agrees to comply with the hold-the-offering-price rule described in the following paragraphs, if applicable. Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule.

***Competitive Sale Requirements Satisfied.*** The Board and IBank intend that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Requirements”). The requirements include that the State Treasurer receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds.

EXHIBIT 6 is the form of Closing Issue Price Certificate to be used if the Competitive Sale Requirements have been satisfied.

***Competitive Sale Requirements Not Satisfied—10% Test and Hold-the-Offering-Price Rule.*** In the event that the Competitive Sale Requirements are not satisfied with respect to the Bonds, the State Treasurer shall so advise the Purchaser.

If the Competitive Sale Requirements are not satisfied, the issue price of the Bonds will be determined by the Board and IBank on a maturity-by-maturity basis. The Purchaser for the Bonds will advise the Board and IBank, with a copy to the State Treasurer, of the first single price at which 10% of each maturity of the Bonds is sold to the public (the “10% Test”) as of the date and time of the award of the Bonds. Any maturities of the Bonds that do not satisfy the 10% Test as of the date and time of the award shall be subject to the hold-the-offering-price rule, as described below. Each CUSIP identification number within a maturity will be treated as its own maturity for purposes of establishing issue price.

EXHIBIT 7 is the form of Closing Issue Price Certificate to be used for the Bonds if the Competitive Sale Requirements are not satisfied.

**Hold-the-Offering-Price Rule.** The following paragraphs describe the “hold-the-offering-price rule.”

The Purchaser agrees, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Purchaser shall within one business day report to the Board and IBank, with a copy to the State Treasurer, when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date. The Purchaser shall cooperate with the Board, IBank, the State Treasurer and Bond Counsel by providing requested information to assist in establishing compliance with the hold-the-offering-price rule.

The Board and IBank acknowledge that, if the hold-the-offering-price rule applies, in making the representations set forth above, the Purchaser will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale to the public of the Bonds, the agreement of each dealer who is a member of such selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a third-party distribution agreement that was employed in connection with the initial sale to the public of the Bonds, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires.

By submitting a bid, each bidder confirms with respect to the Bonds that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Purchaser is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Purchaser and as set forth in the related pricing wires, and

(ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains language obligating each underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party

distribution agreement to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Purchaser or the related underwriter and as set forth in the related pricing wires. Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of establishing the issue price of the Bonds as required by this Notice of Sale. Further, for purposes of this Notice of Sale:

- (1) “public” means any person other than an underwriter or a related party to an underwriter,
- (2) “underwriter” means (A) the Purchaser, (B) any person that agrees pursuant to a written contract with the State Treasurer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (C) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (B) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of such Bonds to the public),
- (3) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (4) “sale date” means the date that the Bonds are awarded by the State Treasurer to the Purchaser.

**QUALIFICATION FOR SALE; COMPLIANCE WITH BLUE SKY:** The Board and IBank will furnish or cause to be furnished such information, execute or cause to be executed such instruments and take or cause to be taken such other reasonable action in cooperation with the Purchaser, as the Purchaser may deem necessary in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Purchaser may designate; *provided, however*, that the foregoing shall not require the Board or IBank to register as a dealer or broker or execute a consent to service of process or to qualify as a foreign corporation in connection with such qualification, in any foreign jurisdiction or to comply with any other requirements reasonably deemed by the Board or IBank to be unduly burdensome.

**The Purchaser may not sell, offer to sell or solicit any offer to buy, the Bonds in any jurisdiction where it is unlawful for the Purchaser to make such sale, offer or solicitation, and the Purchaser shall comply with the Blue Sky and other securities laws and regulations of the states and jurisdictions in which the Purchaser sells the Bonds.**

**NO SALES OUTSIDE OF THE UNITED STATES:** The Purchaser shall not sell any of the Bonds in the initial offering to investors, the sale to whom would require qualification under foreign law, and the Purchaser shall not sell any of the Bonds outside of the United States.

**CERTIFICATES TO BE COMPLETED BY THE PURCHASER PRIOR TO CLOSING:** The Purchaser is required to submit the following certifications:

***Closing Issue Price Certificate.*** Prior to the Closing Date, the Purchaser must submit to the Board and IBank a certificate (the “Closing Issue Price Certificate”), satisfactory to Bond Counsel, substantially in the form attached in EXHIBIT 6 or EXHIBIT 7, as applicable. In making such representations, the Purchaser must reflect the anticipated existence, if any, of a “derivative product” (e.g., a tender option) offered or to be offered by such Purchaser or any affiliate in connection with the initial sale of any of the Bonds. The Purchaser shall also, if asked by Bond Counsel, provide additional information necessary in the judgment of Bond Counsel to determine the issue price of the Bonds.

***Closing Certificate Concerning the Preliminary Official Statement and the Official Statement.*** As a condition of delivery of the Bonds, the Purchaser will be required to execute and deliver to the State Treasurer, the Board and IBank, prior to the Closing Date, a certificate to the following effect:

(i) The Purchaser, as the initial purchaser of the Bonds, has provided to the Board, IBank and the State Treasurer the initial reoffering prices or yields on the Bonds as printed in the Official Statement (the “Official Statement”).

(ii) The Purchaser has not undertaken any responsibility for the contents of the Preliminary Official Statement or the Official Statement. The Purchaser, in accordance with and as part of its responsibilities under Federal securities laws, has reviewed the information in the Preliminary Official Statement and the Official Statement and did not notify the Board or IBank of the need to modify or supplement the Preliminary Official Statement on or before the Bid Date and has not notified the Board or IBank of the need to modify or supplement the Official Statement on or before the Closing Date.

**PARTICIPATION GOALS:** Firms owned by disabled veterans are encouraged to respond to this invitation for bid.

The State Treasurer has adopted regulations and participation goals for professional bond services firms owned by disabled veterans. These participation goals are set forth in Article 3 of Subchapter 4 of Chapter 4, Division 2 of Title 2 of the California Code of Regulations in Section 1899.522. As a result of a court decision issued in 2001, the State Treasurer can no longer impose participation goals for minority and women business enterprises. However, the State Treasurer continues to collect and report data regarding minority and women business enterprise participation.

After completion of the transaction, the Purchaser will be required to submit reports to the State Treasurer concerning disabled veteran business enterprise outreach efforts and professional bond service participation in transactions related to the offer and sale of the applicable Bonds. The Purchaser will also be required to submit reports on professional bond service participation by

minority and women business enterprises as well as all other businesses. The reports on minority and women business enterprises will be maintained solely for informational and data collection purposes.

The State Treasurer's annual goal for disabled veteran business enterprises' participation on competitive contracts for professional bond services is 3 percent.

Bids shall be deemed to contain the following certification: "By submitting a bid, each bidder certifies that bidder is aware of the State Treasurer's regulations and participation goals for disabled veteran business enterprises offering professional bond services"

**DELIVERY AND PAYMENT:** The Bonds will be delivered in fully registered form only, and when delivered, will be registered in the name of Cede & Co., as nominee of the Depository Trust Company ("DTC"). DTC will act as securities depository of the Bonds. The Bonds will be made available to the Purchaser for inspection by electronic means at least two business days prior to the Closing Date. Payment for the Bonds must be made on the Closing Date no later than 8:00 a.m. California time and must be in funds immediately available in Sacramento, California or in the form of a wire transfer of immediately available funds to the order of the State Treasurer. The Purchaser has the right, at its option, to cancel its obligation to purchase the Bonds if IBank fails to deliver the Bonds as described above for a Closing Date within 60 days from the award to the Purchaser; in that event the Purchaser will be entitled to the return (without payment of interest) of its good faith deposit.

**PRELIMINARY OFFICIAL STATEMENT/OFFICIAL STATEMENT:** The Board deems the Preliminary Official Statement for purposes of subsection (b)(1) of Securities and Exchange Commission Rule 15c2-12 (the "SEC Rule") to be final as of its date, except for information permitted by the SEC Rule to be omitted from the Preliminary Official Statement and the information contained in the Preliminary Official Statement under the captions "THE INFRASTRUCTURE BANK" and "MISCELLANEOUS – Litigation – IBank". IBank deems the information contained in the Preliminary Official Statement under the captions "THE INFRASTRUCTURE BANK" and "MISCELLANEOUS – Litigation – IBank" to be final as of its date for purposes of Rule 15c2-12. The Preliminary Official Statement shall be subject to amendment or modification as deemed necessary by the Board or IBank.

Within seven business days after the award of the Bonds and at least one business day prior to the delivery of the Bonds, the Board will furnish to the Purchaser an electronic copy of the Official Statement, including any supplements prepared by the Board, in a portable document format (PDF) configured to allow the Official Statement to be saved, viewed, printed and retransmitted by electronic means.

The Board will deliver on the Closing Date a certificate to the effect that, to the best of the Board's knowledge, the Preliminary Official Statement (excluding (i) permitted omissions allowed under Rule 15c2-12 and (ii) any information relating to The Depository Trust Company and under the captions "THE INFRASTRUCTURE BANK" and "MISCELLANEOUS – Litigation – IBank") as of its date (or the date of the last supplement thereto, if any) and as of the Bid Date did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not

misleading, and that the information and statements contained or referenced in the Official Statement (excluding any information relating to The Depository Trust Company and under the captions “THE INFRASTRUCTURE BANK” and “MISCELLANEOUS – Litigation – IBank”), as supplemented by any supplement delivered on or prior to the Closing Date, are true and correct in all material respects and said Official Statement as of its date (or the date of the last supplement thereto, if any) did not, and as of the Closing Date does not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

IBank will deliver on the Closing Date a certificate to the effect that, to the best of its knowledge, the information contained in the Preliminary Official Statement under the captions “THE INFRASTRUCTURE BANK” and “MISCELLANEOUS – Litigation – IBank” as of its date (or the date of the last supplement thereto, if any) and as of the Bid Date did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that the information contained in the Official Statement under the captions “THE INFRASTRUCTURE BANK” and “MISCELLANEOUS – Litigation – IBank”, as supplemented by any supplement delivered on or prior to the Closing Date, are true and correct in all material respects and said Official Statement as of its date (or the date of the last supplement thereto, if any) did not, and as of the Closing Date does not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

Until the earlier of (a) 25 days following the “end of the underwriting period” (as defined in the SEC Rule) or (b) the date when all of the Bonds have been sold by the Purchaser, the Board will apprise the Purchaser of all material events, if any, occurring with respect to the Board and the Bonds after the Closing Date and IBank will apprise the Purchaser of all material events, if any, occurring with respect to the information contained in the Official Statement under the captions “THE INFRASTRUCTURE BANK” and “MISCELLANEOUS – Litigation – IBank” after the Closing Date, and in either instance, if requested by the Purchaser, the Board will prepare a supplement to the Official Statement in respect of any such material event. The Board and IBank will presume that the end of the underwriting period will occur on the Closing Date and all of the Bonds have been sold by the Purchaser as of the Closing Date unless notified otherwise in writing by the Purchaser on the Closing Date.

After the earlier of twenty-five (25) days from the “end of the underwriting period” or the date when all of the Bonds have been sold by the Purchaser, the Board and IBank will no longer be obligated to amend or supplement the Official Statement. In addition, if the Board or IBank elect to supplement the Official Statement, the costs and expenses, including legal fees and expenses, associated with providing any such supplement in respect of any material event occurring after the “end of the underwriting period” will be borne by the Purchaser.

By making a bid for the Bonds, the Purchaser agrees to:

- provide to the State Treasurer, IBank and the Board, in writing, within 24 hours of the award of the Bonds, pricing and other related information necessary for completion of the Official Statement,

- disseminate to all members of the underwriting syndicate electronic copies of the Official Statement, including any supplements prepared by the Board,
- promptly notify the State Treasurer, IBank and the Board as soon as all of the Bonds have been sold by the Purchaser if the Purchaser has notified the State Treasurer, IBank and the Board in writing on the Closing Date that there are unsold amounts of the Bonds as of such date;
- promptly file a copy of the Official Statement, including any supplements prepared by the Board, with the MSRB's Electronic Municipal Market Access (EMMA) website, and
- take any and all other actions necessary to comply with applicable Securities and Exchange Commission and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of the Bonds.

**CONTINUING DISCLOSURE:** In order to assist the Purchaser in complying with the SEC Rule, the Board will undertake, pursuant to a Continuing Disclosure Certificate with respect to the Bonds (the "Continuing Disclosure Certificate"), to provide certain annual financial information and notices of the occurrence of certain enumerated events. A form of the Continuing Disclosure Certificate is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. The Board will deliver the Continuing Disclosure Certificate on the Closing Date. See the Preliminary Official Statement "MISCELLANEOUS - Continuing Disclosure."

**TAX EXEMPTION:** The opinion of Bond Counsel referred to in the Preliminary Official Statement under "TAX MATTERS" will be furnished to the Purchaser on the Closing Date. See also the Preliminary Official Statement – "TAX MATTERS" and APPENDIX F – "FORM OF OPINION OF BOND COUNSEL."

**OTHER LEGAL OPINIONS:** The Board will provide to the Purchaser a letter, addressed to the Purchaser as purchaser of the Bonds, from Hawkins Delafield & Wood LLP, Disclosure Counsel to the Board, on the Closing Date, to the effect that, without undertaking to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement, as a matter of fact and not opinion no facts came to the attention of the attorneys in such firm rendering legal services with respect to the Preliminary Official Statement or the Official Statement which caused them to believe that, as of, with respect to the Preliminary Official Statement, its date (or the date of the last supplement thereto) and the Bid Date, and as of, with respect to the Official Statement, its date and the Closing Date, the Preliminary Official Statement and the Official Statement (except for, with respect to the Preliminary Official Statement and the Official Statement, any CUSIP numbers, financial, accounting, statistical, economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about relationships among the parties, maps, any statements about compliance with prior continuing disclosure undertakings, or any information about book-entry, The Depository Trust Company, ratings, rating agencies, underwriters, underwriting and the information contained in certain appendices concerning the Board's financial statements, any information about book-entry

or DTC included therein,) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

**NO LITIGATION CERTIFICATES:** The Purchaser will receive a certificate of the Board dated the Closing Date substantially to the effect that to the current actual knowledge of the Board there is not now pending or threatened any litigation against the Board (i) seeking to restrain or enjoin the issuance or delivery of the Series 2025 Bonds, or questioning or affecting the validity of the Series 2025 Bonds or the proceedings or the authority under which they are to be issued, the adoption of the Board Resolution or the collection of Pledged Revenues (as such term is defined in the Master Trust Indenture) pledged under the Master Payment and Pledge Agreement (as defined in the Master Trust Indenture) or the Indenture or any payments to be made by the Board pursuant to the Master Payment and Pledge Agreement, (ii) in any way contesting or affecting the Master Trust Indenture or the pledge of assets to secure the Series 2025 Bonds in the manner provided in the Master Payment and Pledge Agreement or the collection of Pledged Revenues pledged under the Master Payment and Pledge Agreement or the Master Trust Indenture, (iii) in any way contesting the existence or powers of the Board, (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, as amended or supplemented except with respect to the information under the captions “THE INFRASTRUCTURE BANK” and “MISCELLANEOUS – Litigation – IBank” and (v) which, if determined adversely to it, might materially adversely affect the consummation of the transactions contemplated by the Master Trust Agreement, the Master Payment and Pledge Agreement, the Continuing Disclosure Agreement or the Tax Certificate or the financial condition, assets or properties of the State Water Board’s Clean Water State Revolving Fund Program or Drinking Water State Revolving Fund Program.

The Purchaser will receive a certificate of IBank dated the Closing Date substantially to the effect that to the current actual knowledge of IBank there is not now pending or threatened any litigation against IBank (i) seeking to restrain or enjoin the issuance or delivery of the Series 2025 Bonds, or questioning or affecting the validity of the Series 2025 Bonds or the proceedings or the authority under which they are to be issued or the adoption of the IBank Resolution, (ii) in any way contesting the validity or enforceability of the Bonds, the Indenture or the Master Payment and Pledge Agreement or the pledge of assets to secure the Series 2025 Bonds in the manner provided in the Master Payment and Pledge Agreement or the collection of Pledged Revenues pledged under the Master Payment and Pledge Agreement or the Master Trust Indenture, or (iii) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, as amended or supplemented, with respect to the information under the captions “THE INFRASTRUCTURE BANK” and “MISCELLANEOUS – Litigation – IBank”.

Dated: [POS Date]

Sacramento, California

**FIONA MA**  
*Treasurer of the State of California*

**EXHIBIT 1**

**EXPATRIATE CORPORATION CERTIFICATION**  
California Taxpayer and Shareholder Protection Act of 2003  
(Public Contract Code Sections 10286 and 10286.1)  
State of California

Office of the State Treasurer

California Public Contract Code Section 10286.1, generally provides that a State agency may not enter into any contract with an expatriate corporation or its subsidiaries unless the State Treasurer's Office waives, in writing, the prohibition against contracting with such an entity upon a finding that the contract is necessary to meet a compelling public interest.

The State Treasurer's Office will not contract or otherwise do business – absent a compelling public interest – with expatriate corporations as defined in Public Contract Code Section 10286.1. This policy is designed to ensure that companies with which the State Treasurer's Office does business meet threshold standards of corporate accountability.

Please check **one** of the following two paragraphs and sign below:

- 1.          We are not an expatriate corporation or subsidiary of an expatriate corporation within the meaning Public Contract Code Section 10286 and 10286.1, and are eligible to contract with the State of California.
- 2.          We are an expatriate corporation but we have received a written waiver from the State Treasurer's Office.

**CERTIFICATION:**

**I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective bidder or proposer to the clause listed above. This certification is made under the laws of the State of California.**

<i>Company/Vendor Name</i>	
<i>Signature</i>	<i>Date Executed</i>
<i>Printed Name and Title of Person Signing</i>	

**EXHIBIT 2**

**DARFUR CONTRACTING ACT CERTIFICATION**

State of California

Office of the State Treasurer

Public Contract Code Section 10475 et seq. applies to any company that currently, or within the previous three years, has had business activities or other operations outside of the United States. For such a company to bid on or submit a proposal for a State of California contract, the company must certify that it is either a) not a scrutinized company; or b) a scrutinized company that has been granted permission by the Department of General Services (DGS) to submit a bid or proposal.

Please check **one** of the following three paragraphs and sign below:

1.  We do not currently have, or we have not had within the previous three years, business activities, or other operations outside of the United States.
2.  We are a scrutinized company as defined in Public Contract Code Section 10476, but we have received written permission from DGS to submit a bid or proposal pursuant to Public Contract Code Section 10477(b). A copy of the written permission from DGS is included with our bid or proposal.
3.  We currently have, or we have had within the previous three years, business activities, or other operations outside of the United States, but we certify below that we are not a scrutinized company per Public Contract Code Section 10476.

**CERTIFICATION:**

**I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective bidder or proposer to the clause listed above. This certification is made under the laws of the State of California.**

<i>Company/Vendor Name (Printed)</i>	<i>Federal ID Number</i>
<i>By (Authorized Signature)</i>	<i>Date Executed</i>
<i>Printed Name and Title of Person Signing</i>	

**EXHIBIT 3**

**IRAN CONTRACTING ACT CERTIFICATION**  
**(Public Contract Code sections 2200-2208)**

State of California  
Office of the State Treasurer

Prior to bidding on, submitting a proposal or executing a contract or renewal for a State of California contract for goods or services of \$1,000,000 or more, a vendor must either: a) certify it is **not** on the current list of persons engaged in investment activities in Iran created by the California Department of General Services (“DGS”) pursuant to Public Contract Code section 2203(b) and is not a financial institution extending twenty million dollars (\$20,000,000) or more in credit to another person, for 45 days or more, if that other person will use the credit to provide goods or services in the energy sector in Iran and is identified on the current list of persons engaged in investment activities in Iran created by DGS; or b) demonstrate it has been exempted from the certification requirement for that solicitation or contract pursuant to Public Contract Code section 2203(c) or (d). The DGS list of entities prohibited from contracting with public entities in California per the Iran Contracting Act can be found at: <https://www.dgs.ca.gov/en/>

To comply with this requirement, please select **one** of the options below and insert your vendor or financial institution name and Federal ID Number (if available). Please note: California law establishes penalties for providing false certifications, including civil penalties equal to the greater of \$250,000 or twice the amount of the contract for which the false certification was made; contract termination; and three-year ineligibility to bid on contracts. (Public Contract Code section 2205.)

**OPTION #1 – CERTIFICATION**

I, the official named below, certify I am duly authorized to execute this certification on behalf of the vendor/financial institution identified below, and the vendor/financial institution identified below is **not** on the current list of persons engaged in investment activities in Iran created by DGS and is not a financial institution extending twenty million dollars (\$20,000,000) or more in credit to another person/vendor, for 45 days or more, if that other person/vendor will use the credit to provide goods or services in the energy sector in Iran and is identified on the current list of persons engaged in investment activities in Iran created by DGS.

**OPTION #2 – EXEMPTION**

Pursuant to Public Contract Code sections 2203(c) and (d), a public entity may permit a vendor/financial institution engaged in investment activities in Iran, on a case-by-case basis, to be eligible for, or to bid on, submit a proposal for, or enters into or renews, a contract for goods and services. If you have obtained an exemption from the certification requirement under the Iran Contracting Act, please fill out the information below, and attach documentation demonstrating the exemption approval.

<i>Vendor Name/Financial Institution (Printed)</i>		<i>Federal ID Number (or n/a)</i>	
<i>By (Authorized Signature)</i>			
<i>Printed Name and Title of Person Signing</i>			
<i>Date Executed</i>		<i>Executed in</i>	

**EXHIBIT 4**

**CALIFORNIA CIVIL RIGHTS LAWS CERTIFICATION**  
**(Public Contract Code Sections 2010)**  
State of California  
Office of the State Treasurer

Pursuant to Public Contract Code section 2010, a person that submits a bid or proposal to, or otherwise proposes to enter into or renew a contract with, a state agency with respect to any contract in the amount of \$100,000 or more shall certify, under penalty of perjury, at the time the bid or proposal is submitted or the contract is renewed, all of the following:

1. **CALIFORNIA CIVIL RIGHTS LAWS:** The firm certifies that it is in compliance with the Unruh Civil Rights Act (Section 51 of the Civil Code) and the California Fair Employment and Housing Act (Chapter 7 (commencing with Section 12960) of Part 2.8 of Division 3 of Title 2 of the Government Code); and
  
2. **EMPLOYER DISCRIMINATORY POLICIES:** If the firm has an internal policy against a sovereign nation or peoples recognized by the United States government, the firm certifies that such policies are not used in violation of the Unruh Civil Rights Act (Section 51 of the Civil Code) or the California Fair Employment and Housing Act (Chapter 7 (commencing with Section 12960) of Part 2.8 of Division 3 of Title 2 of the Government Code).

**CERTIFICATION**

I, the official named below, certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

<i>Proposer/Bidder Firm Name (Printed)</i>		<i>Federal ID Number</i>
<i>By (Authorized Signature)</i>		
<i>Printed Name and Title of Person Signing</i>		
<i>Date Executed</i>	<i>Executed in the County and State of</i>	

**EXHIBIT 5**

**CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK**

**ECONOMIC SANCTIONS AGAINST RUSSIA**

State of California  
Office of the State Treasurer

The State Treasurer’s Office (STO) requires compliance with the economic sanctions set forth in the EO including, but not limited to, the federal executive orders identified in the EO and the sanctions identified on the U.S. Department of the Treasury website at <https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/ukraine-russia-related-sanctions>. Failure to comply may be grounds for rejection of the firm’s bid or proposal, and failure to maintain ongoing compliance may be grounds for termination of your firm’s engagement with the STO, at the sole discretion of the STO.

To comply with this requirement, please answer each question below by checking **one** of the responses (including additional information, if applicable) and insert your firm’s name and Federal ID Number (if available).

1. Is your firm a target of Economic Sanctions? “Economic Sanctions” refers to sanctions imposed by the U.S. government in response to Russia’s actions in Ukraine.

Yes  No

2. Is your firm, after due inquiry, knowingly conducting prohibited transactions with sanctioned individuals or entities?

Yes  No

**If the response to either question is “Yes,” please attach a report to this form that specifies why your firm is not in compliance and what steps are being taken to comply.**

**CERTIFICATION**

I, the official named below, certify that the foregoing is true and correct.

<i>Firm Name (Printed)</i>	<i>Federal ID Number (or n/a)</i>
<i>By (Authorized Signature)</i>	
<i>Printed Name and Title of Person Signing</i>	
<i>Date Executed</i>	<i>Executed in the County and State of</i>

**EXHIBIT 6**

**[IF COMPETITIVE SALE REQUIREMENTS ARE SATISFIED]**

**CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK  
CLEAN WATER AND DRINKING WATER  
STATE REVOLVING FUND REVENUE BONDS, SERIES 2025 (GREEN BONDS)**

**ISSUE PRICE CERTIFICATE OF THE PURCHASER**

\_\_\_\_\_ (the “Purchaser”) is making these certifications in connection with the above-captioned bonds (the “Bonds”) and hereby certifies and represents the following, based upon the information available to it; provided, however, that (i) the Purchaser expresses no view regarding the legal sufficiency or the correctness of any legal interpretation made by Bond Counsel, (ii) nothing herein represents the interpretation of the Purchaser of any laws, and, in particular, regulations under the Internal Revenue Code of 1986, as amended (the “Code”), and (iii) the Purchaser expresses no view regarding the legal sufficiency of any representations made herein:

**A. Issue Price.**

1. On \_\_\_\_\_, the Purchaser won on a competitive basis the right to reoffer the Bonds.

2. As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule A is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

3. The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

4. The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

**B. Defined Terms**

1. *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

2. *Related Party* means any entity if an underwriter and the entity are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of

the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

3. *Sale Date* means the first day on which there is a binding contract in writing for the sale of the Bonds. The Sale Date of the Bonds is \_\_\_\_\_.

4. *Underwriter* means (i) the Purchaser, (ii) any person that agrees pursuant to a written contract with the Purchaser (to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (iii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (ii) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

5. *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates or CUSIP identification numbers, are treated as separate Maturities.

We understand that the representations contained herein may be relied upon by the State Water Resources Control Board and California Infrastructure and Economic Development Bank in making certain of the representations contained in its federal tax certificate relating to the Bonds, and we further understand that Hawkins Delafield & Wood LLP, as Bond Counsel to the Board, may rely upon this certificate, among other things, in providing an opinion with respect to the exclusion from gross income of interest on the Bonds pursuant to Section 103 of the Code. The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents our interpretation of any laws or regulations under the Code or the application of any laws to these facts. The undersigned is certifying only as to facts in existence on the date hereof.

Dated: \_\_\_\_\_

[ \_\_\_\_\_ ]

By: \_\_\_\_\_  
Authorized Representative

**SCHEDULE A**

**EXPECTED OFFERING PRICES**

<b>Maturity Date <u>(October 1)</u></b>	<b><u>Principal Amount</u></b>	<b><u>Interest Rate</u></b>	<b><u>Expected Offering Prices</u></b>
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**EXHIBIT 7**

**[IF COMPETITIVE SALE REQUIREMENTS ARE NOT SATISFIED]**

**CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK  
CLEAN WATER AND DRINKING WATER  
STATE REVOLVING FUND REVENUE BONDS, SERIES 2025 (GREEN BONDS)**

**ISSUE PRICE CERTIFICATE OF THE PURCHASER**

\_\_\_\_\_ (the “Purchaser”) is making these certifications in connection with the above-captioned bonds described in Schedule A attached hereto (the “Bonds”) and hereby certifies and represents the following, based upon the information available to it; provided, however, that (i) the Purchaser expresses no view regarding the legal sufficiency or the correctness of any legal interpretation made by Bond Counsel, (ii) nothing herein represents the interpretation of the Purchaser of any laws, and, in particular, regulations under the Internal Revenue Code of 1986, as amended (the “Code”), and (iii) the Purchaser expresses no view regarding the legal sufficiency of any representations made herein:

**A. [1. *Sale of the 10% Test Maturities.*** As of the date of this certificate, for each Maturity of the 10% Test Maturities (as defined below) the first price at which at least 10% of such Maturity was sold to the Public as of the Sale Date is the respective price listed in Schedule A hereto.

**2. *Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) The Purchaser offered the Hold-the-Offering-Price Maturities (as defined below) to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Notice of Sale, by submission of its bid the Purchaser has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]

**B. *Defined Terms.***

(a) *10% Test Maturities* means those Maturities of the Bonds where issue price was established under Treasury Regulations Section 1.148-1(f)(2)(i) as shown in Schedule A hereto as the “10% Test Maturities.” [if Paragraph A1 is used.]

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds where issue price was established under Treasury Regulations Section 1.148-1(f)(2)(ii) as shown in Schedule A hereto as the “Hold-the-Offering-Price Maturities.” [if Paragraph A2 is used]

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriter sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity. [if Paragraph A2 is used]

(d) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates or CUSIP identification numbers, are treated both as separate maturities and as one maturity for purposes of determining compliance.

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.

(f) *Related Party* means any entity if an underwriter and the entity are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is \_\_\_\_\_.

(h) *Underwriter* means (i) the Purchaser, (ii) any person that agrees pursuant to a written contract with the Purchaser to participate in the initial sale of the Bonds to the Public, and (iii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (ii) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

We understand that the representations contained herein may be relied upon by the State Water Resources Control Board and California Infrastructure and Economic Development Bank in making certain of the representations contained in its federal tax certificate relating to the Bonds, and we further understand that Hawkins Delafield & Wood LLP, as Bond Counsel to the Board, may rely upon this certificate, among other things, in providing an opinion with respect to the exclusion from gross income of interest on the Bonds pursuant to Section 103 of the Code. The

undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents our interpretation of any laws or regulations under the Code or the application of any laws to these facts. The undersigned is certifying only as to facts in existence on the date hereof.

Dated: \_\_\_\_\_

[ \_\_\_\_\_ ]

By: \_\_\_\_\_  
Authorized Representative

**SCHEDULE A**

<b><u>Date</u></b>	<b><u>Principal Amount</u></b>	<b><u>Rate</u></b>	<b><u>Initial Offering Price</u></b>	<b><u>10% Test Maturities</u></b>	<b><u>Hold-the- Offering Price Maturities</u></b>
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**SCHEDULE B**

**Pricing Wire**