

**MEETING OF THE MASSACHUSETTS
CLEAN WATER TRUST
BOARD OF TRUSTEES**

July 9, 2025
1:30 PM

Location: Remote*

NOTICE & AGENDA

CALL TO ORDER

Item #1 **MOTION- VOTE REQUESTED**

Acceptance and approval of minutes of the meetings held on June 11, 2025 and June 25, 2025.

Item #2 **REPORT OF THE EXECUTIVE COMMITTEE**

Item #3 **MOTION- VOTE REQUESTED**

Approval of the Fiscal Year 2026 Budget

1. That the Board of Trustees approves the Trust's fiscal year 2026 budget request, distributed to the Board, for funds from the Administrative Fund for the costs of administering its programs paid through the MCWT's Expendable Trust and the Department of Environmental Protection's Expendable Trust.
2. That the Board of Trustees approves the Trust's fiscal year 2026 budget request of the Department of Environmental Protection, distributed to the Board, for funds from the Clean Water and Drinking Water administrative grant funds and set-aside funds for the administration of the state revolving fund.

MOTION- VOTE REQUESTED

Updates to the Financing Agreement Terms and Conditions for Process Improvements and to Comply with New USEPA Grant Terms and Conditions

1. That the revised standard Terms and Conditions (the “Terms & Conditions”) to the Trust’s standard form of Financing Agreement, are hereby approved in substantially the form presented at or prior to this meeting, with such additions, deletions and other changes thereto, not inconsistent with the Master Trust Agreement (defined therein) as the Authorized Officers executing and delivering Financing Agreements incorporating such Terms & Conditions may approve, such execution and delivery to be conclusive evidence of approval and ratification of all such changes (with all capitalized terms used and not otherwise defined in this vote having the meanings given such terms in the Master Trust Agreement).
2. That the Terms & Conditions approved in Paragraph 1 are further approved for use in financings heretofore approved by the Trust and in place of the standard terms and conditions to financing agreement approved at the time of the original vote of the Trust approving the terms of such financings (the “Original Votes”), in each case to the extent not inconsistent with the Original Votes.
3. That the Board of Trustees hereby delegates to the Executive Director authority to do all things necessary to incorporate the Terms & Conditions into the Trust’s programs for financings, including making such non-substantive changes and corrections to the standard form or Financing Agreement or Terms & Conditions as necessary or convenient for the efficient and effective administration of the Trust’s programs for financings.

Item #5

MOTION- VOTE REQUESTED

Approval of Term Sheet and Loan Commitment to Pine Valley Plantation Cooperative Corporation

1. That pursuant to the Trust's *Policy on Loans to Private Entities* and the recommendation of the Executive Committee, the Trust hereby approves (a) the term sheet (the "Term Sheet") with Pine Valley Plantation Cooperative Corporation (the "Borrower") and (b) a loan commitment (the "Loan Commitment") to the Borrower for eligible costs under G.L. C.29C, §6 of the following Drinking Water Project in the following principal amount and interest rate and otherwise on the terms set forth in the Term Sheet:

<u>PAC Number</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Loan Forgiveness</u>
DW-24-59	\$6,014,514	0%	13.2%

2. That the Board of Trustees hereby delegates to the Executive Director (the "Authorized Officer") authority to do all things necessary or desirable to implement this vote, including without limitation, executing and delivering the Term Sheet and the Loan Commitment in substantially the form previously approved by the Trust, with such changes, not inconsistent with this vote, as the Authorized Officer executing the same approves, with such execution by the Authorized Officer being conclusive evidence of such approval.

Item #6

MOTION- VOTE REQUESTED

Approval of Asset Management Program Grant Agreements

<u>PRA No.</u>	<u>Recipient</u>	<u>Amount</u>
CWA-24-48	Needham	\$96,087
CWA-24-37	Newton	\$150,000
DWA-24-39	Weston	\$118,448
CWA-24-19	Williamstown	\$150,000

Item #7

MOTION- VOTE REQUESTED

Approval of Community Septic Management Program Commitment

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
CW-25-10	Sharon	\$500,000	2%

Item #8

MOTION- VOTE REQUESTED

Approval of Community Septic Management Program Loan and Financing Agreement

<u>PRA No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
CWT-25-10	Sharon	\$500,000	2%

Item #9

MOTION- VOTE REQUESTED

Approval of the Clean Water Loans and Financing Agreements

<u>PRA No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
CW-24-39	Boston Water and Sewer Commission	\$20,607,618	1.5% ¹
CW-24-39-A	Boston Water and Sewer Commission	\$2,935,690	1.5% ¹
CWP-24-40	Revere	\$2,616,233	1.5% ¹
CWP-24-86	Saugus	\$2,330,234	2%

Item #10

MOTION- VOTE REQUESTED

Approval of the Drinking Water Loans and Financing Agreements

<u>PRA No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
DWPEC-24-63	Auburn Water District	\$11,730,000	0% ²
DWEC-24-96	Franklin	\$15,000,000	0% ²
DWPEC-24-51	Middleborough	\$15,000,000	0% ²
DWP-24-48	Norwood	\$13,976,950	2%
DWEC-24-72	Shrewsbury	\$15,000,000	0% ²
DWEC-24-88	South Grafton Water District	\$4,200,000	0% ²
DWPEC-24-91	Stoughton	\$4,440,000	0% ²
DWPEC-24-52	Uxbridge	\$14,900,000	0% ²

Item #11

MOTION- VOTE REQUESTED

Approval of School Water Improvement Grants

<u>Grant No.</u>	<u>Grantee</u>	<u>Grant Amount</u>
SWIG-25-13	Community Action Inc.	\$6,000
SWIG-25-14	John E. Boyd Center	\$3,000
SWIG-25-15	Cadence Academy Preschool	\$6,000
SWIG-25-16	Immaculate Conception School	\$12,000

OTHER BUSINESS

(Items not reasonably anticipated by the Chair 48 hours in advance of the meeting)

ADJOURN

***Location: Remote:** Notice is hereby given that the Wednesday, July 9, 2025 meeting of the Massachusetts Clean Water Trust's Board of Trustees will be held through remote participation in accordance with M.G.L. c.30A, §20, as modified by c.20 of the Acts of 2021, c.22 of the Acts of 2022, c.2 of the Acts of 2023, and c.2 of the Acts of 2025.

Those who would like to attend the meeting, please e-mail masswatertrust@tre.state.ma.us to request meeting information. Information to access the meeting will be available through the duration of the meeting. However, we encourage participants to request the information by 5:00 PM the day before the meeting.

¹ Housing Choice Loan

² PFAS Remediation Loan

To ensure that the audio is clear to all attendees, unless you are actively participating in the meeting, please mute your audio. If you have technical difficulties joining the meeting, please email masswatertrust@tre.state.ma.us.

Please Note: There will be no physical meeting at the offices of the Massachusetts Clean Water Trust.



**Item #1: *Minutes of the meetings held on June 11, 2025
and June 25, 2025***

**MEETING OF THE MASSACHUSETTS
CLEAN WATER TRUST
BOARD OF TRUSTEES**

June 11, 2025
1:30 PM

Location: Remote*

Minutes

Attendees	State Treasurer Deborah Goldberg, Chair Timur Yontar, Capital Budget Director, Executive Office for Administration & Finance, Designee
Also Present	Robin McNamara, Director of Municipal Services, MassDEP, Designee James MacDonald, First Deputy Treasurer, Office of the State Treasurer Susan Perez, Executive Director, MCWT Nate Keenan, Department Director, MCWT My Tran, Treasurer, MCWT Nicole Munchbach, Assistant Controller, MCWT Pamela Booker, Accountant, MCWT Iden Abdulrahman, Accountant, MCWT Jonathan Maple, Senior Policy Analyst, MCWT Josh Derouen, Program Manager, MCWT Kailyn Fellmeth, Senior Program Associate, MCWT Aidan O’Keefe, Program Associate, MCWT Ray Leconte, Program Associate, MCWT Esther Omole, Program Associate, MCWT Rachel Stanton, Investor Relations and Communications Graphic Designer, MCWT Kathleen Baskin, Assistant Commissioner, MassDEP Bridget Munster, Program Manager, MassDEP Greg Devine, Section Chief, MassDEP Lilla Dick, Section Chief, MassDEP Andrew Napolitano, Director of Communications, Office of the State Treasurer Emily Kowtoniuk, Legislative Director, Office of the State Treasurer Suzanne Morson, Executive Assistant, Office of the State Treasurer

CALL TO ORDER: The meeting was called to order by Treasurer Goldberg at 1:30 PM.

Item #1

MOTION- VOTE

Acceptance and approval of minutes of the meeting held on May 7, 2025.

The motion was made by Mr. Yontar and seconded by Ms. McNamara and voted unanimously in favor of acceptance and approval of the minutes for the Board meeting held on May 7, 2025.

Item #2

REPORT OF THE EXECUTIVE COMMITTEE

Terms and Conditions Update

Ms. Perez stated that MassDEP requested additional time to review the proposed changes and that when the votes comes up we will ask to table it until next meeting.

2025 Grants Application Update

Ms. Perez stated that the Trust will be applying for the 2025 EPA grants in the near future except for the Lead Service Line Removal grant. The EPA has yet to publish allotments for the 2025 Bipartisan Infrastructure Law Lead Service Line Removal grant.

Item #3

MOTION- VOTE

The motion was made by Ms. McNamara and seconded by Mr. Yontar.

Ms. Perez stated that the Trust and MassDEP are still working on finalizing some details of the Fiscal Year 2026 budget. The final budget will be presented to the Board for a vote at the July meeting.

The motion was voted unanimously in favor of acceptance and approval of the following:

That as an Interim budget for the fiscal year beginning July 1, 2025

1. The Massachusetts Clean Water Trust may expend 1/12 of the amount authorized for the fiscal year 2025 budget from the Administrative Fund for the administration of the programs of the Trust during the interim period between July 1, 2025 and July 31, 2025; and
2. The Massachusetts Clean Water Trust may transfer to the Department of Environmental Protection up to an amount equal to 1/12 of the fiscal year 2025 budget for the Department approved by the Trust, from the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund, for the administration of the State Revolving Fund programs during the interim period between July 1, 2025 and July 31, 2025.

Item #4

MOTION- VOTE

The motion was made by Mr. Yontar and seconded by Ms. McNamara.

Mr. Maple presented the updated Private Borrower Policy, revising the original version adopted on August 31, 2011. The updated policy aims to clarify borrower requirements, streamline review processes, enhance credit risk assessment of private entities, and align the Trust's practices more closely with those of commercial lenders. Specifically, the revised policy emphasizes the existing requirement that all private entities provide a perfected first lien security interest in all gross revenues and receivables, and execute a Deposit Account Control Agreement or Lockbox Agreement, and provide one additional form of security. The updated policy further streamlines the review process, ensuring a more thorough and ongoing assessment of outstanding private loans and their potential impact on the Drinking Water State Revolving Fund's (DWSRF) future lending capacity. Overall, these enhancements will support continued private borrower access to the DWSRF program while maintaining consistent standards in loan security and management.

The motion was voted unanimously in favor of acceptance and approval of the following:

Updates to the Policy on Loans to Private Entities

1. That the revised Loans to Private Entities Policy of the Trust, which was approved by the Board in a different form on August 31, 2011, is hereby approved and adopted by the Board.
2. That the Executive Director and such other officers of the Trust as the Executive Director may delegate are hereby authorized to perform all such further steps and actions as the Executive Director, determines to be necessary or convenient to accomplish the purposes of this vote.

Item #5

MOTION- VOTE

The motion was made by Ms. McNamara and seconded by Mr. Yontar and voted unanimously in favor of tabling the following:

Updates to the Financing Agreement Terms and Conditions for Process

Improvements and to Comply with New USEPA Grant Terms and Conditions

1. That the revised standard Terms and Conditions (the “Terms & Conditions”) to the Trust’s standard form of Financing Agreement, are hereby approved in substantially the form presented at or prior to this meeting, with such additions, deletions and other changes thereto, not inconsistent with the Master Trust Agreement (defined therein) as the Authorized Officers executing and delivering Financing Agreements incorporating such Terms & Conditions may approve, such execution and delivery to be conclusive evidence of approval and ratification of all such changes (with all capitalized terms used and not otherwise defined in this vote having the meanings given such terms in the Master Trust Agreement).
2. That the Terms & Conditions approved in Paragraph 1 are further approved for use in financings heretofore approved by the Trust and in place of the standard terms and conditions to financing agreement approved at the time of the original vote of the Trust approving the terms of such financings (the “Original Votes”), in each case to the extent not inconsistent with the Original Votes.
3. That the Board of Trustees hereby delegates to the Executive Director authority to do all things necessary to incorporate the Terms & Conditions into the Trust’s programs for financings, including making such non-substantive changes and corrections to the standard form or Financing Agreement or Terms & Conditions as necessary or convenient for the efficient and effective administration of the Trust’s programs for financings.

Item #6

MOTION- VOTE

The motion was made by Mr. Yontar and seconded by Ms. McNamara and voted unanimously in favor of acceptance and approval of the following:

Approval of Asset Management Program Grant Agreements

<u>PRA No.</u>	<u>Recipient</u>	<u>Amount</u>
CWA-24-43	Ashland	\$45,000
DWA-24-55	Hadley	\$85,500
DWA-24-56	Warren Water District	\$82,500
DWA-24-57	Wilbraham	\$142,500

Item #7

MOTION- VOTE

The motion was made by Ms. McNamara and seconded by Mr. Yontar and voted unanimously in favor of acceptance and approval of the following:

Approval of Community Septic Management Program Commitments

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
CW-25-07	Bellingham	\$375,000	2%
CW-25-08	Essex	\$200,000	2%
CW-25-09	Scituate	\$200,000	2%

Item #8

MOTION- VOTE

The motion was made by Mr. Yontar and seconded by Ms. McNamara and voted unanimously in favor of acceptance and approval of the following:

Approval of Community Septic Management Program Loans and Financing Agreements

<u>PRA No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
CWT-25-07	Bellingham	\$375,000	2%
CWT-25-08	Essex	\$200,000	2%
CWT-25-09	Scituate	\$200,000	2%

Item #9

MOTION- VOTE

The motion was made by Ms. McNamara and seconded by Mr. Yontar and voted unanimously in favor of acceptance and approval of the following:

Approval of the Clean Water Loan and Financing Agreement

<u>PRA No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
CW-24-50	Wellfleet	\$2,419,152	1.5% ¹

Item #10

MOTION- VOTE

The motion was made by Mr. Yontar and seconded by Ms. McNamara and voted unanimously in favor of acceptance and approval of the following:

Approval of the Drinking Water Loans and Financing Agreements

<u>PRA No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
DWEC-24-92	Chelmsford Water District	\$15,000,000	0% ²
DWEC-24-60	Westford	\$15,000,000	0% ²

Item #11

MOTION- VOTE

The motion was made by Ms. McNamara and seconded by Mr. Yontar and voted unanimously in favor of acceptance and approval of the following:

Approval of School Water Improvement Grants

<u>Grant No.</u>	<u>Grantee</u>	<u>Grant Amount</u>
SWIG-25-08	The T.E.C. Schools. Think. Explore. Create.	\$3,000
SWIG-25-09	St. Bridget School	\$9,000
SWIG-25-10	Arlington Catholic High School	\$9,000
SWIG-25-11	The Salvation Army Children's Learning Center	\$3,000
SWIG-25-12	St. John the Evangelist	\$3,000

OTHER BUSINESS: None

ADJOURN: The motion was made by Ms. McNamara and seconded by Mr. Yontar and voted unanimously in favor of adjourning the meeting at 1:50 PM.

¹ Housing Choice Loan

² PFAS Remediation Loan

LIST OF DOCUMENTS AND EXHIBITS USED:

1. Minutes, May 7, 2025
2. Trust Private Borrower Policy
3. Private Borrower Policy Update Presentation
4. Project Descriptions

***Location: Remote:** Notice is hereby given that the Wednesday, June 11, 2025 meeting of the Massachusetts Clean Water Trust's Board of Trustees will be held through remote participation in accordance with M.G.L. c.30A, §20, as modified by c.20 of the Acts of 2021, c.22 of the Acts of 2022, c.2 of the Acts of 2023, and c.2 of the Acts of 2025.

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Please Note: There will be no physical meeting at the offices of the Massachusetts Clean Water Trust.

**SPECIAL MEETING OF THE MASSACHUSETTS
CLEAN WATER TRUST
BOARD OF TRUSTEES**

June 25, 2025
1:30 PM

Location: Remote*

Minutes

Attendees	James MacDonald, First Deputy Treasurer, Office of the State Treasurer, Designee Bonnie Heiple, Commissioner, MassDEP Timur Yontar, Capital Budget Director, Executive Office for Administration & Finance, Designee
Also Present	Robin McNamara, Director of Municipal Services, MassDEP Susan Perez, Executive Director, MCWT Nate Keenan, Department Director, MCWT My Tran, Treasurer, MCWT William Kalivas, Treasury Specialist, MCWT Nicole Munchbach, Assistant Controller, MCWT Sunkarie Konteh, Accountant, MCWT Pamela Booker, Accountant, MCWT Iden Abdulrahman, Accountant, MCWT Jonathan Maple, Senior Policy Analyst, MCWT Joshua Derouen, Program Manager, MCWT Kailyn Fellmeth, Senior Program Associate, MCWT Aidan O'Keefe, Program Associate, MCWT Ray LeConte, Program Associate, MCWT Esther Omole, Program Associate, MCWT Rachel Stanton, Investor Relations and Communications Graphic Designer, MCWT Sadie Rooney, Intern, MCWT Lillian Krcmar, Intern, MCWT Andrew Napolitano, Director of Communications, Office of the State Treasurer Bridget Munster, Program Manager, MassDEP Greg Devine, Section Chief, MassDEP Lilla Dick, Section Chief, MassDEP

CALL TO ORDER: The meeting was called to order by Mr. MacDonald at 1:31 p.m.

Item #1

MOTION- VOTE

The motion was made by Commissioner Heiple and seconded by Mr. Yontar.

Ms. Perez provided an overview of the loan forgiveness amounts in the schedules.

Schedule 1 lists 2023 Intended Use Plan (IUP) Clean Water loans being awarded loan forgiveness for the first time while Schedule 2 lists revised loan forgiveness amounts for 2023 IUP Clean Water loans that were awarded loan forgiveness previously.

Schedule 3 lists 2023 IUP Drinking Water loans being awarded loan forgiveness for the first time while Schedule 4 lists revised loan forgiveness amounts for 2023 IUP Drinking Water loans that were awarded loan forgiveness previously.

Revised loan forgiveness for the loans listed in Schedule 2 will increase the Tier 3 additional Bipartisan Infrastructure Law (BIL) subsidy from 5% to 14% and Tier 2 additional BIL subsidy from 3% to 10% to meet BIL grant requirements.

The reason for the revised loan forgiveness amounts is due to the EPA providing updated guidance on how the loan forgiveness is calculated for the BIL grants when funds are transferred from Clean Water grants to Drinking Water grants.

Revised loan forgiveness for the loans listed in Schedule 4 projects will help maintain the momentum of lead service line replacement projects and incentivize them to expand.

The timing of this vote and its approval will allow the Trust to meet an EPA reporting deadline and have new and revised loan forgiveness amounts finalized before the end of this fiscal year.

The motion was voted unanimously in favor of acceptance and approval of the following:

Authorization of Loan Forgiveness for 2023 Projects

That the Board hereby approves principal forgiveness for Loans to the Borrowers, for the 2023 Clean Water Projects and 2023 Drinking Water Projects, in the amounts, all as listed in Schedules 1, 2, 3, and 4; subject to the availability of funds therefor and to the terms and conditions of the Financing Agreements.

OTHER BUSINESS: None

ADJOURN: The motion was made by Mr. Yontar and seconded by Commissioner Heiple and voted unanimously in favor of adjourning the meeting at 1:38 PM.

LIST OF DOCUMENT AND EXHIBIT USED:

1. 2023 Loan Forgiveness Schedules for Clean Water and Drinking Water Amounts
2. 2023 Loan Forgiveness Project Descriptions

***Location: Remote:** Notice is hereby given that the Wednesday, June 25, 2025 meeting of the Massachusetts Clean Water Trust's Board of Trustees will be held through remote participation in accordance with M.G.L. c.30A, §20, as modified by c.20 of the Acts of 2021, c.22 of the Acts of 2022, c.2 of the Acts of 2023, and c.2 of the Acts of 2025.

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Please Note: There will be no physical meeting at the offices of the Massachusetts Clean Water Trust.



Item #2 (*No Reference Documents*)



Item #3 Approval of the Fiscal Year 2026 Budget

**MASSACHUSETTS CLEAN WATER TRUST
ADMINISTRATIVE FUND BUDGET
FY 2026**

	FY 2026 Budget	FY 2025 Budget
Revenue		
Administrative Fees	\$ 6,064,081	\$ 5,851,800
Federal Grant and State Match Revenue	12,974,868	17,695,120
Total Revenue	<u>19,038,949</u>	<u>23,546,920</u>
Expenses		
Federal Grant and State Match Funded Expenses		
DEP Payroll Related Expenses	10,589,868	13,516,120
DEP Contracts	2,363,000	4,155,500
DEP Travel and Other Expenses	22,000	23,500
Total Federal Grant and State Match Funded Expenses	<u>12,974,868</u>	<u>17,695,120</u>
Administrative Funded Expenses		
DEP Expendable Trust		
DEP Payroll Related Expenses	3,375,885	2,556,862
DEP Contracts	2,248,990	2,068,000
DEP Travel and Other Expenses	14,500	8,500
Total DEP Expendable Trust	<u>5,639,375</u>	<u>4,633,362</u>
Trust Expenses		
Trust Payroll Related Expenses	2,217,897	2,195,000
Professional Services	518,500	405,000
Rent Expense	365,000	365,000
Computer Equip and Software Expense	203,265	179,100
Other (supplies, postage, travel, cell phone, prof dues)	141,300	416,300
Total Trust Expenses	<u>3,445,962</u>	<u>3,560,400</u>
Total Administrative Funded Expenses	<u>9,085,337</u>	<u>8,193,762</u>
Total Expenses	<u>22,060,205</u>	<u>25,888,882</u>
Net Deficit (Use of Admin Funds)	<u>\$ (3,021,256)</u>	<u>\$ (2,341,962)</u>

Total DEP Expenses (Admin Funded + Grant Funded)	FY 2026	FY 2025
DEP Total Payroll	13,965,753	16,072,982
DEP Total Contracts	4,611,990	6,223,500
DEP Total Travel and Other Expenses	36,500	32,000
Total DEP Expenses	<u>18,614,243</u>	<u>22,328,482</u>

MASSACHUSETTS CLEAN WATER TRUST
Fiscal Year 2026 ADMIN BUDGET
Details for DEP Contracts

Contracts	FY 2026 Budget	FY 2025 Budget
<i>Funded by Grants</i>		
PFAS and Residuals Tech & Mgmt Study	10,000	500,000
IT Contract for Wastewater/ Residuals/Groundwater eDEP/Database Support & Maintenance	40,000	164,000
Small Systems Tech Assistance - CW	-	487,500
Reducing Nitrogen Pollution in Coastal Embayments	-	600,000
UMass ISA Small Systems Tech Assistance - DW	500,000	503,000
Source Protection/Well Location Verification Project	135,000	150,000
Hydrogeological Review Assistance	100,000	100,000
LSL Inventory & Replacement UMass ISA	-	140,000
LSL Replacement Plan Implementation Grants for Small Systems	500,000	600,000
DW Needs Survey	25,000	-
SDWA Technical Assistance - Lead	1,053,000	911,000
<i>Total Contracts Funded by Grants</i>	2,363,000	4,155,500
<i>Funded by Admin</i>		
SDWA Technical Assistance - PFAS	1,053,000	900,000
UMass ISA IT Contract Services	570,990	553,000
Small System Engineering and Design Support	500,000	500,000
Private School Drinking Water Testing	125,000	115,000
<i>Total Contracts Funded by Admin</i>	2,248,990	2,068,000

Contract Descriptions

PFAS Residual and Technical Management Study - \$10,000

Although the project will be completed by 6-30-2025, there will have been an insufficient time for the Commissioner and EEOA review. Without the additional funds, we will not be able to finalize the report.

IT Contract for PFAS Wastewater/Residuals/Groundwater eDEP/Database Support & Maintenance - \$40,000

In 2021, MassDEP designed and built a new application (known as PNQA) to capture and manage the quarterly monitoring for PFAS in land applied wastewater residuals. The application also captures and manages PFAS data from wastewater influent, effluent and sludge, as well as from industries that discharge to wastewater treatment plants that have NPDES/Surface Water Discharge Permits. In SFY25, we enhanced the system with the implementation of the new Groundwater Discharge form in eDEP (our online intake system where data is uploaded) as well as new Groundwater module in PNQA where MassDEP reviews and accepts/rejects Groundwater PFAS data. In addition, we are finalizing the new Groundwater Discharge data in our public portal for external consumption. While most of the Groundwater eDEP/PNQA deliverables will be completed by SFY25, we anticipate we will require ongoing support and maintenance from our IT group to resolve anticipated bugs and to provide support for minor enhancement tweaks. During SFY26, we will move fully into Production with a live launch of the new Groundwater Discharge eDEP form and Groundwater PNQA module. Technical support during the coming year will ensure that our Groundwater facilities, associated labs, and external stakeholders are provided a good user experience, as well as enabling MassDEP to meet the forthcoming Groundwater PFAS regulatory requirements.

UMass ISA Small Systems Technical Assistance - \$500,000

This ongoing project continues through an ISA with UMass. Work includes capacity support (e.g., operator trainings), workforce development (e.g., internships at public water systems), grant assistance (e.g., application and reporting support), and emergency response (e.g., cybersecurity assessment reviews and technical assistance). Recently, cybersecurity support needed has increased significantly and will need to be maintained for the foreseeable future.

Source Protection/Well Location Verification Project - \$135,000

This multi-year project continues through an ISA with UMass. UMass will continue to work to complete an update to methods for estimating the extent of private residential well usage in Massachusetts and conduct trainings. Three new tasks include creating a dashboard for internal use to analyze current and historic reported well activities across Massachusetts, compiling a database of key information on current well drilling regulations in the US and Canada, and an analysis to inform the potential future regulatory landscape of private wells in Massachusetts.

Hydrogeologic Review Assistance - \$100,000

This ongoing project continues through an ISA with UMass. Work includes review of new source approvals; review of Zone II delineations; review of groundwater discharge permits; and Identification of potential contaminant threats. Over the past decade, an increase in the assistance requested by the MassDEP Wastewater Program, and other MassDEP programs outside of the Drinking Water Program, that support safe drinking water source protection, along with the lack of hydrogeologic expertise in the MassDEP regional offices, has resulted in a much greater workload. The ISA has helped DWP meet all drinking water hydrogeologic permit deadlines.

Lead Service Line Replacement Plan Implementation Grants for Small Systems - \$500,000

MassDEP will contract with one or more parties using the state PRF77 contract for a technical assistance program for small PWS to support their implementation of lead service line replacement plans. Based on the service line inventories submitted to MassDEP, there are 45 small PWS with over 11,000 service lines made of lead, galvanized requiring replacement, or unknown. These PWS consist of small water districts, mobile home parks, schools, and businesses. This program will assist these PWS with identifying the service line materials through methods such as potholing, statistical analysis, and customer outreach, and will be managed and operated by MassDEP's Drinking Water Program.

Drinking Water Needs Survey - \$25,000

Congressional mandate to document the drinking water needs. The survey effort has just begun. Utilizing contractors to assist communities that need assistance.

Safe Drinking Water Act Technical Assistance - \$1,053,000 (Lead) and \$1,053,000 (PFAS)

This new project will provide technical assistance to public water systems for Safe Drinking Water Act (SDWA) programs, including Lead and Copper Rule Revisions (LCRR), Lead and Copper Rule Improvements (LCRI), PFAS remediation, and PWS Capacity Development Support.

For LCRR and LCRI, assistance will include working with systems on updating service line inventories; combining and digitizing records; making service line inventories publicly available; and implementing lead service line replacement programs. For PFAS, assistance will include developing technical guidance, procedures, and programs; performing reviews of system data; and mapping and identifying possible service connections. For PWS capacity development support, assistance will include by developing and implementing technical assistance and outreach procedures and programs to ensure compliance with MassDEP technical, financial and managerial drinking water standards, policies and/or guidelines (e.g., permit application support, grant application support). This project will be implemented through an ISA with UMass.

UMass ISA IT Contract Services - \$570,990

This ongoing effort funds 3 contractors to provide a variety of direct technical, financial, and managerial assistance to small drinking water systems. Priority given to disadvantaged

communities. Activities will focus on the SDWA requirements and Massachusetts Drinking Water Regulations and creating an environment of transparency with the DWP data. Specific duties include providing IT support for MassDEP's eDEP reporting system which captures electronic reporting of water quality reports and the Annual Statistical Report (inventory, staffing, source protection, water quantity), analysis and planning for the data system transition from WQTS to the EPA cloud based DWSFTIES system, and the DWP Source Protection I-Protect System.

Small System Engineering and Design Support - \$500,000

Many small public water systems impacted by emerging contaminants are having challenges securing engineering services. While upfront costs to cover preliminary planning and design are an issue, there is also a lack of engineering firms available to assist. Through this new program, securing services through an RFP/RFQ process and identifying vendors available to provide much needed services to these small disadvantaged systems will enable the systems to move forward and be more competitive for the SRF program and grants, such as the Emerging Contaminant- Small and Disadvantaged Community grant.

Private School Drinking Water Testing - \$125,000

This ongoing project continues through an ISA with UMass. In SFY25 to date, 57 private schools in 44 communities were tested for lead. Schools that test and find lead are directed to the Trust's School Water Improvement Grant (SWIG) Program. Private schools receive regular outreach about the free lead testing program. Due to expanded outreach around the Lead and Copper Rule Improvements, it is anticipated that more schools will apply for testing.



***Item #4 Updates to the Financing Agreement Terms and
Conditions for Process Improvements and to Comply
with New USEPA Grant Terms and Conditions***

TERMS AND CONDITIONS
TO THE
MASSACHUSETTS CLEAN WATER TRUST
FINANCING AGREEMENT

The following Terms and Conditions are a part of and incorporated into each Financing Agreement (“Financing Agreement”) entered into by and between the Massachusetts Clean Water Trust (together with its successors and assigns, the “Trust”) and each Borrower pursuant to which the Trust provides financial assistance.

Section 1. Definitions. All capitalized, undefined terms used in these Terms and Conditions and in the Financing Agreement shall have the same meanings given such terms in Section 1 of the Enabling Act and words importing the singular number shall include the plural number and vice versa. In addition, the following words and phrases shall have the following meanings:

“Additional Security” means any additional or special security for the Loan made by the Trust, and any moneys, revenues, property, or rights pledged, transferred, or otherwise made available to secure repayment of such Loan, including any security agreement, resolution, indenture, trust agreement, pledge, deed, mortgage, or other instrument of security, all as described in Schedule D of the Financing Agreement;

“Administrative Fee” means the fee for the administrative expenses of the Trust relating to the Loan made by the Trust calculated as set forth in Schedule A of the Financing Agreement and payable on the Repayment Dates and in the amounts set forth in Schedule C of the Financing Agreement (as such schedule may be amended from time to time in accordance herewith);

“Applicable Authority” means the general or special laws of the Commonwealth or other governing instrument of the Borrower, identified in Schedule A of the Financing Agreement;

“Application” means an application submitted by the Borrower to the Trust and the Department for financial assistance for all or any part of the Costs of the Project, as more fully described in the related Project Approval Certificate;

“Authorized Officer” means the officer or officers of the Borrower, the Trust or the Department, as the case may be, identified in Schedule A of the Financing Agreement;

“Bonds” means the bonds, if any, issued by the Trust that fund or are secured, in part, by the Loan made by the Trust and payments to be made by the Borrower under the Financing Agreement, all as more fully described in the Master Trust Agreement and the applicable Supplemental Master Trust Agreement;

“Borrower” has the meaning given such term in the Financing Agreement.

“Business Day” means any day other than a Saturday, a Sunday or any other day on which banks doing business in the Commonwealth are authorized or required to be closed for business;

“Closing Date” is the closing date for the Loan as described in in Section 6 hereof;

“Code” means the Internal Revenue Code of 1986, as amended, and all Treasury Regulations promulgated thereunder to the extent applicable to the Loan or the Bonds;

“Commonwealth” has the meaning given such term in the Financing Agreement.

“Continuing Disclosure Agreement” means the agreement, if any, between the Borrower and the Trust or, as applicable, the trustee under any Borrower’s bond resolution or trust agreement, as it may be amended from time to time, under which the Borrower agrees for the benefit of the owners of the Bonds to provide annual reports and notices of certain events in order to assist the underwriters of the Bonds to comply with the provisions of Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended;

“Department” means the Department of Environmental Protection of the Commonwealth, or any body, agency, officer, or other instrumentality of the Commonwealth that shall hereafter succeed to the powers, duties, and functions of the Department as they relate to the purposes of the Trust under the Enabling Act;

“DEP Regulations” means the regulations of the Department applicable to the Program appearing in 310 CMR 44.00 or 310 CMR 45.00, as applicable, in each case as such regulations may be amended from time to time;

“Discount Rate” means a rate of interest equal to the “Bond Buyer 20 Bond Index” rate on the date of the Department’s determination that certain costs of the Project are ineligible for financial assistance, pursuant to section 4(c) hereof;

“Drinking Water Revolving Fund” means the fund established and set up on the books of the Commonwealth in accordance with Section 2QQ of Chapter 29 of the General Laws of the Commonwealth;

“Eligible Borrower” has the meaning given such term in the Enabling Act;

“Enabling Act” means Chapter 29C of the General Laws, as amended from time to time, under which the Trust is organized and established for the purpose of assisting Eligible Borrowers in the Commonwealth to initiate, acquire, construct, improve, maintain and operate Water Pollution Abatement Projects and Drinking Water Projects;

“EPA” means the United States Environmental Protection Agency;

“Event of Default” means any of the events or circumstances specified in Section 9(a) hereof;

“Federal Act” means, as applicable, (i) Title VI of the Federal Water Pollution Control Act (Pub. L. 92-500, commonly known as the Clean Water Act), as amended by the Federal Clean Water Act of 1987 (Pub. L. 100-4), as the same may be further amended from time to time, and all regulations of the EPA applicable thereto as amended from time to time; or (ii) Title XIV of the Federal Public Health Service Act (commonly known as the Safe Drinking Water Act), as amended by the Safe Drinking Water Act Amendments of 1996 (Pub. L. 104-182), as the same may be further amended from time to time, and all regulations of the EPA applicable thereto as amended from time to time;

“Federal Capitalization Grant” means amounts provided to the Trust under one or more agreements between the Trust and the United States of America acting by and through the EPA to be applied in accordance with the applicable Federal Act to fund Loans made by the Trust:

“Financing Documents” means, collectively, the Financing Agreement, each related Project Regulatory Agreement, the Local Governmental Obligations or other evidence of indebtedness, the Interim Loan Note, if any, and every other document executed by the Borrower and delivered to the Trust in connection with the Loan or any Interim Loan and any Additional Security therefor.

“Fiscal Year” means the period beginning on July 1 in any year and ending on June 30 in the next succeeding year;

“Initial Obligation Amount” means the amount set forth as the Initial Obligation Amount in Schedule C to the Financing Agreement;

“Interest Rate” means the rate so designated and set forth in Schedule A of the Financing Agreement;

“Interim Loan” shall have the meaning given such term in Section 10 hereof;

“Interim Loan Interest Rate” means the rate, if any, so designated and set forth in Schedule A of the Financing Agreement;

“Interim Loan Note” shall have the meaning given such term in Section 10 hereof;

“Iron and Steel Products” means the following products made primarily of iron or Steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural Steel, reinforced precast concrete, and construction materials;

“Loan” has the meaning given such term in the Financing Agreement;

“Local Bond Counsel” means an attorney or firm of attorneys (who may be counsel to any party under the Financing Agreement) of nationally recognized standing in connection with the issuance of obligations similar to the Local Governmental Obligations, selected by the Borrower and satisfactory to the Trust;

“Local Governmental Obligations” has the meaning given such term in the Financing Agreement;

“Master Trust Agreement” means the Master Trustee Agreement dated as of January 1, 2015 between the Trust and U.S. Bank National Association, as Master Trustee (the “Master Trustee”), as amended;

“Origination Fee” means the fee for the expenses of the Trust relating to the origination of the Loan made by the Trust, payable in the amount and on the Payment Date set forth in Schedule C of the Financing Agreement (as such schedule may be amended from time to time in accordance herewith);

“Payment Dates” means January 15 and July 15 of each year (commencing on the first such date indicated on Schedule C of the Financing Agreement) or, if any such day is not a Business Day, the next succeeding Business Day;

“Payments” means the payments to be made by the Borrower in repayment of the Loan and the interest, if any, payable thereon, which payments shall be made on the Payment Dates and in the amounts set forth in Schedule C of the Financing Agreement (as such schedule may be amended from time to time in accordance herewith);

“Participating Members” means all cities, towns, districts, commissions or other political subdivisions or instrumentalities of the Commonwealth, if any, which are members of the Borrower or which, by law, contract or otherwise, are service recipients of a System;

“Prepayments” means all payments made by or for the account of the Borrower which reduce or eliminate the principal balance due on the Loan by reason of the prepayment of all or any part of the principal prior to the due date thereof;

“Principal Obligation” means, at any time of calculation, the aggregate unpaid principal amount of the Loan, which shall equal the Initial Obligation Amount less all Payments and all Prepayments on account of the principal amount thereof then or theretofore made or provided for by or for the account of the Borrower and received by or for the account of the Trust;

“Program” means the financial assistance program of the Trust established pursuant to the Enabling Act as more fully described in the Master Trust Agreement;

“Project” means each of the Water Pollution Abatement (including, without limitation, any Title 5 Project) or Drinking Water Projects of the Borrower identified in Schedule A of the Financing Agreement and more fully described in the applicable Project Approval Certificate, as the same may be amended from time to time as provided in the related Project Regulatory Agreement;

“Project Account” means the portion allocable to the Project of the Project Fund established pursuant to the Master Trust Agreement;

“Project Approval Certificate” means a certificate issued by the Department in accordance with the Enabling Act and the DEP Regulations approving a Project and the costs thereof to be

financed or refinanced by the Loan, as more fully described in Schedule A of the Financing Agreement;

“Project Completion Certificate” means the Project Completion Certificate delivered by the Borrower pursuant to the applicable Project Regulatory Agreement;

“Project Cost” or “Costs” means any cost of a Project approved by the Department pursuant to the Enabling Act, the applicable Federal Act and/or the DEP Regulations for payment or reimbursement from proceeds of the Loan or an Interim Loan, as applicable, as more fully described in the applicable Project Regulatory Agreement;

“Project Regulatory Agreement” means an agreement between the Department and an Eligible Borrower, executed and delivered to the Trust by such Borrower concurrently with the execution and delivery of the Financing Agreement associated with a Loan made to finance a Project approved by the Department; that contains provisions relating to the Department’s regulation and supervision of the Project in accordance with 301 CMR 45.00;

“Steel” means an alloy that includes at least fifty-percent (50%) iron, between two-hundredths percent (0.02%) and two percent (2%) carbon, and may include other elements;

“Supplemental Master Trust Agreement” means any of the supplements to the Master Trust Agreement providing for the issue of Bonds by the Trust;

“System” shall mean the water pollution abatement facilities or drinking water facilities under the control of the Borrower, as identified, if applicable, in Schedule A of the Financing Agreement, and all improvements and additions thereto including, without limitation, the Project;

“Title 5 Project” means a Project for which the Borrower has developed, or been requested by its Participating Members to administer, a community septic management program, constituting a Water Pollution Abatement Project within the meaning of the Enabling Act, to assist eligible homeowners to upgrade failing septic systems and otherwise to comply with the requirements of 310 CMR 15.00 *et seq.* (“Title 5”) through underlying betterment agreements with such homeowners; and

“Water Pollution Abatement Revolving Fund” means the fund established and set up on the books of the Commonwealth in accordance with Section 2L of Chapter 29 of the General Laws of the Commonwealth.

Section 2. Representations.

(a) The Borrower represents and warrants to the Trust as follows:

(i) The Borrower is a Local Governmental Unit or other Eligible Borrower, as defined in the Enabling Act, with full legal right and authority under the Enabling Act and the Applicable Authority to authorize, execute, and deliver the Financing Documents, to undertake each Project, to operate its System, if any, and to carry out and consummate all transactions contemplated by the foregoing;

(ii) The Borrower and, to the extent required by the Enabling Act or the Applicable Authority, each Participating Member thereof, if any, has duly and validly authorized the execution, delivery and adoption, as applicable, of the Financing Documents, and all approvals, consents, and other governmental or corporate proceedings necessary for the execution and delivery of any of the foregoing or required to make them the legally binding obligations of the Borrower that they purport to be, in accordance with their terms, have been obtained or made;

(iii) No action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, other than as disclosed to the Trust and the Department, is pending or, to the knowledge of the Authorized Officers of the Borrower executing the Financing Agreement, threatened (1) seeking to restrain or enjoin the execution, delivery and adoption, as applicable, of the Financing Documents, or the construction or operation of any Project or (2) contesting or affecting the validity of the Financing Documents, or the power of the Borrower and, to the extent provided by law, each Participating Member thereof, if any, to pledge and apply any revenues or to assess and collect, as applicable, betterments, taxes, rates and charges to pay such Payments and all other costs and expenses of any Project and the System, if any; and neither the corporate existence of the Borrower nor the title to office of any Authorized Officer of the Borrower executing the Financing Documents is being contested;

(iv) The authorization, execution, delivery and adoption, as applicable, of the Financing Documents, and performance of each thereof, will not constitute a breach of, or a default under, any law, ordinance, resolution, agreement, indenture or other instrument to which the Borrower is a party or by which it or any of its properties is bound; and

(v) The Financing Agreement, the Loan, the Interim Loan, if any, and any Additional Security are, and when executed and delivered the Local Governmental Obligations, or other evidence of indebtedness, if any, will be, (1) valid general obligations of the Borrower, for the payment of which its full faith and credit are and will be pledged, enforceable in accordance with their terms and the terms of the Enabling Act and the Applicable Authority, and payable as to principal, premium, if any, and interest (to the extent not paid from other sources) from (a) taxes which may be levied upon all taxable property within the territorial boundaries of the Borrower, subject only to the limit imposed by Chapter 59, Section 21C of the General Laws of the Commonwealth to the extent applicable to the Local Governmental Obligations, provided that taxes levied on certain taxable property located within a development district, if any, established by the Borrower pursuant to Chapter 40Q of the General Laws may be restricted and unavailable to pay debt service on the Local Governmental Obligations or (b) sums which may be annually apportioned and assessed by the Borrower on its Participating Members pursuant to the Applicable Authority, or (2) valid obligations of the Borrower, enforceable in accordance with their terms and the terms of the Enabling Act and the Applicable Authority, payable from any Additional Security and secured by a valid pledge of and lien on and perfected security interest in such Additional Security, all to the extent provided therein and in Schedule D to the Financing Agreement.

(b) The Trust represents and warrants to the Borrower as follows:

(i) The Trust has the full legal right and authority under the Enabling Act to authorize, execute and deliver the Financing Agreement;

(ii) The Trust has duly and validly authorized the execution of the Financing Agreement; and all approvals, consents, and governmental proceedings necessary to make the execution and delivery of the Financing Agreement the legally binding obligation of the Trust have been obtained or completed;

(iii) No action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body is pending or, to the knowledge of the Authorized Officers of the Trust executing the Financing Agreement, threatened seeking to restrain or enjoin the execution and delivery of the Financing Agreement, or contesting or affecting the validity thereof or hereof; and neither the existence of the Trust nor the title to office of any Trustee of the Trust or any Authorized Officer of the Trust executing the Financing Agreement is being contested;

(iv) The authorization, execution and delivery of the Financing Agreement, and performance thereof, will not constitute a breach of, or a default under, any law, resolution, agreement, indenture or other instrument to which the Trust is a party or by which it is bound; and

(v) The Financing Agreement is a valid obligation of the Trust, enforceable in accordance with its terms and the terms of the Enabling Act.

Section 3. The Loan.

(a) On the terms and conditions provided herein, in the Financing Agreement, and in the Project Regulatory Agreement, the Trust hereby agrees to make and disburse the Loan to the Borrower and the Borrower agrees to accept the Loan in an aggregate amount equal to the Initial Obligation Amount; provided, however, that if the Project Regulatory Agreement is revoked or otherwise terminated by the Department for any reason prior to the disbursement of proceeds of the Loan to the Borrower, then the obligation of the Trust to make and disburse the Loan to the Borrower, including without limitation the obligation of the Trust to make and disburse any Interim Loan, shall be null and void and the Financing Agreement shall terminate. For purposes of compliance with provisions of the applicable Federal Act restricting the use of moneys within the Water Pollution Abatement Revolving Fund and the Drinking Water Revolving Fund, any Local Governmental Obligations purchased to evidence the Borrower's repayment obligations under a Loan shall be deemed to be held for the credit of the Water Pollution Abatement Revolving Fund or Drinking Water Revolving Fund, as applicable.

(b) In addition to the conditions provided in Section 6 hereof, the Borrower acknowledges that the obligation of the Trust to make the Loan and to disburse the proceeds thereof to the Borrower in whole or in part as provided in Section 7 hereof is conditional upon the receipt by the Trust on or before such date of moneys available to the Trust for such purpose in amounts sufficient to fund the amount of the Loan to be disbursed on such date. Subject to compliance with the applicable Federal Act, the Enabling Act and the Master Trust Agreement, the Trust shall draw

upon and apply such lawfully available funds as promptly as practicable and as lawfully permitted and shall deposit or cause the Master Trustee to deposit the amounts so received or so much thereof as the Trust shall direct in the Project Accounts at the times and in the amounts directed by the Trust until the aggregate amount so deposited equals the Initial Obligation Amount (or such lesser amount). Amounts deposited in the Project Accounts shall be applied as provided herein and in the Master Trust Agreement.

(c) The Borrower agrees to issue and deliver the Local Governmental Obligations, or other evidence of indebtedness, to the Trust on the Closing Date in aggregate principal amount equal to the Initial Obligation Amount. Subject to Section 11 hereof, the Local Governmental Obligations, or other evidence of indebtedness, shall be issued in such form as shall be approved by the Trust and shall be payable on the Payment Dates and in the aggregate amounts as to principal and interest corresponding to the Payments required under the Financing Agreement. Except as otherwise provided in Section 4 hereof, the Principal Obligation, and the corresponding principal amount of the Local Governmental Obligations, or other evidence of indebtedness, shall mature and bear interest in the amounts for each Payment specified in Schedule C of the Financing Agreement.

(d) Each Payment made by or for the account of the Borrower under the Financing Agreement shall satisfy the corresponding obligation of the Borrower to pay the principal and interest, if any, then due on the Local Governmental Obligations, or other evidence of indebtedness, as the same becomes due on the applicable payment dates therefor, and each payment of principal and interest made by the Borrower on the Local Governmental Obligations, or other evidence of indebtedness, shall satisfy the obligation of the Borrower to pay the corresponding Payment on the Loan then due under the Financing Agreement.

Section 4. Payments.

(a) Except as otherwise provided in this Section 4, Payments on account of the Principal Obligation and interest thereon, if any, shall be payable by the Borrower, on the Payment Dates and in the amounts set forth in Schedule C of the Financing Agreement. In addition to such Payments, the Borrower shall pay to the Trust the Administrative Fee and the Origination Fee on the Payment Dates and in the amounts set forth in Schedule C of the Financing Agreement, which fees shall be subject to annual appropriation by the Borrower. The Trust and the Borrower acknowledge and agree that the schedule of Payments set forth in Schedule C of the Financing Agreement results in the Loan being the financial equivalent of a loan to the Borrower at an interest rate not in excess of two percent (2%) for a term of not in excess of 20 years.

(b) The Trust shall provide the Borrower with written notice of each Payment, Administrative Fee and the Origination Fee due under the Financing Agreement not less than ten (10) Business Days in advance of the applicable Payment Date (provided failure by the Trust to provide such notice or any defect therein shall not diminish the obligation of the Borrower to pay such Payment, Administrative Fee and the Origination Fee in the amounts and at the time provided herein). On or prior to each Payment Date, the Borrower shall pay to the Master Trustee for the account of the Trust, by wire transfer to such account or otherwise in such manner as the Trust may from time to time designate to the Borrower, (i) the Payment then due as set forth in Schedule C of the Financing Agreement, as such schedule may be amended from time to time as provided

in this Section 4, and (ii) the Administrative Fee due on such Payment Date set forth in said Schedule C and (iii) on the first Payment Date, the Origination Fee then due on the Loan set forth in said Schedule C. Except as otherwise provided in Section 9(e) hereof, all payments made by the Borrower under the Financing Agreement shall be applied, *first*, to the interest, if any, on the Loan then due and payable, *second*, to the principal amount of the Loan then due and payable, *third*, to the Administrative Fee then due and payable and, *fourth*, to the Origination Fee then due and payable. Any portion of a Payment or Administrative Fee or Origination Fee not paid in full when due shall bear interest under the Financing Agreement until paid at twelve percent (12%) per annum.

(c) The Borrower acknowledges that the Department, in the exercise of its audit procedures under each Project Regulatory Agreement, may reclassify certain Project Costs paid by the Trust from the Loan or Interim Loan, as ineligible for financial assistance under Section 6 of the Enabling Act. In such event, unless the Borrower shall elect to repay such amount as hereinafter provided, on and after the date of such determination by the Department, a portion of the Principal Obligation (determined on a Pro-Rata Basis as hereinafter defined), equal to the amount of such ineligible Project Costs, shall bear interest at the Discount Rate at the time of such determination. As used in this subsection (c), the term “Pro-Rata Basis” means the portion of each payment allocable to the principal amount of the Loan or Interim Loan, as applicable, payable under the Financing Agreement subsequent to the date of a determination by the Department as described in this subsection (c) as is equal, as nearly as practicable, to the ratio by which the amount of ineligible Project Costs paid by the Trust from the Loan or Interim Loan bears to the total Principal Obligation or total principal amount of the Interim Loan, as applicable, then outstanding. Upon any such occurrence the Trust shall recalculate the payments thereafter payable with respect to the Loan or Interim Loan, as applicable, shall certify such amounts to the Borrower and shall amend Schedule C of the Financing Agreement to reflect the increased payments thereafter payable under the Financing Agreement, and shall surrender the Local Governmental Obligations, Interim Loan Notes or other evidence of indebtedness, as applicable, to the Borrower in exchange for an amended or substitute instrument, reflecting such change in payments. Notwithstanding the foregoing, within thirty (30) Business Days of receipt by the Borrower from the Department or the Trust of written notice that an amount of Project Costs paid by the Trust from the Loan or Interim Loan has been determined by the Department pursuant to the applicable Project Regulatory Agreement to be ineligible for financial assistance under Section 6 of the Enabling Act, the Borrower may (and shall upon demand of the Department with respect to any such amount determined by the Department to be ineligible for funding under the applicable Federal Act) repay such amount to the Trust for redeposit in the applicable account, and the amount so repaid shall be deemed to not have been disbursed by the Trust from the Loan or Interim Loan Account for ineligible Project Costs for purposes of this subsection (c).

(d) The Borrower further acknowledges that the Department, in the exercise of its rights under the Project Regulatory Agreement, may terminate the Project Regulatory Agreement after disbursement of some or all of the amount of the Loan or Interim Loan to the Borrower. In such event, the obligation of the Trust to disburse additional amounts of the Loan or Interim Loan to the Borrower shall terminate and the Borrower shall repay to the Trust the amount theretofore disbursed within thirty (30) days of receipt by the Borrower from the Trust of written notice that the Project Regulatory Agreement has been terminated by the Department and, until so repaid,

such amount shall bear interest at the Interest Rate (if disbursed from the Loan) or Interim Loan Interest Rate, if any (if disbursed from the Interim Loan).

(e) Notwithstanding any provision of the Financing Agreement to the contrary, the Borrower and the Trust acknowledge and agree that Schedule C of the Financing Agreement incorporates a schedule of Payments calculated based on the assumption that the Closing Date will be the date indicated in Schedule C of the Financing Agreement. If the Closing Date is different from the date indicated in said Schedule C, the Trust will amend Schedule C to the Financing Agreement (and deliver to the Borrower a copy thereof together with the notice of change in the Closing Date the Trust is required to provide to the Borrower pursuant to Section 6(a) hereof) to adjust the Payments to take into account the actual Closing Date and the accrual of interest on the Loan from such date.

(f) Notwithstanding anything in the Financing Agreement or in the Project Regulatory Agreement to the contrary, all amounts received by the Borrower in payment or prepayment of the obligations of homeowners under the underlying betterment agreements made in connection with a Title 5 Project financed by a Loan or Interim Loan shall be applied by the Borrower either (i) to assist eligible homeowners to upgrade failing septic systems and otherwise to comply with Title 5 through additional betterment agreements with homeowners, or (ii) to pay or provide for all or a portion of the Payments due on the Loan, or payments of principal or interest due on the related Interim Loan, as the case may be, under the Financing Agreement.

Section 5. Prepayments.

(a) The Principal Obligation shall not be subject to prepayment at the option of the Borrower prior to maturity without the prior written consent of the Trust.

(b) The Principal Obligation, and the corresponding principal amount of the Loan, shall be subject to prepayment in part to the extent of any balance remaining in a Project Account upon the receipt by the Trust of the applicable Project Completion Certificate as provided in Section 7(d) hereof at a prepayment price equal to (i) the Principal Obligation so prepaid plus interest, if any, accrued thereon to the prepayment date, plus (ii) an amount equal to all costs of the Trust incurred in connection with such prepayment (including without limitation trustee's fees and expenses, reasonable attorney's fees, and costs, if any, of any corresponding redemption of Bonds, if applicable).

(c) The Principal Obligation, and the corresponding principal amount of the Loan, shall be subject to prepayment at the request of the Trust in whole or in part upon not less than thirty (30) days' notice to the Borrower to the extent of any balance remaining in a Project Account upon a date designated by the Trust, which date shall be not earlier than twenty (20) months or later than twenty-four (24) months following the Closing Date, at a prepayment price equal to the Principal Obligation so prepaid plus interest, if any, accrued thereon to the prepayment date. In the event that the Project is not yet complete due to extenuating circumstances, the Borrower may submit to the Trust a written request for extension providing a compelling and detailed description of all of the relevant facts and circumstances. The Trust may, in its sole and absolute discretion, provide an extension to a date not later than thirty-six (36) Months following the Closing Date.

(d) Unless the Trust shall otherwise agree, any balance in a Project Account, and any Prepayment under the Financing Agreement of less than all of the Principal Obligation, shall be applied pro rata to each scheduled Payment allocable to the principal of the Loan. Upon any prepayment of the Loan in part, the Trust shall amend the schedule of Payments set forth in Schedule C to the Financing Agreement to reflect such prepayment.

Section 6. Closing.

(a) In addition to the conditions provided in Section 3 of these Terms and Conditions, the obligation of the Trust to make and fund the Loan is expressly conditional upon the receipt by the Trust on or before the Closing Date (which date shall be the date set forth in Schedule C of the Financing Agreement, as such Schedule C may be amended by the Trust prior to the closing of the Loan by written notice delivered to the Borrower not less than twenty (20) days prior to the new Closing Date listed on Schedule C, as so amended) of the following, each in form and substance satisfactory to the Trust:

(i) Copies, certified by an Authorized Officer of the Borrower, of all governmental or corporate proceedings of the Borrower authorizing the Loan and the issuance of the Local Governmental Obligations or other evidence of indebtedness and the execution and delivery or adoption, as applicable, of the Financing Documents;

(ii) A certificate or certificates of Authorized Officers of the Borrower confirming as of the Closing Date the representations and warranties of the Borrower in Section 2 hereof;

(iii) A certificate of Authorized Officers of the Borrower as to the due authorization, execution, delivery and adoption, as applicable, of the Financing Documents related to the Loan, and to the effect that (x) none of the foregoing instruments have been amended or supplemented since their date (except such amendments or supplements which have been approved by the Trust or the Department, as applicable, or which under the terms of the applicable instrument may be executed and delivered or adopted by the Borrower without the consent of the Trust or the Department) or repealed and that each such instrument remains in full force and effect as of the Closing Date, and (y) as of the Closing Date, no Event of Default or Default, as applicable, and no event which with the passage of time or the giving of notice may become or may be declared to be an Event of Default or a Default, shall have happened and shall be continuing under such Financing Documents;

(iv) An opinion of Local Bond Counsel to the effect that the Financing Documents related to the Loan, and the execution, delivery and adoption thereof, as applicable, have been duly authorized by the Borrower in accordance with the Applicable Authority; such Financing Agreement and each Project Regulatory Agreement and any Additional Security have been duly and validly executed and delivered by the Borrower, as applicable, and each constitutes a valid and binding obligation of the Borrower enforceable in accordance with its terms; the Local Governmental Obligations, or other evidence of indebtedness, and any Additional Security have been duly and validly executed by or on behalf of the Borrower and delivered to or upon the order of the Trust in

accordance with the Financing Agreement and the Applicable Authority; and the Local Governmental Obligations, or other evidence of indebtedness, and any Additional Security constitute, as applicable, (1) valid and binding general obligations of the Borrower enforceable in accordance with their terms and payable as to principal, premium, if any, and interest (to the extent not paid from other sources) from (a) taxes which may be levied upon all taxable property within the territorial boundaries of the Borrower, subject only to the limit imposed by Chapter 59, Section 21C of the General Laws of the Commonwealth to the extent applicable to the Local Governmental Obligations, provided that taxes levied on certain taxable property located within a development district, if any, established by the Borrower pursuant to Chapter 40Q of the General Laws may be restricted and unavailable to pay debt service on the Local Governmental Obligations or (b) sums which may be annually apportioned and assessed by the Borrower on its Participating Members pursuant to the Applicable Authority, or (2) valid and binding obligations of the Borrower enforceable in accordance with their terms and the terms of any Additional Security and entitled to the benefits thereof and the Applicable Authority (in rendering the foregoing opinion, such counsel may take an exception on account of bankruptcy, insolvency and other laws affecting creditors' rights generally and to the exercise of judicial discretion in accordance with general equitable principles);

(v) The Local Governmental Obligations, or other evidence of indebtedness, in such denominations and registered to such registered owners, as the Trust shall designate pursuant to Section 11 hereof;

(vi) To the extent required under Section 8(f) hereof, a Continuing Disclosure Agreement, duly executed by the Borrower, in form and substance satisfactory to the Trust; and

(vii) Such further instruments, certificates and opinions as the Trust or its counsel may reasonably request to confirm, as of the Closing Date, the truth and accuracy of the statements made herein and in each Application by the Borrower and compliance, as of the Closing Date, by the Borrower with the provisions hereof and of each Project Regulatory Agreement, the Enabling Act, the Applicable Authority, and the applicable Federal Act.

(b) In addition to any other conditions expressly provided herein, the obligation of the Borrower to accept the Loan and issue the Local Governmental Obligations or other evidence of indebtedness, to the Trust on the Closing Date is expressly conditioned upon the delivery to the Borrower or to the Master Trustee, if applicable, on or before the Closing Date of the following, each to be in form and substance satisfactory to the Borrower and to be made available to the Borrower upon its request:

(i) Copies, certified by an Authorized Officer of the Trust, of all governmental proceedings of the Trust authorizing the Loan and the execution and delivery of the Financing Agreement;

(ii) A certificate or certificates of an Authorized Officer of the Trust confirming as of the Closing Date the representations and warranties of the Trust in Section 2 hereof; and

(iii) An opinion or opinions of counsel to the Trust (who may also be counsel to the Borrower) to the effect that the Trust is duly created and validly existing under the Enabling Act and has the right and power thereunder to execute the Financing Agreement and to make the Loan; the Financing Agreement and the execution and delivery thereof by the Trust have been duly and lawfully authorized by the Trust; and that the Financing Agreement has been duly and lawfully executed and delivered by the Trust, is in full force and effect and is valid and binding on the Trust and enforceable in accordance with its terms (subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally and to the exercise of judicial discretion in accordance with general equitable principles).

Section 7. Disbursement of Proceeds.

(a) On the Closing Date the Trust shall credit to the payment of the principal of the Interim Loan, if any, such portion of the proceeds of the Loan as shall be necessary to pay such principal in full (subject to Section 10(e)). Any proceeds of the Loan remaining after such payment of principal of the Interim Loan, if any, shall be deposited in the Project Account and applied by the Trust to finance or refinance Costs of the Project as provided herein, in the related Project Regulatory Agreement and in the Master Trust Agreement. Only amounts on deposit in the Project Account representing moneys of the Trust deposited therein as provided in the Financing Agreement and the Master Trust Agreement shall be available to pay Costs of the Project. Amounts in the Project Account shall be invested by the Trust, and all earnings on investment or deposit of amounts in the Project Account shall be applied by the Trust as provided in the Master Trust Agreement. The Borrower shall have no interest in such earnings.

(b) So long as no Event of Default shall have happened and be continuing hereunder or under the Financing Agreement, but subject to Section 3(b) and Section 10 of these Terms and Conditions, within a reasonable period of time from receipt by the Trust of one or more requisitions in form satisfactory to the Trust signed by an Authorized Officer of the Borrower and approved by the Department as provided in the applicable Project Regulatory Agreement, the Trust shall disburse or direct the Master Trustee to disburse to or for the account of the Borrower as directed in such requisitions the amount or amounts set forth therein and approved by the Department solely to finance or, to the extent provided in the applicable Project Regulatory Agreement, refinance Costs of the applicable Project.

(c) Notwithstanding anything herein or in any Project Regulatory Agreement to the contrary, if all or any portion of the Project Costs financed under the Financing Agreement shall have been paid by the Borrower from the proceeds of outstanding notes or other temporary indebtedness issued or incurred in anticipation of the Loan, any amount paid to the Borrower pursuant to this Section 7 in reimbursement for such Costs shall be held and applied by the Borrower (unless otherwise approved by the Trust) solely to pay or provide for the principal of such notes or other indebtedness when due in accordance with the Enabling Act and the Applicable Authority. The Borrower acknowledges that the Trust shall have no responsibility for the holding, investment or application of any amounts paid to or for the account of the Borrower for such purpose. Notwithstanding anything herein to the contrary, if on the Closing Date any Interim Loan shall be outstanding and unpaid under Section 10 of the Financing Agreement, the Trust shall

apply to the payment of the principal of the Interim Loan such portion of the proceeds of the Loan as shall be necessary to pay such principal in full (subject to Section 10(e)).

(d) Upon receipt by the Trust of the Project Completion Certificate for a Project described in the related Project Regulatory Agreement, any balance remaining on deposit in the applicable Project Account not then payable to or for the account of the Borrower in accordance with the Project Completion Certificate shall be applied at the direction of the Borrower with the prior approval of the Trust to (i) additional Costs of the applicable Project upon amendment of the definition thereof approved by the Department or (ii) the prepayment of the Principal Obligation as provided in Section 5(b) hereof.

(e) Notwithstanding anything herein or in any Project Regulatory Agreement to the contrary, the Trust shall not be required to deposit in each Project Account established in accordance with the Financing Agreement an amount in the aggregate in excess of the eligible Costs of the applicable Project to be financed or refinanced by the Loan as set forth in the applicable Project Approval Certificate and the related Project Regulatory Agreement. In addition, the Trust shall not be required to make any deposits to a Project Account or to direct the Master Trustee to disburse therefrom any amount to or for the account of the Borrower while an Event of Default shall have occurred and be continuing hereunder or under the Financing Agreement or, if directed by the Department, while a Default (as defined in the related Project Regulatory Agreement) shall have occurred and be continuing under the related Project Regulatory Agreement. If an Event of Default shall have occurred and be continuing hereunder or under the Financing Agreement, the Trust may apply amounts on deposit in any Project Account to remedy such default as provided in Section 9(b) hereof and the amount available under the Financing Agreement for Project Costs will be correspondingly reduced.

Section 8. Particular Covenants of the Borrower. The Borrower covenants and agrees as follows:

(a) The Borrower is duly authorized under the Enabling Act, the Applicable Authority and all other applicable law to authorize the execution, delivery and adoption, as applicable, of the Financing Documents, to accept the Loan, to undertake each Project and to perform and consummate all transactions contemplated by the foregoing. For so long as the Loan or the Local Governmental Obligations shall be outstanding, the Borrower shall comply with the provisions of the Financing Documents and all provisions of law applicable to the Loan, any Interim Loan, each Project, any Additional Security, and the Local Governmental Obligations, or other evidence of indebtedness, including without limitation the Enabling Act, the Applicable Authority, the applicable Federal Act and the DEP Regulations, and shall take all actions necessary to fulfill its obligations under the Financing Agreement and under any of the foregoing.

(b) At the date hereof, at the date of delivery of any Interim Loan and at the Closing Date, no mortgage, pledge, lien, security interest or other encumbrance exists or will exist in or upon, or is or will be otherwise outstanding with respect to (1) any Project or the System, if any, or any part thereof or (2) all or any part of, as applicable, the betterments, rates, charges or other revenues derived by the Borrower from its ownership and operation thereof or (3) any Additional Security. For so long as the Loan, the Local Governmental Obligations or any Interim Loan shall be outstanding, without the prior written consent of the Trust, the Borrower shall not mortgage,

pledge, grant any lien on or security interest in or otherwise encumber or permit the encumbrance of, any Project or the System, if any, or, as applicable, the betterments, rates, charges or other revenues derived by the Borrower from its ownership and operation thereof or any part thereof or any Additional Security unless simultaneously therewith the Borrower shall grant to the Trust to further secure its obligations under the Financing Agreement and the Local Governmental Obligations, or other evidence of indebtedness, a mortgage, pledge, lien on or security interest in such property superior to such new encumbrance.

(c) The Borrower shall apply the proceeds of the Loan and any Interim Loan solely to the payment or reimbursement of Project Costs, or to the refinancing of the same as provided in each Project Regulatory Agreement, or as otherwise provided herein and in each Project Regulatory Agreement.

(d) The Borrower acknowledges that by accepting the Loan or any Interim Loan it may be a sub-recipient of federal financial assistance under the federal Single Audit Act of 1984, as amended by the Single Audit Act Amendments of 1996 (the "SAA"). The Borrower further acknowledges that a Project financed or refinanced under the Financing Agreement may be designated by the Trust as a project to which the SAA shall apply. In such event, the Borrower shall conduct a single audit of its use of federal financial assistance for the Project in accordance with the reporting requirements of Office of Management and Budget Circular A-133. Whether or not a Project is so designated, for so long as the Loan, any Interim Loan or the Local Governmental Obligations shall be outstanding the Borrower shall maintain all records and accounts pertaining to the Loan, any Interim Loan, the Local Governmental Obligations, each Project and the System, if any, for such period and as otherwise required by the applicable Federal Act, the DEP Regulations and each Project Regulatory Agreement and shall furnish to the Trust and the Department all reports thereon at the times and in the form required by the applicable Federal Act, the DEP Regulations and each Project Regulatory Agreement or as otherwise reasonably requested by the Trust or the Department. The Borrower shall permit the Trust or any party designated by it upon reasonable prior notice to the Borrower to examine, visit and inspect each Project and the System, if any, and to inspect and make copies of any accounts, books and records of the Borrower pertaining to the Project, the System, if any, the Loan, any Interim Loan or the Local Governmental Obligations.

(e) If any Event of Default described in clause (i) of subsection 9(a) hereof shall occur and be continuing, the Borrower shall promptly upon request of the Trust provide such information to the Trust as shall be necessary for the Trust to exercise the rights provided in Section 11 of the Enabling Act with respect to the Local Aid Distributions of the Borrower and, as applicable, any Participating Member thereof and any parent governmental unit of the Borrower and any such Participating Member. In addition, the Borrower shall provide written notice to the Trust if at any time while the Loan or any Interim Loan is outstanding any Participating Member of the Borrower shall fail to pay to the Borrower all or any part of any assessment levied by the Borrower on account of any payment and such failure shall not be cured within ten (10) Business Days of the due date of such assessment, such notice to be provided to the Trust no later than the close of business on the Business Day next preceding the expiration of such grace period.

(f) The Trust shall provide written notice to the Borrower if at any time the Borrower shall constitute an obligated person with respect to the Bonds within the meaning of Rule 15c2-

12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. Thereafter, for so long as the Borrower shall constitute an obligated person, the Borrower will comply with and carry out all of the provisions of the Continuing Disclosure Agreement applicable to it and the Local Governmental Obligations. The Trust shall have no liability to the owners of the Bonds or any other person with respect to such disclosure matters. Notwithstanding any other provision of the Financing Agreement, failure of the Borrower to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default under the Financing Agreement; provided, however, that the Trust may (and at the request of the owners of at least 25% in aggregate principal amount of the Bonds outstanding shall), or any owner (including a beneficial owner) of the Bonds may, take such actions as may be necessary or appropriate, including seeking mandate or specific performance by court order, to cause the Borrower to comply with its obligations under this clause (f).

(g) (i) With respect to a Project for construction that is not a Title 5 Project, the Borrower agrees to comply with the prevailing wage rate requirements of the so-called “Davis-Bacon Act” made applicable by Section 513 of the Clean Water Act (33 U.S.C. 1372) or Section 1450(e) of the Safe Drinking Water Act (42 U.S.C. 300j-9(e)), as applicable. The Borrower shall be responsible for monitoring compliance of contractors and subcontractors concerning federal wage rates under the Davis-Bacon Act requirements. In this regard, the Borrower agrees to incorporate wage rate determinations into contract solicitations, include required contract terms into all construction contracts and subcontracts in excess of \$2,000, review subcontracts for compliance, review certified payrolls, conduct employee interviews and complete any other actions required to determine such compliance, all using forms approved by the Department.

(ii) With respect to a Clean Water Project for a treatment works (other than a Title 5 Project) or a Drinking Water Project for public water systems, the Borrower agrees to comply with the requirements of Section 436 of Pub. L. 113-76 (the “American Iron and Steel Requirement”), except as described below. The Borrower acknowledges and agrees that the American Iron and Steel Requirement includes, among others, the requirement that all of the Iron and Steel Products used in the Project are to be produced in the United States unless (A) the Borrower has requested and obtained a waiver of the American Iron and Steel Requirement from the EPA with respect to the Project or (B) the Department has advised the Borrower in writing that the American Iron and Steel Requirement is not applicable to the Project.

(iii) With respect to a Clean Water Project for repair, replacement or expansion of a treatment works, the Borrower agrees (A) to develop and implement a fiscal sustainability plan applicable to the Project that includes: an inventory of critical assets that are a part of the treatment works; an evaluation of the condition and performance of inventoried assets or asset groupings; a certification that the Borrower has evaluated and will be implementing water and energy conservation efforts as part of the plan; and a plan for maintaining, repairing and, as necessary, replacing the treatment works and a plan for funding such activities; and (B) to certify, as a condition of the final disbursement of the proceeds of the Loan or any Interim Loan, that the Borrower has developed and implemented a plan that meets the requirements under clause (A).

(iv) The Borrower certifies that it is not ‘excluded’ or ‘disqualified’ (as such terms are defined in 2 CFR Part 180). The Borrower covenants to comply with 2 CFR Part 180, Subpart C and to require its contractors to comply with said Subpart C, including to pass down the requirement of such compliance to its subcontractors and to each lower tier transaction.

(v) The Borrower agrees (A) to make the Six Good Faith Efforts whenever procuring construction, equipment, services and supplies with proceeds of the Loan and to retain records of such compliance. For this purpose, the “Six Good Faith Efforts” means: (1) ensure Disadvantaged Business Enterprises (as defined in 40 CFR 33.103, “DBEs”) are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities (e.g., placing DBEs on solicitation lists and soliciting them whenever they are potential sources); (2) make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process (including, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date); (3) consider in the contracting process whether firms competing for large contracts could subcontract with DBEs (e.g., dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process); (4) encourage contracting with a consortium of DBEs when a contract is too large for one DBE firm to handle individually; (5) use the services and assistance of the Small Business Administration and the Minority Business Development Agency of the United States Department of Commerce; and (6) if the prime contractor awards subcontracts, require the prime contractor to take the steps (1) through (5) of this definition.

(vi) If the Borrower (A) is subject to, or chooses to follow, competitive bidding requirements and (B) the Borrower has received one or more Loans from the Trust in with a combined total of more than \$250,000 in any one fiscal year, then the Borrower agrees to create and maintain a bidders list as described in 40 CFR 33.501.

(vii) The Borrower acknowledges that the EPA must ensure that any connections between the Borrower’s network or information system and EPA networks used by the Borrower to transfer data under the Financing Agreement, are secure. For this purpose, a “connection” is defined as a dedicated persistent interface between the Borrower’s information technology (“IT”) system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition. If the Borrower’s connections, as so defined, do not go through the Environmental Information Exchange Network or EPA’s Central Data Exchange, the Borrower agrees to contact the EPA project officer and work with the designated EPA regional/headquarters information security officer to ensure that the connections meet EPA security requirements, including entering into interconnection service agreements, as appropriate. This covenant does not apply to manual entry of data by the Borrower into systems operated and used by EPA’s regulatory programs for the submission of reporting and/or compliance data.

(h) The Borrower shall comply with (A) the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000d *et seq.*; Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794; the Age Discrimination Act of 1975, as amended, 42 U.S.C. 6102; Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Pub. L. 95-500; and all Executive Orders and regulations promulgated under the foregoing; and (B) all other applicable federal cross-cutting authorities (see Schedule I hereto for a non-exhaustive list of such authorities). In addition, the Borrower specifically acknowledges that the Project must undergo a state environmental review process that conforms generally to the National Environmental Policy Act of 1969, as amended (NEPA), as provided in the Project Regulatory Agreement.

(i) The Borrower will maintain accounts with respect to the Project according to generally accepted accounting principles as issued by the Governmental Accounting Standards Board (GASB), including the standards relating to the reporting of infrastructure assets pursuant to GASB Statement No. 34, or any successor thereto.

(j) The Borrower acknowledges that by accepting the Loan or any Interim Loan the Project shall be subject to the prohibition on certain telecommunications and video surveillance services or equipment set forth in Section 889 of Pub. L. 115-232 and 2 CFR 200.216 (the “Prohibition”). The Borrower agrees that proceeds of the Loan or any Interim Loan under this Financing Agreement shall not be used to procure or obtain, extend or renew a contract to procure or obtain, or enter into a contract (or extend or renew a contract) to procure or obtain equipment, system or service that uses “covered telecommunications equipment or services” as a substantial or essential component of any system, or as critical technology as part of any system. For purposes of this Section 8(j), “covered telecommunications equipment or services” means any of the following: (A) telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities); (B) for the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities); (C) telecommunications or video surveillance services provided by such entities or using such equipment; or (D) telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of the People’s Republic of China. The Borrower further agrees that it will include a condition in each construction contract for the Project that the contractor will: (i) comply with the Prohibition; and (ii) pass down the requirement to comply with the Prohibition in any subcontract or other lower tier contract with respect to such Project. Certain equipment, systems or services subject to the Prohibition are recorded in the United States’ System for Award Management, however, the Borrower acknowledges that there is no exhaustive list of components and services that fall under the Prohibition.

(k) Reserved.

(l) The Borrower agrees to comply with the signage guidelines described in the EPA’s June 3, 2015 memorandum, *Guidelines for Enhancing Public Awareness of SRF Assistance*

*Agreements*¹ with respect to enhancing public awareness of EPA assistance agreements nationwide.

(m) Reserved.

(n) The Borrower acknowledges and agrees that the Commonwealth, directly and through its instrumentality, the Trust, reserves its rights to assert claims and causes of action against, and to recover funds from, third parties (including without limitation product manufacturers) that caused or contributed to or are otherwise liable for per- and poly-fluoroalkyl substances (PFAS) contamination impacting the drinking water, groundwater, surface waters or environment in the Commonwealth in any manner. Nothing in these Terms and Conditions or in the Financing Agreement is intended to impede the Borrower's independent rights to pursue any such claims or causes of action.

(o) For so long as the Loan or any Interim Loan or Local Governmental Obligations shall be outstanding, the Borrower shall duly observe and comply with each of the additional covenants and conditions set forth in Schedule D of the Financing Agreement.

Section 9. Defaults and Remedies.

(a) The occurrence of any of the following events shall constitute, and is herein defined to be, an Event of Default under the Financing Agreement and the Local Governmental Obligations, or other evidence of indebtedness:

(i) if the Borrower shall fail to pay when due all or any part of any payment of principal of or interest on the Loan, any Interim Loan or the Local Governmental Obligations, or other evidence of indebtedness;

(ii) if the Borrower shall fail to pay when due any installment of the Administrative Fee payable under the Financing Agreement or the Origination Fee or any portion thereof and such failure shall continue for a period of thirty (30) days after written notice thereof shall be given to the Borrower by the Trust;

(iii) if the Borrower shall fail to perform and observe any covenant, agreement or condition on its part provided in the Financing Agreement or in the Local Governmental Obligations, or other evidence of indebtedness, or in any Additional Security, which failure is not addressed in another clause of this Section 9(a), and such failure shall continue for a period of thirty (30) days after written notice thereof shall be given to the Borrower by the Trust; provided if such failure cannot be remedied within such thirty (30) day period, it shall not constitute an Event of Default under the Financing Agreement if corrective action satisfactory to the Trust is instituted by the Borrower within such period and diligently pursued until the failure is remedied;

¹ See <https://www.epa.gov/cwsrf/enhancing-public-awareness-srf-assistance-agreements>

(iv) if any representation or warranty made by or on behalf of the Borrower in the Financing Agreement or in any Application or in any Additional Security shall prove to have been incorrect or to be misleading in any material respect as and when made;

(v) if (x) an order, judgment or decree is entered by a court of competent jurisdiction (a) appointing a receiver, trustee, or liquidator for the Borrower or the whole or any substantial part of any Project or the System, if any, (b) granting relief in involuntary proceedings with respect to the Borrower under the federal bankruptcy act, or (c) assuming custody or control of the Borrower or of the whole or any substantial part of any Project or the System, if any, under the provision of any law for the relief of debtors, and the order, judgment or decree is not set aside or stayed within sixty (60) days from the date of entry of the order, judgment or decree or (y) the Borrower (a) admits in writing its inability to pay its debts generally as they become due, (b) commences voluntary proceedings in bankruptcy or seeking a composition of indebtedness, (c) makes an assignment for the benefit of its creditors, (d) consents to the appointment of a receiver of the whole or any substantial part of any Project or the System, if any, or (e) consents to the assumption by any court of competent jurisdiction under any law for the relief of debtors of custody or control of the Borrower or of the whole or any substantial part of any Project or the System, if any, or (z) legislation shall be enacted by the Commonwealth (a) appointing a receiver or trustee for the Borrower or the whole or any substantial part of any Project or the System, if any, or (b) assuming custody or control of the Borrower or of the whole or any substantial part of any Project or the System, if any, or (c) providing for a moratorium upon the payment of the principal of or interest on the Loan, any Interim Loan or the Local Governmental Obligations;

(vi) if the Borrower shall fail to pay when due (whether at maturity or upon redemption or otherwise) any principal of or interest on any indebtedness of the Borrower for borrowed money, other than the Loan, any Interim Loan, the Local Governmental Obligations and indebtedness described in Chapter 40D of the General Laws of the Commonwealth;

(vii) if an 'event of default' (however defined) shall occur in any Additional Security (giving effect to all applicable grace and cure periods, if any, set forth in such Additional Security); and

(viii) if a Default shall occur under a Project Regulatory Agreement (as defined therein) and the Department shall request that the Trust declare an Event of Default under the Financing Agreement.

(b) In addition to its other remedies provided herein, if an Event of Default specified in clause (i) or clause (v) of subsection 9(a) hereof shall occur and be continuing, the Trust may proceed to enforce its rights under the Financing Agreement and under the Local Governmental Obligations, or other evidence of indebtedness, by exercise of the following remedies in such order of priority as the Trust shall determine in its discretion:

(i) if any Payments shall be due and unpaid under the Financing Agreement, the Trust may exercise the rights provided in Section 11 of the Enabling Act with respect

to the Local Aid Distributions of the Borrower and, as applicable, any Participating Member thereof and any parent governmental unit of the Borrower and any such Participating Member;

(ii) if any payments of principal of or interest on the Loan or any Interim Loan shall be due and unpaid under the Financing Agreement, the Trust may apply to such default any or all undisbursed amounts allocable to the Loan, the Interim Loan, if any, or any other loan or interim loan made by the Trust to the Borrower; or

(iii) by notice to the Borrower the Trust may declare the principal of the Loan and any Interim Loan and all payments on account of principal or interest payable thereon, and the corresponding principal amount of the Local Governmental Obligations, to be immediately due and payable and, upon such declaration, the Principal Obligation, principal of any Interim Loan and all interest, if any, accrued thereon shall be and become immediately due and payable, anything herein or in the Local Governmental Obligations, or other evidence of indebtedness, to the contrary notwithstanding.

(c) If an Event of Default specified in clause (viii) of subsection 9(a) shall occur and be continuing, the Trust shall, if directed by the Department, exercise on behalf of the Department any and all remedies available to the Department upon a Default under the applicable Project Regulatory Agreement.

(d) Notwithstanding anything herein to the contrary, if any Event of Default under the Financing Agreement or in any Additional Security shall occur and be continuing, the Trust may proceed to protect its rights under the Financing Agreement, and may seek to compel compliance by the Borrower with the terms and provisions hereof and of the Local Governmental Obligations, or other evidence of indebtedness and of any Additional Security, by suit or suits in equity or at law, for the specific performance of any covenant, term or condition hereof or thereof, or in aid of the execution of any power granted herein or therein, and, except as herein limited, may exercise any other right or remedy upon such default as may be granted to the Trust under the Additional Security, if any, or under the Enabling Act, the Applicable Authority, or under any other applicable provision of law.

(e) During the continuance of an Event of Default, the Trust shall apply all amounts received upon the exercise of its rights and remedies under the Financing Agreement as follows and in the following order:

(i) to the payment of the reasonable and proper charges (including attorneys' fees) of the Trust and the Department incurred in the exercise of any right or remedy under the Financing Agreement or under any Project Regulatory Agreement;

(ii) to the payment and satisfaction of all interest then due and unpaid under the Financing Agreement upon any defaulted Payments as provided in Section 4(b) hereof and any defaulted payments of interest (if any) on any Interim Loan;

(iii) to the payment and satisfaction of all Payments then due and unpaid under the Financing Agreement, as such Payments may be adjusted as provided in Section 4 hereof, and to the payment and satisfaction of all payments on account of principal and

interest, if any, on any Interim Loan then due and unpaid under the Financing Agreement and, in either case, if the amount available is not sufficient to pay such payments then due and payable, *first* to the payment of the portion of such payments due and unpaid representing interest and *second* to the portion of such payments due and unpaid representing the principal and, in either case, ratably in order of the due dates thereof;

(iv) to the reimbursement to the applicable account of any amounts withdrawn therefrom as provided in clause (ii) of subsection 9(b);

(v) *first*, to the payment and satisfaction of all interest then due and unpaid under the Financing Agreement upon any due and unpaid Administrative Fees as provided in Section 4(b) hereof, and, *second*, to the payment and satisfaction of all Administrative Fees then due and unpaid under the Financing Agreement; and

(vi) *first*, to the payment and satisfaction of all interest then due and unpaid under the Financing Agreement upon any due and unpaid Origination Fee as provided in Section 4(b) hereof, and, *second*, to the payment and satisfaction of the Origination Fee or the portion thereof then due and unpaid under the Financing Agreement.

(f) No remedy conferred upon or reserved to the Trust is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Financing Agreement or in any Additional Security or now or hereafter existing at law or in equity. No delay or omission to exercise any right, remedy or power accruing upon any Event of Default shall impair any such right, remedy or power or shall be construed to be a waiver thereof, but any such right, remedy or power may be exercised from time to time and as often as may be deemed expedient.

Section 10. Interim Financing; Principal Forgiveness.

(a) Subject to the availability to the Trust of moneys for such purpose and the provisions of Section 3(a) hereto, if the Closing Date is more than forty five (45) days subsequent to the date of execution and delivery of the Financing Agreement by the Trust, the Trust (upon not less than ten (10) Business Days prior notice from the Borrower) agrees to provide interim financing (an “Interim Loan”) to the Borrower to pay or provide for all or any part of the eligible Costs of any Project (i) incurred by the Borrower on and after the date of execution and delivery by the Borrower of the Financing Agreement or (ii) incurred by the Borrower prior to the date of its execution and delivery of the Financing Agreement and either (x) paid by the Borrower from the proceeds of notes or other obligations issued by the Borrower in anticipation of the Loan, or (y) paid by the Borrower from other moneys available to the Borrower under a valid declaration of official intent to reimburse such payment from the proceeds of the Loan. The Interim Loan shall be evidenced by a note (the “Interim Loan Note”) issued by the Borrower to the Trust pursuant to the Applicable Authority in form and substance satisfactory to the Trust and otherwise as hereinafter provided.

(b) The Interim Loan Note shall be dated the date of its execution and delivery by the Borrower, shall mature and be payable on the Closing Date (subject to renewal at the option of the Trust to one or more dates not later than three (3) years subsequent to such date of execution and

delivery or, if later, the expected completion date of the applicable Projects as determined by the Department), shall be in principal amount equal to the aggregate amount of proceeds thereof from time to time disbursed to or for the account of the Borrower and shall be in such maximum aggregate principal amount as shall be requested by the Borrower not exceeding the lesser of (i) the aggregate eligible Costs of each Project which have been or are expected to be expended at or prior to the maturity date of the Interim Loan Note (as set forth in the applicable Project Regulatory Agreement) and (ii) the Initial Obligation Amount set forth in Schedule C of the Financing Agreement (or such lesser amount as shall equal the total eligible Costs of the Projects approved by the Department at the date of the Interim Loan Note). The principal amount of the Interim Loan Note from time to time outstanding shall bear interest from the date or dates of disbursement thereof to or for the account of the Borrower until repaid at the Interim Loan Interest Rate set forth in Schedule A of the Financing Agreement, calculated on the basis of actual days and a 365/366 day year, payable at maturity.

(c) Upon execution and delivery by the Borrower of the Interim Loan Note, the Trust shall, subject to the availability to the Trust of moneys for such purpose, disburse amounts (representing proceeds of the Interim Loan) pursuant to requisitions for payment or reimbursement of Costs of the applicable Project submitted to the Trust by the Borrower. For purposes of this Section 10, all provisions of Section 7(a), (c) and (e) hereof applicable to the Project Account and the requisition and disbursement therefrom of proceeds of the Loan, shall be equally applicable (to the extent not inconsistent herewith) to the requisition and disbursement of proceeds of the Interim Loan. Notwithstanding the foregoing, as more fully described in Section 4(c) and (d), the Borrower acknowledges that the Department, in the exercise of its rights under the Project Regulatory Agreement, may reclassify certain Project Costs as ineligible and/or terminate the Project Regulatory Agreement and in such events the Trust may have no further obligation to disburse proceeds of the Interim Loan and the Borrower may be obligated to repay all or a portion of disbursements previously made.

(d) Notwithstanding anything herein to the contrary, the obligation of the Trust to make and fund the Interim Loan is expressly conditional upon the receipt by the Trust of the following, each in form and substance satisfactory to the Trust:

(i) A certificate or certificates of Authorized Officers of the Borrower as to the due authorization, execution, delivery and adoption, as applicable, of the Financing Agreement, any Additional Security, the Project Regulatory Agreement and the Interim Loan Note, and confirming as of the date of execution and delivery of the Interim Loan Note the representations and warranties of the Borrower in Section 2 hereof applicable to the Interim Loan, and to the further effect that (x) none of the foregoing instruments have been amended or supplemented since their date (except such amendments or supplements which have been approved by the Trust or the Department, as applicable, or which under the terms of the applicable instrument may be executed and delivered or adopted by the Borrower without the consent of the Trust or the Department) or repealed and that each such instrument remains in full force and effect as of such date, and (y) as of such date, no Event of Default or Default, as applicable, and no event which with the passage of time or the giving of notice may become or may be declared to be an Event of Default or a Default, shall have happened and shall be continuing under the Financing Agreement or any Project Regulatory Agreement;

(ii) The Interim Loan Note duly executed by Authorized Officers of the Borrower;

(iii) An opinion of Local Bond Counsel to the effect that the Financing Agreement, each Project Regulatory Agreement, any Additional Security, and the Interim Loan Note have been duly authorized, executed and delivered by the Borrower in accordance with the Applicable Authority and each constitutes a valid and binding obligation of the Borrower enforceable in accordance with its terms and the terms of the Enabling Act and the Applicable Authority; the Interim Loan Note has been duly and validly executed by or on behalf of the Borrower and delivered to or upon the order of the Trust in accordance with the Financing Agreement and the Applicable Authority; and the Interim Loan Note constitutes (1) a valid and binding general obligation of the Borrower enforceable in accordance with its terms and payable as to principal, premium, if any, and interest (to the extent not paid from other sources) from (a) taxes which may be levied upon all taxable property within the territorial boundaries of the Borrower, subject only to the limit imposed by Chapter 59, Section 21C of the General Laws of the Commonwealth to the extent applicable to the Interim Loan Note, provided that taxes levied on certain taxable property located within a development district, if any, established by the Borrower pursuant to Chapter 40Q of the General Laws may be restricted and unavailable to pay debt service on the Interim Loan Note or (b) sums which may be annually apportioned and assessed by the Borrower on its Participating Members pursuant to the Applicable Authority, or (2) a general or special obligation of the Borrower (as provided in any Additional Security) payable from any Additional Security and any other moneys, funds and accounts provided in the Financing Agreement and secured by a valid pledge of and lien on and perfected security interest in any such Additional Security (in rendering the foregoing opinion, such counsel may take an exception on account of bankruptcy, insolvency and other laws affecting creditors' rights generally and to the exercise of judicial discretion in accordance with general equitable principles); and

(iv) An Interim Loan Origination Fee, in an amount equal to one-tenth of one percent (.1%) of the maximum aggregate principal amount of the Interim Loan Note, but not less than \$500 or more than \$1,000, as stated in Schedule A.

(e) *Principal Forgiveness*. Schedule B contains or will contain the provisions related to any principal forgiveness for which Loan and the Interim Loan qualifies (if any). Except as described in Schedule B, principal forgiveness will be applied to reduce or retire the Interim Loan Note upon completion of the Project. Notwithstanding anything herein to the contrary, Schedule B may be amended by the Trust from time to time upon notice to the Borrower (i) to reflect any change to the amount, if any, of principal forgiveness expected to be applied to the Loan or the Interim Loan, (ii) to comply with any additional conditions or restrictions applicable to the Trust and/or the Borrower resulting from the source(s) of funds used by the Trust to provide such principal forgiveness and (iii) to make such other changes as the Trust, in its sole reasonable discretion, deems advisable to permit the orderly administration of principal forgiveness.

Section 11. Assignment, Transfer and Exchange.

(a) The Borrower acknowledges that the Trust may pledge and assign the Financing Agreement or all or part of its rights under the Financing Agreement, and the right, title and interest of the Trust in and to all or part of the Loan, the Local Governmental Obligations and Payments thereunder and under the Financing Agreement or any Additional Security to the Master Trustee in accordance with the Master Trust Agreement and in connection with any such assignment may transfer to the Master Trustee the Loan, the Local Governmental Obligations and any or all Payments and the Local Governmental Obligations attributable thereto, and the Borrower by its execution and delivery of the Financing Agreement expressly consents to any such assignment and transfer.

(b) In connection with any assignment by the Trust provided herein, the Borrower further agrees to deliver the Local Governmental Obligations, or other evidence of indebtedness, to the Trust on the Closing Date, or on any date thereafter when the Local Governmental Obligations, or other evidence of indebtedness, may be assigned, exchanged or transferred in accordance with its terms and the terms of the Financing Agreement, in such denominations, registered to such owners, in one or more series, and otherwise in such form and tenor as the Trust may request to evidence the Loan made, and the Payments payable, under the Financing Agreement, separately or as a whole, or in part one or in part the other, or in any combination thereof, provided that the aggregate principal amount payable on the Local Governmental Obligations, or other evidence of indebtedness, shall not exceed the Principal Obligation payable under the Financing Agreement on the Loan plus interest, if any, accrued and to accrue thereon as provided therein and herein.

(c) Except as hereinabove provided, so long as any Event of Default shall not have occurred under the Financing Agreement and be continuing, the Trust shall not assign the Financing Agreement or the Loan made hereby, or transfer or sell the Local Governmental Obligations, without the prior written approval of the Borrower.

(d) The Borrower may not assign the Financing Agreement or the Loan or the Local Governmental Obligations, or any of its rights or obligations under the Financing Agreement or hereunder, without the express prior written consent of the Trust.

Section 12. Action by Parties. Where the Financing Agreement shall provide for any direction, consent, approval or other action to be taken or made by the Borrower, the Trust or the Department hereunder or under the Financing Agreement, such direction, consent, approval or other action shall be sufficiently taken or made for all purposes of the Financing Agreement if taken or made by Authorized Officers of the Borrower, the Trust or the Department, as the case may be.

Section 13. Notices. All notices, consents, certificates and other communications under the Financing Agreement shall be sufficiently given when delivered by hand or courier or sent by signed electronic mail or registered or certified mail, postage prepaid, addressed to the Addresses for Notice set forth in Schedule A of the Financing Agreement or to such further or different address as any of the parties to the Financing Agreement or the Department may designate in writing to the other notice parties indicated in said Schedule A.

Section 14. Severability. In the event any provision of the Financing Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 15. No Right of Set-Off. By their execution and delivery of the Financing Agreement, the Trust and the Borrower agree that, except as otherwise provided in the Financing Agreement, neither the Trust nor the Borrower shall have any right to set-off and apply any amount at any time held, and other indebtedness at any time owing, by the Trust to or for the account of the Borrower, or by the Borrower to or for the account of the Trust, as applicable, against any and all of the obligations of the Borrower or the Trust, as applicable, now or hereinafter existing on the Local Governmental Obligations, or other evidence of indebtedness, or otherwise under the Financing Agreement.

Section 16. Amendment of Financing Agreement and Other Instruments. Except as expressly provided herein or in the Financing Agreement with respect to the amendment of Schedule A, Schedule B, Schedule C and Schedule D of the Financing Agreement, the Financing Agreement and the Local Governmental Obligations, or other evidence of indebtedness, may not be amended, modified or changed in any respect except in writing signed by the parties to the Financing Agreement. No such amendment, modification or change of the Financing Agreement which, in the reasonable opinion of the Department (expressed in a certificate of an Authorized Officer of the Department delivered to the Trust prior to the execution and delivery of such amendment, modification and change by the Trust), materially and adversely affects the rights and obligations of the Department under any Project Regulatory Agreement, shall be effective until the Department shall have consented in writing thereto. The Trust shall deliver a copy of any such proposed amendment, modification or change of the Financing Agreement to the Department at least ten (10) days prior to the execution and delivery thereof by the Trust.

Section 17. Term.

(a) The term of the Financing Agreement shall be from the date of execution and delivery thereof by the parties to the Financing Agreement until all payments on account of principal of and interest on the Loan and any Interim Loan, all Administrative Fees and the Origination Fee payable under the Financing Agreement shall have been paid in full or provision for the payment thereof shall have been duly provided for in accordance with this Section 17.

(b) Notwithstanding anything in subsection 17(a) to the contrary, prior to the payment of all payments on account of principal of and interest on the Loan and any Interim Loan payable under the Financing Agreement at the times and in the manner provided herein, the Borrower may defease its obligations under the Financing Agreement and under the Local Governmental Obligations, or other evidence of indebtedness, and upon such defeasance shall be discharged from its obligations, covenants and agreements under the Financing Agreement and under the Local Governmental Obligations, or other evidence of indebtedness, if the Borrower shall deposit with the Trust (in the case of payments related to any Interim Loan) or the Master Trustee for the account of the Trust (in the case of Payments related to the Loan) either moneys in an amount sufficient, or Defeasance Obligations (as defined in the Master Trust Agreement), the principal installments of and/or interest on which when due, without reinvestment, will provide moneys which, together with the moneys, if any, deposited with the Trust or the Master Trustee, as the case

may be, at the same time, will be sufficient, to pay (i) all payments on account of principal of and interest on the Loan and any Interim Loan payable under the Financing Agreement at the times and in the amounts provided herein on the scheduled Payment Dates therefor, (ii) all Administrative Fees payable to the Trust under the Financing Agreement accrued to such date of deposit, (iii) the Origination Fee or any portion thereof that has not previously been paid to the Trust and (iv) any and all other amounts incurred or reasonably expected to be incurred by the Trust in effecting such defeasance.

Section 18. Financing Loans with Proceeds of Bonds, Pledging Loans to Bonds; Additional Borrower Requirements. Notwithstanding anything in Section 10 hereof to the contrary, at the sole option of the Trust, upon not less than ten (10) days' prior notice to the Borrower, the Trust may finance any Loan with proceeds of Bonds issued by the Trust and pledge such Loan as security for such Bonds, provided that no such pledge and financing shall increase or otherwise adversely affect the obligations of the Borrower by changing the payment terms of the Loan or the interest thereon or the security therefor, without the prior written consent of the Borrower. Upon such a pledge and financing of a Loan by the Trust a Borrower may have to comply with certain additional requirements, including, without limitation:

- (i) to update its Loan Questionnaire by completing and signing a Verification Form;
- (ii) to sign such other documents as determined by bond counsel for such Bonds to be necessary and appropriate; and
- (iii) to make such certifications as determined by bond counsel for such Bonds to be necessary and appropriate, including: (1) that it will not take, or permit to be taken, any action or actions that would cause any Bond, to which a Loan or a Local Governmental Obligation is pledged, to be an "arbitrage bond" within the meaning of Section 148 of the Code or a "private activity bond" within the meaning of Section 141(a) of the Code or that would cause any such Bond to be "federally guaranteed" within the meaning of Section 149(b) of the Code, or that would otherwise cause any amounts payable with respect to such Bonds to become included in the gross income of a holder of such Bonds for federal income tax purposes; and (2) that it will take all actions, maintain all records and accounts, and make all reports requested by the Trust or required by any provision of applicable law or the Project Regulatory Agreement, necessary to comply with, or necessary to permit the Trust to comply with, the provisions of Section 148(f) of the Code.

Section 19. Execution in Counterparts; Electronic Signatures. The Financing Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. Electronic signatures shall be deemed original signatures for purposes of the Financing Agreement and all matters related thereto, with such electronic signatures having the same legal effect as original signatures. The parties to the Financing Agreement agree that the Financing Agreement, any amendment thereto or any other document necessary for the consummation of the transaction contemplated by the Financing Agreement may be accepted, executed or agreed to through the use of an electronic signature in accordance with applicable law and as so accepted, executed or agreed, will be binding on all parties to the Financing Agreement.

Section 20. Applicable Law. The Financing Agreement, including these Terms and Conditions and all schedules to the Financing Agreement, shall be governed by and construed in accordance with the laws of the Commonwealth.

Section 21. Further Assurances. The Borrower shall, at the request of the Trust, authorize, execute, acknowledge and deliver such further resolutions, conveyances, transfers, assurances and other instruments as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, covenants and agreements granted or made or intended to be granted or made by the Financing Agreement and the Local Governmental Obligations, or other evidence of indebtedness.

Section 22. Prior Financing Agreements. Except as otherwise provided herein, the Financing Agreement merges and supersedes all prior negotiations, representations, and agreements between the parties relating to the subject matter of the financing of the Project and the Financing Agreement, including these Terms and Conditions and constitutes the entire agreement between the parties in respect to the Financing Agreement and hereof.

CROSS-CUTTING FEDERAL AUTHORITIES

The following list of cross-cutting federal authorities is provided for reference only; additional applicable federal cross-cutting authorities may exist. While the Super-Cross Cutters apply in all circumstances, certain of the Other Cross-Cutting Authorities listed may not apply in all circumstances.

Super Cross-Cutters

- Civil Rights Act of 1964, as amended, 42 U.S.C. 2000d *et seq.*
- Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794
- The Age Discrimination Act of 1975, as amended, 42 U.S.C. 6102
- Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Pub. L. 95-500

Other Cross-Cutting Authorities

- Archeological and Historic Preservation Act, 54 U.S.C. 312502
- Clean Air Act, 42 U.S.C. 7506(c)
- Coastal Barriers Resources Act, 16 U.S.C. 3501 *et seq.*
- Coastal Zone Management Act of 1972, 16 U.S.C. 1451 *et seq.*
- Endangered Species Act of 1973, 16 U.S.C. 1531 *et seq.*
- Farmland Protection Policy Act, 7 U.S.C. 4201 *et seq.*
- Fish and Wildlife Coordination Act, 16 U.S.C. 661 *et seq.*
- Magnuson-Stevens Fishery Conservation and Management Act, 16 U.S.C. 1801 *et seq.*
- Marine Mammal Protection Act of 1972, Pub. L. 92-522.
- Migratory Bird Treaty Act, 16 U.S.C. 703 *et seq.*
- National Historic Preservation Act, 54 U.S.C. 300101 *et seq.*
- Executive Order 11990 (1977) – *Protection of Wetlands*
- Safe Drinking Water Act, 42 U.S.C. 300f *et seq.*
- Wild and Scenic Rivers Act, 16 U.S.C. 1271 *et seq.*
- Executive Order 11593 (1971) – *Protection and Enhancement of the Cultural Environment*
- Native American Graves Protection and Repatriation Act, 25 U.S.C. 32

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SCHEDULE D
(Buy America, Build America Provisions)

In connection with the Financing Agreement to which this Schedule D is attached, the Trust and the Borrower agree to the following amendments to the Terms and Conditions:

Section 8(k) of the Terms and Conditions shall be amended and restated as follows:

(k) The Borrower acknowledges that by accepting the Loan or any Interim Loan the Project shall be subject to the Build America, Buy America Requirements (defined below). The Borrower shall: (1) comply with all federal requirements applicable to the assistance received (including those imposed by the Infrastructure Investment and Jobs Act (“IIJA”), Public Law No. 117-58) which the Borrower understands includes, but is not limited to, the following requirements: that all of the iron and steel, manufactured products, and construction materials used in the Project are to be produced in the United States (“Build America, Buy America Requirements”) unless (i) the Borrower has requested and obtained a waiver from the cognizant Federal agency pertaining to the Project (i.e. the Federal agency contributing the greatest amount of Federal funds to the Project) or the Project is otherwise covered by a general applicability waiver or (ii) the EPA and all of the contributing Federal agencies (if any) have otherwise advised the Borrower in writing that the Build America, Buy America Requirements are not applicable to the Project; and (2) comply with all record keeping and reporting requirements under all applicable legal authorities, including any reports required by the funding authority (such as EPA and/or the Commonwealth), such as performance indicators of program deliverables, information on costs and project progress. The Borrower understands that (x) each contract and subcontract related to the Project is subject to audit by appropriate federal and Commonwealth entities and (y) failure to comply with the applicable legal requirements and this Agreement may result in a default hereunder that results in a repayment of the assistance agreement in advance of the maturity of the Loan or any Interim Loan, termination and/or repayment of other types of financial assistance, and/or other remedial actions. To the extent the Project is subject to the Build America, Buy America Requirements, the Borrower acknowledges and agrees that each construction contract related to the Project shall contain a clause requiring compliance with such requirements, substantially as follows:

“The [Contractor] acknowledges to and for the benefit of [Borrower] (“Owner”) and the Massachusetts Clean Water Trust (the “Funding Authority”) that it understands the goods and services under this [Agreement] are being funded with federal monies and have statutory requirements commonly known as “Build America, Buy America” that requires all of the iron and steel, manufactured products, and construction materials used in the project to be produced in the United States (“Build America, Buy America Requirements”) including iron and steel, manufactured products, and construction materials provided by the Contactor pursuant to this [Agreement]. The Contractor hereby represents and warrants to and for the benefit of the Owner and Funding Authority (a) the Contractor has reviewed and understands the Build America, Buy America Requirements, (b) all of the iron and steel, manufactured products,

Schedule D
(Buy America, Build America Provisions)

and construction materials used in the project will be and/or have been produced in the United States in a manner that complies with the Build America, Buy America Requirements, unless a waiver of the requirements is approved, and (c) the Contractor will provide any further verified information, certification or assurance of compliance with this paragraph, or information necessary to support a waiver of the Build America, Buy America Requirements, as may be requested by the Owner or the Funding Authority. Notwithstanding any other provision of this [Agreement], any failure to comply with this paragraph by the Contractor shall permit the Owner or Funding Authority to recover as damages against the Contractor any loss, expense, or cost (including without limitation attorney's fees) incurred by the Owner or Funding Authority resulting from any such failure (including without limitation any impairment or loss of funding, whether in whole or in part, from the Funding Authority or any damages owed to the Funding Authority by the Owner). If the Contractor has no direct contractual privity with the Funding Authority, as a lender or awardee to the Owner for the funding of its project, the Owner and the Contractor agree that the Funding Authority is a third-party beneficiary and neither this paragraph (nor any other provision of this [Agreement] necessary to give this paragraph force or effect) shall be amended or waived without the prior written consent of the Funding Authority."

TERMS AND CONDITIONS
TO THE
MASSACHUSETTS CLEAN WATER TRUST
FINANCING AGREEMENT

The following Terms and Conditions are a part of and incorporated into each Financing Agreement (“Financing Agreement”) entered into by and between the Massachusetts Clean Water Trust (together with its successors and assigns, the “Trust”) and each Borrower pursuant to which the Trust provides financial assistance.

Section 1. Definitions. All capitalized, undefined terms used in these Terms and Conditions and in the Financing Agreement shall have the same meanings given such terms in Section 1 of the Enabling Act and words importing the singular number shall include the plural number and vice versa. In addition, the following words and phrases shall have the following meanings:

“Additional Security” means any additional or special security for the Loan made by the Trust, and any moneys, revenues, property, or rights pledged, transferred, or otherwise made available to secure repayment of such Loan, including any security agreement, resolution, indenture, trust agreement, pledge, deed, mortgage, or other instrument of security, all as described in Schedule D of the Financing Agreement;

“Administrative Fee” means the fee for the administrative expenses of the Trust relating to the Loan made by the Trust calculated as set forth in Schedule A of the Financing Agreement and payable on the Repayment Dates and in the amounts set forth in Schedule C of the Financing Agreement (as such schedule may be amended from time to time in accordance herewith);

“Applicable Authority” means the general or special laws of the Commonwealth or other governing instrument of the Borrower, identified in Schedule A of the Financing Agreement;

“Application” means an application submitted by the Borrower to the Trust and the Department for financial assistance for all or any part of the Costs of the Project, as more fully described in the related Project Approval Certificate;

“Authorized Officer” means the officer or officers of the Borrower, the Trust or the Department, as the case may be, identified in Schedule A of the Financing Agreement;

“Bonds” means the bonds, if any, issued by the Trust that fund or are secured, in part, by the Loan made by the Trust and payments to be made by the Borrower under the Financing Agreement, all as more fully described in the Master Trust Agreement and the applicable Supplemental Master Trust Agreement;

“Borrower” has the meaning given such term in the Financing Agreement.

“Business Day” means any day other than a Saturday, a Sunday or any other day on which banks doing business in the Commonwealth are authorized or required to be closed for business;

“Closing Date” is the closing date for the Loan as described in in Section 6 hereof;

“Code” means the Internal Revenue Code of 1986, as amended, and all Treasury Regulations promulgated thereunder to the extent applicable to the Loan or the Bonds;

“Commonwealth” has the meaning given such term in the Financing Agreement.

“Continuing Disclosure Agreement” means the agreement, if any, between the Borrower and the Trust or, as applicable, the trustee under any Borrower’s bond resolution or trust agreement, as it may be amended from time to time, under which the Borrower agrees for the benefit of the owners of the Bonds to provide annual reports and notices of certain events in order to assist the underwriters of the Bonds to comply with the provisions of Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended;

“Department” means the Department of Environmental Protection of the Commonwealth, or any body, agency, officer, or other instrumentality of the Commonwealth that shall hereafter succeed to the powers, duties, and functions of the Department as they relate to the purposes of the Trust under the Enabling Act;

“DEP Regulations” means the regulations of the Department applicable to the Program appearing in 310 CMR 44.00 or 310 CMR 45.00, as applicable, in each case as such regulations may be amended from time to time;

“Discount Rate” means a rate of interest equal to the “Bond Buyer 20 Bond Index” rate on the date of the Department’s determination that certain costs of the Project are ineligible for financial assistance, pursuant to section 4(c) hereof;

“Drinking Water Revolving Fund” means the fund established and set up on the books of the Commonwealth in accordance with Section 2QQ of Chapter 29 of the General Laws of the Commonwealth;

“Eligible Borrower” has the meaning given such term in the Enabling Act;

“Enabling Act” means Chapter 29C of the General Laws, as amended from time to time, under which the Trust is organized and established for the purpose of assisting Eligible Borrowers in the Commonwealth to initiate, acquire, construct, improve, maintain and operate Water Pollution Abatement Projects and Drinking Water Projects;

“EPA” means the United States Environmental Protection Agency;

“Event of Default” means any of the events or circumstances specified in Section 9(a) hereof;

“Federal Act” means, as applicable, (i) Title VI of the Federal Water Pollution Control Act (Pub. L. 92-500, commonly known as the Clean Water Act), as amended by the Federal Clean Water Act of 1987 (Pub. L. 100-4), as the same may be further amended from time to time, and all regulations of the EPA applicable thereto as amended from time to time; or (ii) Title XIV of the Federal Public Health Service Act (commonly known as the Safe Drinking Water Act), as amended by the Safe Drinking Water Act Amendments of 1996 (Pub. L. 104-182), as the same may be further amended from time to time, and all regulations of the EPA applicable thereto as amended from time to time;

“Federal Capitalization Grant” means amounts provided to the Trust under one or more agreements between the Trust and the United States of America acting by and through the EPA to be applied in accordance with the applicable Federal Act to fund Loans made by the Trust:

“Financing Documents” means, collectively, the Financing Agreement, each related Project Regulatory Agreement, the Local Governmental Obligations or other evidence of indebtedness, the Interim Loan Note, if any, and every other document executed by the Borrower and delivered to the Trust in connection with the Loan or any Interim Loan and any Additional Security therefor.

“Fiscal Year” means the period beginning on July 1 in any year and ending on June 30 in the next succeeding year;

“Initial Obligation Amount” means the amount set forth as the Initial Obligation Amount in Schedule C to the Financing Agreement;

“Interest Rate” means the rate so designated and set forth in Schedule A of the Financing Agreement;

“Interim Loan” shall have the meaning given such term in Section 10 hereof;

“Interim Loan Interest Rate” means the rate, if any, so designated and set forth in Schedule A of the Financing Agreement;

“Interim Loan Note” shall have the meaning given such term in Section 10 hereof;

“Iron and Steel Products” means the following products made primarily of iron or Steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural Steel, reinforced precast concrete, and construction materials;

“Loan” has the meaning given such term in the Financing Agreement;

“Local Bond Counsel” means an attorney or firm of attorneys (who may be counsel to any party under the Financing Agreement) of nationally recognized standing in connection with the issuance of obligations similar to the Local Governmental Obligations, selected by the Borrower and satisfactory to the Trust;

“Local Governmental Obligations” has the meaning given such term in the Financing Agreement;

“Master Trust Agreement” means the Master Trustee Agreement dated as of January 1, 2015 between the Trust and U.S. Bank National Association, as Master Trustee (the “Master Trustee”), as amended;

“Origination Fee” means the fee for the expenses of the Trust relating to the origination of the Loan made by the Trust, payable in the amount and on the Payment Date set forth in Schedule C of the Financing Agreement (as such schedule may be amended from time to time in accordance herewith);

“Payment Dates” means January 15 and July 15 of each year (commencing on the first such date indicated on Schedule C of the Financing Agreement) or, if any such day is not a Business Day, the next succeeding Business Day;

“Payments” means the payments to be made by the Borrower in repayment of the Loan and the interest, if any, payable thereon, which payments shall be made on the Payment Dates and in the amounts set forth in Schedule C of the Financing Agreement (as such schedule may be amended from time to time in accordance herewith);

“Participating Members” means all cities, towns, districts, commissions or other political subdivisions or instrumentalities of the Commonwealth, if any, which are members of the Borrower or which, by law, contract or otherwise, are service recipients of a System;

“Prepayments” means all payments made by or for the account of the Borrower which reduce or eliminate the principal balance due on the Loan by reason of the prepayment of all or any part of the principal prior to the due date thereof;

“Principal Obligation” means, at any time of calculation, the aggregate unpaid principal amount of the Loan, which shall equal the Initial Obligation Amount less all Payments and all Prepayments on account of the principal amount thereof then or theretofore made or provided for by or for the account of the Borrower and received by or for the account of the Trust;

“Program” means the financial assistance program of the Trust established pursuant to the Enabling Act as more fully described in the Master Trust Agreement;

“Project” means each of the Water Pollution Abatement (including, without limitation, any Title 5 Project) or Drinking Water Projects of the Borrower identified in Schedule A of the Financing Agreement and more fully described in the applicable Project Approval Certificate, as the same may be amended from time to time as provided in the related Project Regulatory Agreement;

“Project Account” means the portion allocable to the Project of the Project Fund established pursuant to the Master Trust Agreement;

“Project Approval Certificate” means a certificate issued by the Department in accordance with the Enabling Act and the DEP Regulations approving a Project and the costs thereof to be

financed or refinanced by the Loan, as more fully described in Schedule A of the Financing Agreement;

“Project Completion Certificate” means the Project Completion Certificate delivered by the Borrower pursuant to the applicable Project Regulatory Agreement;

“Project Cost” or “Costs” means any cost of a Project approved by the Department pursuant to the Enabling Act, the applicable Federal Act and/or the DEP Regulations for payment or reimbursement from proceeds of the Loan or an Interim Loan, as applicable, as more fully described in the applicable Project Regulatory Agreement;

“Project Regulatory Agreement” means an agreement between the Department and an Eligible Borrower, executed and delivered to the Trust by such Borrower concurrently with the execution and delivery of the Financing Agreement associated with a Loan made to finance a Project approved by the Department; that contains provisions relating to the Department’s regulation and supervision of the Project in accordance with 301 CMR 45.00;

“Steel” means an alloy that includes at least fifty-percent (50%) iron, between two-hundredths percent (0.02%) and two percent (2%) carbon, and may include other elements;

“Supplemental Master Trust Agreement” means any of the supplements to the Master Trust Agreement providing for the issue of Bonds by the Trust;

“System” shall mean the water pollution abatement facilities or drinking water facilities under the control of the Borrower, as identified, if applicable, in Schedule A of the Financing Agreement, and all improvements and additions thereto including, without limitation, the Project;

“Title 5 Project” means a Project for which the Borrower has developed, or been requested by its Participating Members to administer, a community septic management program, constituting a Water Pollution Abatement Project within the meaning of the Enabling Act, to assist eligible homeowners to upgrade failing septic systems and otherwise to comply with the requirements of 310 CMR 15.00 *et seq.* (“Title 5”) through underlying betterment agreements with such homeowners; and

“Water Pollution Abatement Revolving Fund” means the fund established and set up on the books of the Commonwealth in accordance with Section 2L of Chapter 29 of the General Laws of the Commonwealth.

Section 2. Representations.

(a) The Borrower represents and warrants to the Trust as follows:

(i) The Borrower is a Local Governmental Unit or other Eligible Borrower, as defined in the Enabling Act, with full legal right and authority under the Enabling Act and the Applicable Authority to authorize, execute, and deliver the Financing Documents, to undertake each Project, to operate its System, if any, and to carry out and consummate all transactions contemplated by the foregoing;

(ii) The Borrower and, to the extent required by the Enabling Act or the Applicable Authority, each Participating Member thereof, if any, has duly and validly authorized the execution, delivery and adoption, as applicable, of the Financing Documents, and all approvals, consents, and other governmental or corporate proceedings necessary for the execution and delivery of any of the foregoing or required to make them the legally binding obligations of the Borrower that they purport to be, in accordance with their terms, have been obtained or made;

(iii) No action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, other than as disclosed to the Trust and the Department, is pending or, to the knowledge of the Authorized Officers of the Borrower executing the Financing Agreement, threatened (1) seeking to restrain or enjoin the execution, delivery and adoption, as applicable, of the Financing Documents, or the construction or operation of any Project or (2) contesting or affecting the validity of the Financing Documents, or the power of the Borrower and, to the extent provided by law, each Participating Member thereof, if any, to pledge and apply any revenues or to assess and collect, as applicable, betterments, taxes, rates and charges to pay such Payments and all other costs and expenses of any Project and the System, if any; and neither the corporate existence of the Borrower nor the title to office of any Authorized Officer of the Borrower executing the Financing Documents is being contested;

(iv) The authorization, execution, delivery and adoption, as applicable, of the Financing Documents, and performance of each thereof, will not constitute a breach of, or a default under, any law, ordinance, resolution, agreement, indenture or other instrument to which the Borrower is a party or by which it or any of its properties is bound; and

(v) The Financing Agreement, the Loan, the Interim Loan, if any, and any Additional Security are, and when executed and delivered the Local Governmental Obligations, or other evidence of indebtedness, if any, will be, (1) valid general obligations of the Borrower, for the payment of which its full faith and credit are and will be pledged, enforceable in accordance with their terms and the terms of the Enabling Act and the Applicable Authority, and payable as to principal, premium, if any, and interest (to the extent not paid from other sources) from (a) taxes which may be levied upon all taxable property within the territorial boundaries of the Borrower, subject only to the limit imposed by Chapter 59, Section 21C of the General Laws of the Commonwealth to the extent applicable to the Local Governmental Obligations, provided that taxes levied on certain taxable property located within a development district, if any, established by the Borrower pursuant to Chapter 40Q of the General Laws may be restricted and unavailable to pay debt service on the Local Governmental Obligations or (b) sums which may be annually apportioned and assessed by the Borrower on its Participating Members pursuant to the Applicable Authority, or (2) valid obligations of the Borrower, enforceable in accordance with their terms and the terms of the Enabling Act and the Applicable Authority, payable from any Additional Security and secured by a valid pledge of and lien on and perfected security interest in such Additional Security, all to the extent provided therein and in Schedule D to the Financing Agreement.

(b) The Trust represents and warrants to the Borrower as follows:

(i) The Trust has the full legal right and authority under the Enabling Act to authorize, execute and deliver the Financing Agreement;

(ii) The Trust has duly and validly authorized the execution of the Financing Agreement; and all approvals, consents, and governmental proceedings necessary to make the execution and delivery of the Financing Agreement the legally binding obligation of the Trust have been obtained or completed;

(iii) No action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body is pending or, to the knowledge of the Authorized Officers of the Trust executing the Financing Agreement, threatened seeking to restrain or enjoin the execution and delivery of the Financing Agreement, or contesting or affecting the validity thereof or hereof; and neither the existence of the Trust nor the title to office of any Trustee of the Trust or any Authorized Officer of the Trust executing the Financing Agreement is being contested;

(iv) The authorization, execution and delivery of the Financing Agreement, and performance thereof, will not constitute a breach of, or a default under, any law, resolution, agreement, indenture or other instrument to which the Trust is a party or by which it is bound; and

(v) The Financing Agreement is a valid obligation of the Trust, enforceable in accordance with its terms and the terms of the Enabling Act.

Section 3. The Loan.

(a) On the terms and conditions provided herein, in the Financing Agreement, and in the Project Regulatory Agreement, the Trust hereby agrees to make and disburse the Loan to the Borrower and the Borrower agrees to accept the Loan in an aggregate amount equal to the Initial Obligation Amount; provided, however, that if the Project Regulatory Agreement is revoked or otherwise terminated by the Department for any reason prior to the disbursement of proceeds of the Loan to the Borrower, then the obligation of the Trust to make and disburse the Loan to the Borrower, including without limitation the obligation of the Trust to make and disburse any Interim Loan, shall be null and void and the Financing Agreement shall terminate. For purposes of compliance with provisions of the applicable Federal Act restricting the use of moneys within the Water Pollution Abatement Revolving Fund and the Drinking Water Revolving Fund, any Local Governmental Obligations purchased to evidence the Borrower's repayment obligations under a Loan shall be deemed to be held for the credit of the Water Pollution Abatement Revolving Fund or Drinking Water Revolving Fund, as applicable.

(b) In addition to the conditions provided in Section 6 hereof, the Borrower acknowledges that the obligation of the Trust to make the Loan and to disburse the proceeds thereof to the Borrower in whole or in part as provided in Section 7 hereof is conditional upon the receipt by the Trust on or before such date of moneys available to the Trust for such purpose in amounts sufficient to fund the amount of the Loan to be disbursed on such date. Subject to compliance with the applicable Federal Act, the Enabling Act and the Master Trust Agreement, the Trust shall draw

upon and apply such lawfully available funds as promptly as practicable and as lawfully permitted and shall deposit or cause the Master Trustee to deposit the amounts so received or so much thereof as the Trust shall direct in the Project Accounts at the times and in the amounts directed by the Trust until the aggregate amount so deposited equals the Initial Obligation Amount (or such lesser amount). Amounts deposited in the Project Accounts shall be applied as provided herein and in the Master Trust Agreement.

(c) The Borrower agrees to issue and deliver the Local Governmental Obligations, or other evidence of indebtedness, to the Trust on the Closing Date in aggregate principal amount equal to the Initial Obligation Amount. Subject to Section 11 hereof, the Local Governmental Obligations, or other evidence of indebtedness, shall be issued in such form as shall be approved by the Trust and shall be payable on the Payment Dates and in the aggregate amounts as to principal and interest corresponding to the Payments required under the Financing Agreement. Except as otherwise provided in Section 4 hereof, the Principal Obligation, and the corresponding principal amount of the Local Governmental Obligations, or other evidence of indebtedness, shall mature and bear interest in the amounts for each Payment specified in Schedule C of the Financing Agreement.

(d) Each Payment made by or for the account of the Borrower under the Financing Agreement shall satisfy the corresponding obligation of the Borrower to pay the principal and interest, if any, then due on the Local Governmental Obligations, or other evidence of indebtedness, as the same becomes due on the applicable payment dates therefor, and each payment of principal and interest made by the Borrower on the Local Governmental Obligations, or other evidence of indebtedness, shall satisfy the obligation of the Borrower to pay the corresponding Payment on the Loan then due under the Financing Agreement.

Section 4. Payments.

(a) Except as otherwise provided in this Section 4, Payments on account of the Principal Obligation and interest thereon, if any, shall be payable by the Borrower, on the Payment Dates and in the amounts set forth in Schedule C of the Financing Agreement. In addition to such Payments, the Borrower shall pay to the Trust the Administrative Fee and the Origination Fee on the Payment Dates and in the amounts set forth in Schedule C of the Financing Agreement, which fees shall be subject to annual appropriation by the Borrower. The Trust and the Borrower acknowledge and agree that the schedule of Payments set forth in Schedule C of the Financing Agreement results in the Loan being the financial equivalent of a loan to the Borrower at an interest rate not in excess of two percent (2%) for a term of not in excess of 20 years.

(b) The Trust shall provide the Borrower with written notice of each Payment, Administrative Fee and the Origination Fee due under the Financing Agreement not less than ten (10) Business Days in advance of the applicable Payment Date (provided failure by the Trust to provide such notice or any defect therein shall not diminish the obligation of the Borrower to pay such Payment, Administrative Fee and the Origination Fee in the amounts and at the time provided herein). On or prior to each Payment Date, the Borrower shall pay to the Master Trustee for the account of the Trust, by wire transfer to such account or otherwise in such manner as the Trust may from time to time designate to the Borrower, (i) the Payment then due as set forth in Schedule C of the Financing Agreement, as such schedule may be amended from time to time as provided

in this Section 4, and (ii) the Administrative Fee due on such Payment Date set forth in said Schedule C and (iii) on the first Payment Date, the Origination Fee then due on the Loan set forth in said Schedule C. Except as otherwise provided in Section 9(e) hereof, all payments made by the Borrower under the Financing Agreement shall be applied, *first*, to the interest, if any, on the Loan then due and payable, *second*, to the principal amount of the Loan then due and payable, *third*, to the Administrative Fee then due and payable and, *fourth*, to the Origination Fee then due and payable. Any portion of a Payment or Administrative Fee or Origination Fee not paid in full when due shall bear interest under the Financing Agreement until paid at twelve percent (12%) per annum.

(c) The Borrower acknowledges that the Department, in the exercise of its audit procedures under each Project Regulatory Agreement, may reclassify certain Project Costs paid by the Trust from the Loan or Interim Loan, as ineligible for financial assistance under Section 6 of the Enabling Act. In such event, unless the Borrower shall elect to repay such amount as hereinafter provided, on and after the date of such determination by the Department, a portion of the Principal Obligation (determined on a Pro-Rata Basis as hereinafter defined), equal to the amount of such ineligible Project Costs, shall bear interest at the Discount Rate at the time of such determination. As used in this subsection (c), the term “Pro-Rata Basis” means the portion of each payment allocable to the principal amount of the Loan or Interim Loan, as applicable, payable under the Financing Agreement subsequent to the date of a determination by the Department as described in this subsection (c) as is equal, as nearly as practicable, to the ratio by which the amount of ineligible Project Costs paid by the Trust from the Loan or Interim Loan bears to the total Principal Obligation or total principal amount of the Interim Loan, as applicable, then outstanding. Upon any such occurrence the Trust shall recalculate the payments thereafter payable with respect to the Loan or Interim Loan, as applicable, shall certify such amounts to the Borrower and shall amend Schedule C of the Financing Agreement to reflect the increased payments thereafter payable under the Financing Agreement, and shall surrender the Local Governmental Obligations, Interim Loan Notes or other evidence of indebtedness, as applicable, to the Borrower in exchange for an amended or substitute instrument, reflecting such change in payments. Notwithstanding the foregoing, within thirty (30) Business Days of receipt by the Borrower from the Department or the Trust of written notice that an amount of Project Costs paid by the Trust from the Loan or Interim Loan has been determined by the Department pursuant to the applicable Project Regulatory Agreement to be ineligible for financial assistance under Section 6 of the Enabling Act, the Borrower may (and shall upon demand of the Department with respect to any such amount determined by the Department to be ineligible for funding under the applicable Federal Act) repay such amount to the Trust for redeposit in the applicable account, and the amount so repaid shall be deemed to not have been disbursed by the Trust from the Loan or Interim Loan Account for ineligible Project Costs for purposes of this subsection (c).

(d) The Borrower further acknowledges that the Department, in the exercise of its rights under the Project Regulatory Agreement, may terminate the Project Regulatory Agreement after disbursement of some or all of the amount of the Loan or Interim Loan to the Borrower. In such event, the obligation of the Trust to disburse additional amounts of the Loan or Interim Loan to the Borrower shall terminate and the Borrower shall repay to the Trust the amount theretofore disbursed within thirty (30) days of receipt by the Borrower from the Trust of written notice that the Project Regulatory Agreement has been terminated by the Department and, until so repaid,

such amount shall bear interest at the Interest Rate (if disbursed from the Loan) or Interim Loan Interest Rate, if any (if disbursed from the Interim Loan).

(e) Notwithstanding any provision of the Financing Agreement to the contrary, the Borrower and the Trust acknowledge and agree that Schedule C of the Financing Agreement incorporates a schedule of Payments calculated based on the assumption that the Closing Date will be the date indicated in Schedule AC of the Financing Agreement. If the Closing Date is different from the date indicated in said Schedule AC, the Trust will amend Schedule C to the Financing Agreement (and deliver to the Borrower a copy thereof together with the notice of change in the Closing Date the Trust is required to provide to the Borrower pursuant to Section 6(a) hereof) to adjust the Payments to take into account the actual Closing Date and the accrual of interest on the Loan from such date.

(f) Notwithstanding anything in the Financing Agreement or in the Project Regulatory Agreement to the contrary, all amounts received by the Borrower in payment or prepayment of the obligations of homeowners under the underlying betterment agreements made in connection with a Title 5 Project financed by a Loan or Interim Loan shall be applied by the Borrower either (i) to assist eligible homeowners to upgrade failing septic systems and otherwise to comply with Title 5 through additional betterment agreements with homeowners, or (ii) to pay or provide for all or a portion of the Payments due on the Loan, or payments of principal or interest due on the related Interim Loan, as the case may be, under the Financing Agreement.

Section 5. Prepayments.

(a) The Principal Obligation shall not be subject to prepayment at the option of the Borrower prior to maturity without the prior written consent of the Trust.

(b) The Principal Obligation, and the corresponding principal amount of the Loan, shall be subject to prepayment in part to the extent of any balance remaining in a Project Account upon the receipt by the Trust of the applicable Project Completion Certificate as provided in Section 7(d) hereof at a prepayment price equal to (i) the Principal Obligation so prepaid plus interest, if any, accrued thereon to the prepayment date, plus (ii) an amount equal to all costs of the Trust incurred in connection with such prepayment (including without limitation trustee's fees and expenses, reasonable attorney's fees, and costs, if any, of any corresponding redemption of Bonds, if applicable).

(c) The Principal Obligation, and the corresponding principal amount of the Loan, shall be subject to prepayment at the request of the Trust in whole or in part upon not less than thirty (30) days' notice to the Borrower to the extent of any balance remaining in a Project Account upon a date designated by the Trust, which date shall be not earlier than twenty (20) months or later than twenty-four (24) months following the Closing Date, at a prepayment price equal to the Principal Obligation so prepaid plus interest, if any, accrued thereon to the prepayment date. In the event that the Project is not yet complete due to extenuating circumstances, the Borrower may submit to the Trust a written request for extension providing a compelling and detailed description of all of the relevant facts and circumstances. The Trust may, in its sole and absolute discretion, provide an extension to a date not later than thirty-six (36) Months following the Closing Date.

(d) Unless the Trust shall otherwise agree, any balance in a Project Account, and any Prepayment under the Financing Agreement of less than all of the Principal Obligation, shall be applied pro rata to each scheduled Payment allocable to the principal of the Loan. Upon any prepayment of the Loan in part, the Trust shall amend the schedule of Payments set forth in Schedule C to the Financing Agreement to reflect such prepayment.

Section 6. Closing.

(a) In addition to the conditions provided in Section 3 of these Terms and Conditions, the obligation of the Trust to make and fund the Loan is expressly conditional upon the receipt by the Trust on or before the Closing Date (which date shall be the date set forth in Schedule ~~AC~~ of the Financing Agreement ~~or, as such earlier or later date as~~ Schedule C may be ~~designated~~ amended by the Trust prior to the closing of the Loan by written notice delivered to the Borrower not less than twenty (20) days prior to ~~such earlier date or, if the new Closing Date is to be a later date, not less than twenty (20) days prior to the date set forth in~~ listed on ~~Schedule A of the Financing Agreement~~ C, as so amended) of the following, each in form and substance satisfactory to the Trust:

(i) Copies, certified by an Authorized Officer of the Borrower, of all governmental or corporate proceedings of the Borrower authorizing the Loan and the issuance of the Local Governmental Obligations or other evidence of indebtedness and the execution and delivery or adoption, as applicable, of the Financing Documents;

(ii) A certificate or certificates of Authorized Officers of the Borrower confirming as of the Closing Date the representations and warranties of the Borrower in Section 2 hereof;

(iii) A certificate of Authorized Officers of the Borrower as to the due authorization, execution, delivery and adoption, as applicable, of the Financing Documents related to the Loan, and to the effect that (x) none of the foregoing instruments have been amended or supplemented since their date (except such amendments or supplements which have been approved by the Trust or the Department, as applicable, or which under the terms of the applicable instrument may be executed and delivered or adopted by the Borrower without the consent of the Trust or the Department) or repealed and that each such instrument remains in full force and effect as of the Closing Date, and (y) as of the Closing Date, no Event of Default or Default, as applicable, and no event which with the passage of time or the giving of notice may become or may be declared to be an Event of Default or a Default, shall have happened and shall be continuing under such Financing Documents;

(iv) An opinion of Local Bond Counsel to the effect that the Financing Documents related to the Loan, and the execution, delivery and adoption thereof, as applicable, have been duly authorized by the Borrower in accordance with the Applicable Authority; such Financing Agreement and each Project Regulatory Agreement and any Additional Security have been duly and validly executed and delivered by the Borrower, as applicable, and each constitutes a valid and binding obligation of the Borrower enforceable in accordance with its terms; the Local Governmental Obligations, or other evidence of indebtedness, and any Additional Security have been duly and validly executed

by or on behalf of the Borrower and delivered to or upon the order of the Trust in accordance with the Financing Agreement and the Applicable Authority; and the Local Governmental Obligations, or other evidence of indebtedness, and any Additional Security constitute, as applicable, (1) valid and binding general obligations of the Borrower enforceable in accordance with their terms and payable as to principal, premium, if any, and interest (to the extent not paid from other sources) from (a) taxes which may be levied upon all taxable property within the territorial boundaries of the Borrower, subject only to the limit imposed by Chapter 59, Section 21C of the General Laws of the Commonwealth to the extent applicable to the Local Governmental Obligations, provided that taxes levied on certain taxable property located within a development district, if any, established by the Borrower pursuant to Chapter 40Q of the General Laws may be restricted and unavailable to pay debt service on the Local Governmental Obligations or (b) sums which may be annually apportioned and assessed by the Borrower on its Participating Members pursuant to the Applicable Authority, or (2) valid and binding obligations of the Borrower enforceable in accordance with their terms and the terms of any Additional Security and entitled to the benefits thereof and the Applicable Authority (in rendering the foregoing opinion, such counsel may take an exception on account of bankruptcy, insolvency and other laws affecting creditors' rights generally and to the exercise of judicial discretion in accordance with general equitable principles);

(v) The Local Governmental Obligations, or other evidence of indebtedness, in such denominations and registered to such registered owners, as the Trust shall designate pursuant to Section 11 hereof;

(vi) To the extent required under Section 8(f) hereof, a Continuing Disclosure Agreement, duly executed by the Borrower, in form and substance satisfactory to the Trust; and

(vii) Such further instruments, certificates and opinions as the Trust or its counsel may reasonably request to confirm, as of the Closing Date, the truth and accuracy of the statements made herein and in each Application by the Borrower and compliance, as of the Closing Date, by the Borrower with the provisions hereof and of each Project Regulatory Agreement, the Enabling Act, the Applicable Authority, and the applicable Federal Act.

(b) In addition to any other conditions expressly provided herein, the obligation of the Borrower to accept the Loan and issue the Local Governmental Obligations or other evidence of indebtedness, to the Trust on the Closing Date is expressly conditioned upon the delivery to the Borrower or to the Master Trustee, if applicable, on or before the Closing Date of the following, each to be in form and substance satisfactory to the Borrower and to be made available to the Borrower upon its request:

(i) Copies, certified by an Authorized Officer of the Trust, of all governmental proceedings of the Trust authorizing the Loan and the execution and delivery of the Financing Agreement;

(ii) A certificate or certificates of an Authorized Officer of the Trust confirming as of the Closing Date the representations and warranties of the Trust in Section 2 hereof; and

(iii) An opinion or opinions of counsel to the Trust (who may also be counsel to the Borrower) to the effect that the Trust is duly created and validly existing under the Enabling Act and has the right and power thereunder to execute the Financing Agreement and to make the Loan; the Financing Agreement and the execution and delivery thereof by the Trust have been duly and lawfully authorized by the Trust; and that the Financing Agreement has been duly and lawfully executed and delivered by the Trust, is in full force and effect and is valid and binding on the Trust and enforceable in accordance with its terms (subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally and to the exercise of judicial discretion in accordance with general equitable principles).

Section 7. Disbursement of Proceeds.

(a) On the Closing Date the Trust shall credit to the payment of the principal of the Interim Loan, if any, such portion of the proceeds of the Loan as shall be necessary to pay such principal in full (subject to Section 10(e)). Any proceeds of the Loan remaining after such payment of principal of the Interim Loan, if any, shall be deposited in the Project Account and applied by the Trust to finance or refinance Costs of the Project as provided herein, in the related Project Regulatory Agreement and in the Master Trust Agreement. Only amounts on deposit in the Project Account representing moneys of the Trust deposited therein as provided in the Financing Agreement and the Master Trust Agreement shall be available to pay Costs of the Project. Amounts in the Project Account shall be invested by the Trust, and all earnings on investment or deposit of amounts in the Project Account shall be applied by the Trust as provided in the Master Trust Agreement. The Borrower shall have no interest in such earnings.

(b) So long as no Event of Default shall have happened and be continuing hereunder or under the Financing Agreement, but subject to Section 3(b) and Section 10 of these Terms and Conditions, within a reasonable period of time from receipt by the Trust of one or more requisitions in form satisfactory to the Trust signed by an Authorized Officer of the Borrower and approved by the Department as provided in the applicable Project Regulatory Agreement, the Trust shall disburse or direct the Master Trustee to disburse to or for the account of the Borrower as directed in such requisitions the amount or amounts set forth therein and approved by the Department solely to finance or, to the extent provided in the applicable Project Regulatory Agreement, refinance Costs of the applicable Project.

(c) Notwithstanding anything herein or in any Project Regulatory Agreement to the contrary, if all or any portion of the Project Costs financed under the Financing Agreement shall have been paid by the Borrower from the proceeds of outstanding notes or other temporary indebtedness issued or incurred in anticipation of the Loan, any amount paid to the Borrower pursuant to this Section 7 in reimbursement for such Costs shall be held and applied by the Borrower (unless otherwise approved by the Trust) solely to pay or provide for the principal of such notes or other indebtedness when due in accordance with the Enabling Act and the Applicable Authority. The Borrower acknowledges that the Trust shall have no responsibility for the holding,

investment or application of any amounts paid to or for the account of the Borrower for such purpose. Notwithstanding anything herein to the contrary, if on the Closing Date any Interim Loan shall be outstanding and unpaid under Section 10 of the Financing Agreement, the Trust shall apply to the payment of the principal of the Interim Loan such portion of the proceeds of the Loan as shall be necessary to pay such principal in full (subject to Section 10(e)).

(d) Upon receipt by the Trust of the Project Completion Certificate for a Project described in the related Project Regulatory Agreement, any balance remaining on deposit in the applicable Project Account not then payable to or for the account of the Borrower in accordance with the Project Completion Certificate shall be applied at the direction of the Borrower with the prior approval of the Trust to (i) additional Costs of the applicable Project upon amendment of the definition thereof approved by the Department or (ii) the prepayment of the Principal Obligation as provided in Section 5(b) hereof.

(e) Notwithstanding anything herein or in any Project Regulatory Agreement to the contrary, the Trust shall not be required to deposit in each Project Account established in accordance with the Financing Agreement an amount in the aggregate in excess of the eligible Costs of the applicable Project to be financed or refinanced by the Loan as set forth in the applicable Project Approval Certificate and the related Project Regulatory Agreement. In addition, the Trust shall not be required to make any deposits to a Project Account or to direct the Master Trustee to disburse therefrom any amount to or for the account of the Borrower while an Event of Default shall have occurred and be continuing hereunder or under the Financing Agreement or, if directed by the Department, while a Default (as defined in the related Project Regulatory Agreement) shall have occurred and be continuing under the related Project Regulatory Agreement. If an Event of Default shall have occurred and be continuing hereunder or under the Financing Agreement, the Trust may apply amounts on deposit in any Project Account to remedy such default as provided in Section 9(b) hereof and the amount available under the Financing Agreement for Project Costs will be correspondingly reduced.

Section 8. Particular Covenants of the Borrower. The Borrower covenants and agrees as follows:

(a) The Borrower is duly authorized under the Enabling Act, the Applicable Authority and all other applicable law to authorize the execution, delivery and adoption, as applicable, of the Financing Documents, to accept the Loan, to undertake each Project and to perform and consummate all transactions contemplated by the foregoing. For so long as the Loan or the Local Governmental Obligations shall be outstanding, the Borrower shall comply with the provisions of the Financing Documents and all provisions of law applicable to the Loan, any Interim Loan, each Project, any Additional Security, and the Local Governmental Obligations, or other evidence of indebtedness, including without limitation the Enabling Act, the Applicable Authority, the applicable Federal Act and the DEP Regulations, and shall take all actions necessary to fulfill its obligations under the Financing Agreement and under any of the foregoing.

(b) At the date hereof, at the date of delivery of any Interim Loan and at the Closing Date, no mortgage, pledge, lien, security interest or other encumbrance exists or will exist in or upon, or is or will be otherwise outstanding with respect to (1) any Project or the System, if any, or any part thereof or (2) all or any part of, as applicable, the betterments, rates, charges or other

revenues derived by the Borrower from its ownership and operation thereof or (3) any Additional Security. For so long as the Loan, the Local Governmental Obligations or any Interim Loan shall be outstanding, without the prior written consent of the Trust, the Borrower shall not mortgage, pledge, grant any lien on or security interest in or otherwise encumber or permit the encumbrance of, any Project or the System, if any, or, as applicable, the betterments, rates, charges or other revenues derived by the Borrower from its ownership and operation thereof or any part thereof or any Additional Security unless simultaneously therewith the Borrower shall grant to the Trust to further secure its obligations under the Financing Agreement and the Local Governmental Obligations, or other evidence of indebtedness, a mortgage, pledge, lien on or security interest in such property superior to such new encumbrance.

(c) The Borrower shall apply the proceeds of the Loan and any Interim Loan solely to the payment or reimbursement of Project Costs, or to the refinancing of the same as provided in each Project Regulatory Agreement, or as otherwise provided herein and in each Project Regulatory Agreement.

(d) The Borrower acknowledges that by accepting the Loan or any Interim Loan it may be a sub-recipient of federal financial assistance under the federal Single Audit Act of 1984, as amended by the Single Audit Act Amendments of 1996 (the "SAA"). The Borrower further acknowledges that a Project financed or refinanced under the Financing Agreement may be designated by the Trust as a project to which the SAA shall apply. In such event, the Borrower shall conduct a single audit of its use of federal financial assistance for the Project in accordance with the reporting requirements of Office of Management and Budget Circular A-133. Whether or not a Project is so designated, for so long as the Loan, any Interim Loan or the Local Governmental Obligations shall be outstanding the Borrower shall maintain all records and accounts pertaining to the Loan, any Interim Loan, the Local Governmental Obligations, each Project and the System, if any, for such period and as otherwise required by the applicable Federal Act, the DEP Regulations and each Project Regulatory Agreement and shall furnish to the Trust and the Department all reports thereon at the times and in the form required by the applicable Federal Act, the DEP Regulations and each Project Regulatory Agreement or as otherwise reasonably requested by the Trust or the Department. The Borrower shall permit the Trust or any party designated by it upon reasonable prior notice to the Borrower to examine, visit and inspect each Project and the System, if any, and to inspect and make copies of any accounts, books and records of the Borrower pertaining to the Project, the System, if any, the Loan, any Interim Loan or the Local Governmental Obligations.

(e) If any Event of Default described in clause (i) of subsection 9(a) hereof shall occur and be continuing, the Borrower shall promptly upon request of the Trust provide such information to the Trust as shall be necessary for the Trust to exercise the rights provided in Section 11 of the Enabling Act with respect to the Local Aid Distributions of the Borrower and, as applicable, any Participating Member thereof and any parent governmental unit of the Borrower and any such Participating Member. In addition, the Borrower shall provide written notice to the Trust if at any time while the Loan or any Interim Loan is outstanding any Participating Member of the Borrower shall fail to pay to the Borrower all or any part of any assessment levied by the Borrower on account of any payment and such failure shall not be cured within ten (10) Business Days of the due date of such assessment, such notice to be provided to the Trust no later than the close of business on the Business Day next preceding the expiration of such grace period.

(f) The Trust shall provide written notice to the Borrower if at any time the Borrower shall constitute an obligated person with respect to the Bonds within the meaning of Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. Thereafter, for so long as the Borrower shall constitute an obligated person, the Borrower will comply with and carry out all of the provisions of the Continuing Disclosure Agreement applicable to it and the Local Governmental Obligations. The Trust shall have no liability to the owners of the Bonds or any other person with respect to such disclosure matters. Notwithstanding any other provision of the Financing Agreement, failure of the Borrower to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default under the Financing Agreement; provided, however, that the Trust may (and at the request of the owners of at least 25% in aggregate principal amount of the Bonds outstanding shall), or any owner (including a beneficial owner) of the Bonds may, take such actions as may be necessary or appropriate, including seeking mandate or specific performance by court order, to cause the Borrower to comply with its obligations under this clause (f).

(g) (i) With respect to a Project for construction that is not a Title 5 Project, the Borrower agrees to comply with the prevailing wage rate requirements of the so-called “Davis-Bacon Act” made applicable by Section 513 of the Clean Water Act (33 U.S.C. 1372) or Section 1450(e) of the Safe Drinking Water Act (42 U.S.C. 300j-9(e)), as applicable. The Borrower shall be responsible for monitoring compliance of contractors and subcontractors concerning federal wage rates under the Davis-Bacon Act requirements. In this regard, the Borrower agrees to incorporate wage rate determinations into contract solicitations, include required contract terms into all construction contracts and subcontracts in excess of \$2,000, review subcontracts for compliance, review certified payrolls, conduct employee interviews and complete any other actions required to determine such compliance, all using forms approved by the Department.

(ii) With respect to a Clean Water Project for a treatment works (other than a Title 5 Project) or a Drinking Water Project for public water systems, the Borrower agrees to comply with the requirements of Section 436 of Pub. L. 113-76 (the “American Iron and Steel Requirement”), except as described below. The Borrower acknowledges and agrees that the American Iron and Steel Requirement includes, among others, the requirement that all of the Iron and Steel Products used in the Project are to be produced in the United States unless (A) the Borrower has requested and obtained a waiver of the American Iron and Steel Requirement from the EPA with respect to the Project or (B) the Department has advised the Borrower in writing that the American Iron and Steel Requirement is not applicable to the Project.

(iii) With respect to a Clean Water Project for repair, replacement or expansion of a treatment works, the Borrower agrees (A) to develop and implement a fiscal sustainability plan applicable to the Project that includes: an inventory of critical assets that are a part of the treatment works; an evaluation of the condition and performance of inventoried assets or asset groupings; a certification that the Borrower has evaluated and will be implementing water and energy conservation efforts as part of the plan; and a plan for maintaining, repairing and, as necessary, replacing the treatment works and a plan for funding such activities; and (B) to certify, as a condition of the final disbursement of the proceeds of the Loan or any Interim Loan, that the Borrower has developed and implemented a plan that meets the requirements under clause (A).

(iv) The Borrower certifies that it is not ‘excluded’ or ‘disqualified’ (as such terms are defined in 2 CFR Part 180). The Borrower covenants to comply with 2 CFR Part 180, Subpart C and to require its contractors to comply with said Subpart C, including to pass down the requirement of such compliance to its subcontractors and to each lower tier transaction.

(v) The Borrower agrees (A) to make the Six Good Faith Efforts whenever procuring construction, equipment, services and supplies with proceeds of the Loan and to retain records of such compliance. For this purpose, the “Six Good Faith Efforts” means: (1) ensure Disadvantaged Business Enterprises (as defined in 40 CFR 33.103, “DBEs”) are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities (e.g., placing DBEs on solicitation lists and soliciting them whenever they are potential sources); (2) make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process (including, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date); (3) consider in the contracting process whether firms competing for large contracts could subcontract with DBEs (e.g., dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process); (4) encourage contracting with a consortium of DBEs when a contract is too large for one DBE firm to handle individually; (5) use the services and assistance of the Small Business Administration and the Minority Business Development Agency of the United States Department of Commerce; and (6) if the prime contractor awards subcontracts, require the prime contractor to take the steps (1) through (5) of this definition.

(vi) If the Borrower (A) is subject to, or chooses to follow, competitive bidding requirements and (B) the Borrower has received one or more Loans from the Trust in with a combined total of more than \$250,000 in any one fiscal year, then the Borrower agrees to create and maintain a bidders list as described in 40 CFR 33.501.

(vii) The Borrower acknowledges that the EPA must ensure that any connections between the Borrower’s network or information system and EPA networks used by the Borrower to transfer data under the Financing Agreement, are secure. For this purpose, a “connection” is defined as a dedicated persistent interface between the Borrower’s information technology (“IT”) system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition. If the Borrower’s connections, as so defined, do not go through the Environmental Information Exchange Network or EPA’s Central Data Exchange, the Borrower agrees to contact the EPA project officer and work with the designated EPA regional/headquarters information security officer to ensure that the connections meet EPA security requirements, including entering into interconnection service agreements, as appropriate. This covenant does not apply to manual entry of data by the Borrower into systems operated and used by EPA’s regulatory programs for the submission of reporting and/or compliance data.

(h) The Borrower shall comply with (A) the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000d *et seq.*; Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794; the Age Discrimination Act of 1975, as amended, 42 U.S.C. 6102; Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Pub. L. 95-500; and all Executive Orders and regulations promulgated under the foregoing; and (B) all other applicable federal cross-cutting authorities (see Schedule I hereto for a non-exhaustive list of such authorities). In addition, the Borrower specifically acknowledges that the Project must undergo a state environmental review process that conforms generally to the National Environmental Policy Act of 1969, as amended (NEPA), as provided in the Project Regulatory Agreement.

(i) The Borrower will maintain accounts with respect to the Project according to generally accepted accounting principles as issued by the Governmental Accounting Standards Board (GASB), including the standards relating to the reporting of infrastructure assets pursuant to GASB Statement No. 34, or any successor thereto.

(j) The Borrower acknowledges that by accepting the Loan or any Interim Loan the Project shall be subject to the prohibition on certain telecommunications and video surveillance services or equipment set forth in Section 889 of Pub. L. 115-232 and 2 CFR 200.216 (the “Prohibition”). The Borrower agrees that proceeds of the Loan or any Interim Loan under this Financing Agreement shall not be used to procure or obtain, extend or renew a contract to procure or obtain, or enter into a contract (or extend or renew a contract) to procure or obtain equipment, system or service that uses “covered telecommunications equipment or services” as a substantial or essential component of any system, or as critical technology as part of any system. For purposes of this Section 8(j), “covered telecommunications equipment or services” means any of the following: (A) telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities); (B) for the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities); (C) telecommunications or video surveillance services provided by such entities or using such equipment; or (D) telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of the People’s Republic of China. The Borrower further agrees that it will include a condition in each construction contract for the Project that the contractor will: (i) comply with the Prohibition; and (ii) pass down the requirement to comply with the Prohibition in any subcontract or other lower tier contract with respect to such Project. Certain equipment, systems or services subject to the Prohibition are recorded in the United States’ System for Award Management, however, the Borrower acknowledges that there is no exhaustive list of components and services that fall under the Prohibition.

(k) Reserved.

(l) The Borrower agrees to comply with the signage guidelines described in the EPA’s June 3, 2015 memorandum, *Guidelines for Enhancing Public Awareness of SRF Assistance*

[Agreements¹ with respect to enhancing public awareness of EPA assistance agreements nationwide.](#)

(m) Reserved.

~~(k) The Borrower acknowledges that by accepting the Loan or any Interim Loan the Project shall be subject to the Build America, Buy America Requirements (defined below). The Borrower shall: (1) comply with all federal requirements applicable to the assistance received (including those imposed by the Infrastructure Investment and Jobs Act (“IIJA”), Public Law No. 117-58) which the Borrower understands includes, but is not limited to, the following requirements: that all of the iron and steel, manufactured products, and construction materials used in the Project are to be produced in the United States (“Build America, Buy America Requirements”) unless (i) the Borrower has requested and obtained a waiver from the cognizant Federal agency pertaining to the Project (i.e. the Federal agency contributing the greatest amount of Federal funds to the Project) or the Project is otherwise covered by a general applicability waiver or (ii) the EPA and all of the contributing Federal agencies (if any) have otherwise advised the Borrower in writing that the Build America, Buy America Requirements are not applicable to the Project; and (2) comply with all record keeping and reporting requirements under all applicable legal authorities, including any reports required by the funding authority (such as EPA and/or the Commonwealth), such as performance indicators of program deliverables, information on costs and project progress. The Borrower understands that (x) each contract and subcontract related to the Project is subject to audit by appropriate federal and Commonwealth entities and (y) failure to comply with the applicable legal requirements and this Agreement may result in a default hereunder that results in a repayment of the assistance agreement in advance of the maturity of the Loan or Local Governmental Obligations or any Interim Loan, termination and/or repayment of other types of financial assistance, and/or other remedial actions. To the extent the Project is subject to the Build America, Buy America Requirements, the Borrower acknowledges and agrees that each construction contract related to the Project shall contain a clause requiring compliance with such requirements, substantially as follows:~~

~~“The [Contractor] acknowledges to and for the benefit of [Borrower] (“Owner”) and the Massachusetts Clean Water Trust (the “Funding Authority”) that it understands the goods and services under this [Agreement] are being funded with federal monies and have statutory requirements commonly known as “Build America, Buy America” that requires all of the iron and steel, manufactured products, and construction materials used in the project to be produced in the United States (“Build America, Buy America Requirements”) including iron and steel, manufactured products, and construction materials provided by the Contractor pursuant to this [Agreement]. The Contractor hereby represents and warrants to and for the benefit of the Owner and Funding Authority (a) the Contractor has reviewed and understands the Build America, Buy America Requirements, (b) all of the iron and steel, manufactured products, and construction materials used in the project will be and/or have been produced in the United States in a manner that complies with the Build America, Buy America~~

¹ See <https://www.epa.gov/cwsrf/enhancing-public-awareness-srf-assistance-agreements>

~~Requirements, unless a waiver of the requirements is approved, and (c) the Contractor will provide any further verified information, certification or assurance of compliance with this paragraph, or information necessary to support a waiver of the Build America, Buy America Requirements, as may be requested by the Owner or the Funding Authority. Notwithstanding any other provision of this [Agreement], any failure to comply with this paragraph by the Contractor shall permit the Owner or Funding Authority to recover as damages against the Contractor any loss, expense, or cost (including without limitation attorney's fees) incurred by the Owner or Funding Authority resulting from any such failure (including without limitation any impairment or loss of funding, whether in whole or in part, from the Funding Authority or any damages owed to the Funding Authority by the Owner). If the Contractor has no direct contractual privity with the Funding Authority, as a lender or awardee to the Owner for the funding of its project, the Owner and the Contractor agree that the Funding Authority is a third-party beneficiary and neither this paragraph (nor any other provision of this [Agreement] necessary to give this paragraph force or effect) shall be amended or waived without the prior written consent of the Funding Authority."~~

~~(l) For construction Projects, the Borrower agrees to comply with signage requirements consistent with EPA guidance as follows:~~

~~(i) Investing in America Emblem. The Borrower will ensure that a sign is placed at construction sites supported in whole or in part by Loan displaying the official Investing in America emblem and must identify the Project as a "project funded by President Biden's Bipartisan Infrastructure Law" or "project funded by President Biden's Inflation Reduction Act," as applicable. Construction is defined at 40 CFR 33.103 as "erection, alteration, or repair (including dredging, excavating, and painting) of buildings, structures, or other improvements to real property, and activities in response to a release or a threat of a release of a hazardous substance into the environment, or activities to prevent the introduction of a hazardous substance into a water supply." The sign must be placed at construction sites in an easily visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period. The Borrower will ensure compliance with the guidelines and design specifications provided by EPA for using the official Investing in America emblem available at: <https://www.epa.gov/invest/investing-america-signage>.~~

~~(ii) Procuring Signs. Consistent with Section 6002 of RCRA, 42 U.S.C. 6962, and 2 CFR 200.323, the Borrower is encouraged to use recycled or recovered materials when procuring signs. Signage costs are considered an allowable cost under this assistance agreement provided that the costs associated with signage are reasonable. Additionally, to increase public awareness of projects serving communities where English is not the predominant language, the Borrower is encouraged to translate the language on signs (excluding the official Investing in America emblem or EPA logo or seal) into the appropriate non-English language(s). The costs of such translation are allowable, provided the costs are reasonable.~~

~~(iii) *Public or Media Events.* The Borrower is encouraged to notify the EPA of public or media events publicizing the accomplishment of significant events related to construction projects as a result of this agreement and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice.~~

~~(m) The Borrower represents that it has complied, and will continue to comply, with the Federal Flood Risk Management Standard defined by Executive Order No. 11988, as amended by Executive Order No. 13960, and made applicable to the Project by Executive Order 14030 (i.e. it has determined whether the Project is located in or will affect a floodplain; if so, it has prepared a floodplain assessment and sought alternate locations; if there is no practical alternative location, it has documented the mitigating measures or design modifications taken to reduce the threat to the floodplain from Project and has informed the Project-area community as to the need for the Project to be located where it is).~~

(n) The Borrower acknowledges and agrees that the Commonwealth, directly and through its instrumentality, the Trust, reserves its rights to assert claims and causes of action against, and to recover funds from, third parties (including without limitation product manufacturers) that caused or contributed to or are otherwise liable for per- and poly-fluoroalkyl substances (PFAS) contamination impacting the drinking water, groundwater, surface waters or environment in the Commonwealth in any manner. Nothing in these Terms and Conditions or in the Financing Agreement is intended to impede the Borrower's independent rights to pursue any such claims or causes of action.

(o) For so long as the Loan or any Interim Loan or Local Governmental Obligations shall be outstanding, the Borrower shall duly observe and comply with each of the additional covenants and conditions set forth in Schedule D of the Financing Agreement.

Section 9. Defaults and Remedies.

(a) The occurrence of any of the following events shall constitute, and is herein defined to be, an Event of Default under the Financing Agreement and the Local Governmental Obligations, or other evidence of indebtedness:

(i) if the Borrower shall fail to pay when due all or any part of any payment of principal of or interest on the Loan, any Interim Loan or the Local Governmental Obligations, or other evidence of indebtedness;

(ii) if the Borrower shall fail to pay when due any installment of the Administrative Fee payable under the Financing Agreement or the Origination Fee or any portion thereof and such failure shall continue for a period of thirty (30) days after written notice thereof shall be given to the Borrower by the Trust;

(iii) if the Borrower shall fail to perform and observe any covenant, agreement or condition on its part provided in the Financing Agreement or in the Local Governmental Obligations, or other evidence of indebtedness, or in any Additional Security, which failure is not addressed in another clause of this Section 9(a), and such failure shall continue for a period of thirty (30) days after written notice thereof shall be given to the Borrower by the

Trust; provided if such failure cannot be remedied within such thirty (30) day period, it shall not constitute an Event of Default under the Financing Agreement if corrective action satisfactory to the Trust is instituted by the Borrower within such period and diligently pursued until the failure is remedied;

(iv) if any representation or warranty made by or on behalf of the Borrower in the Financing Agreement or in any Application or in any Additional Security shall prove to have been incorrect or to be misleading in any material respect as and when made;

(v) if (x) an order, judgment or decree is entered by a court of competent jurisdiction (a) appointing a receiver, trustee, or liquidator for the Borrower or the whole or any substantial part of any Project or the System, if any, (b) granting relief in involuntary proceedings with respect to the Borrower under the federal bankruptcy act, or (c) assuming custody or control of the Borrower or of the whole or any substantial part of any Project or the System, if any, under the provision of any law for the relief of debtors, and the order, judgment or decree is not set aside or stayed within sixty (60) days from the date of entry of the order, judgment or decree or (y) the Borrower (a) admits in writing its inability to pay its debts generally as they become due, (b) commences voluntary proceedings in bankruptcy or seeking a composition of indebtedness, (c) makes an assignment for the benefit of its creditors, (d) consents to the appointment of a receiver of the whole or any substantial part of any Project or the System, if any, or (e) consents to the assumption by any court of competent jurisdiction under any law for the relief of debtors of custody or control of the Borrower or of the whole or any substantial part of any Project or the System, if any, or (z) legislation shall be enacted by the Commonwealth (a) appointing a receiver or trustee for the Borrower or the whole or any substantial part of any Project or the System, if any, or (b) assuming custody or control of the Borrower or of the whole or any substantial part of any Project or the System, if any, or (c) providing for a moratorium upon the payment of the principal of or interest on the Loan, any Interim Loan or the Local Governmental Obligations;

(vi) if the Borrower shall fail to pay when due (whether at maturity or upon redemption or otherwise) any principal of or interest on any indebtedness of the Borrower for borrowed money, other than the Loan, any Interim Loan, the Local Governmental Obligations and indebtedness described in Chapter 40D of the General Laws of the Commonwealth;

(vii) if an 'event of default' (however defined) shall occur in any Additional Security (giving effect to all applicable grace and cure periods, if any, set forth in such Additional Security); and

(viii) if a Default shall occur under a Project Regulatory Agreement (as defined therein) and the Department shall request that the Trust declare an Event of Default under the Financing Agreement.

(b) In addition to its other remedies provided herein, if an Event of Default specified in clause (i) or clause (v) of subsection 9(a) hereof shall occur and be continuing, the Trust may proceed to enforce its rights under the Financing Agreement and under the Local Governmental

Obligations, or other evidence of indebtedness, by exercise of the following remedies in such order of priority as the Trust shall determine in its discretion:

(i) if any Payments shall be due and unpaid under the Financing Agreement, the Trust may exercise the rights provided in Section 11 of the Enabling Act with respect to the Local Aid Distributions of the Borrower and, as applicable, any Participating Member thereof and any parent governmental unit of the Borrower and any such Participating Member;

(ii) if any payments of principal of or interest on the Loan or any Interim Loan shall be due and unpaid under the Financing Agreement, the Trust may apply to such default any or all undisbursed amounts allocable to the Loan, the Interim Loan, if any, or any other loan or interim loan made by the Trust to the Borrower; or

(iii) by notice to the Borrower the Trust may declare the principal of the Loan and any Interim Loan and all payments on account of principal or interest payable thereon, and the corresponding principal amount of the Local Governmental Obligations, to be immediately due and payable and, upon such declaration, the Principal Obligation, principal of any Interim Loan and all interest, if any, accrued thereon shall be and become immediately due and payable, anything herein or in the Local Governmental Obligations, or other evidence of indebtedness, to the contrary notwithstanding.

(c) If an Event of Default specified in clause (viii) of subsection 9(a) shall occur and be continuing, the Trust shall, if directed by the Department, exercise on behalf of the Department any and all remedies available to the Department upon a Default under the applicable Project Regulatory Agreement.

(d) Notwithstanding anything herein to the contrary, if any Event of Default under the Financing Agreement or in any Additional Security shall occur and be continuing, the Trust may proceed to protect its rights under the Financing Agreement, and may seek to compel compliance by the Borrower with the terms and provisions hereof and of the Local Governmental Obligations, or other evidence of indebtedness and of any Additional Security, by suit or suits in equity or at law, for the specific performance of any covenant, term or condition hereof or thereof, or in aid of the execution of any power granted herein or therein, and, except as herein limited, may exercise any other right or remedy upon such default as may be granted to the Trust under the Additional Security, if any, or under the Enabling Act, the Applicable Authority, or under any other applicable provision of law.

(e) During the continuance of an Event of Default, the Trust shall apply all amounts received upon the exercise of its rights and remedies under the Financing Agreement as follows and in the following order:

(i) to the payment of the reasonable and proper charges (including attorneys' fees) of the Trust and the Department incurred in the exercise of any right or remedy under the Financing Agreement or under any Project Regulatory Agreement;

(ii) to the payment and satisfaction of all interest then due and unpaid under the Financing Agreement upon any defaulted Payments as provided in Section 4(b) hereof and any defaulted payments of interest (if any) on any Interim Loan;

(iii) to the payment and satisfaction of all Payments then due and unpaid under the Financing Agreement, as such Payments may be adjusted as provided in Section 4 hereof, and to the payment and satisfaction of all payments on account of principal and interest, if any, on any Interim Loan then due and unpaid under the Financing Agreement and, in either case, if the amount available is not sufficient to pay such payments then due and payable, *first* to the payment of the portion of such payments due and unpaid representing interest and *second* to the portion of such payments due and unpaid representing the principal and, in either case, ratably in order of the due dates thereof;

(iv) to the reimbursement to the applicable account of any amounts withdrawn therefrom as provided in clause (ii) of subsection 9(b);

(v) *first*, to the payment and satisfaction of all interest then due and unpaid under the Financing Agreement upon any due and unpaid Administrative Fees as provided in Section 4(b) hereof, and, *second*, to the payment and satisfaction of all Administrative Fees then due and unpaid under the Financing Agreement; and

(vi) *first*, to the payment and satisfaction of all interest then due and unpaid under the Financing Agreement upon any due and unpaid Origination Fee as provided in Section 4(b) hereof, and, *second*, to the payment and satisfaction of the Origination Fee or the portion thereof then due and unpaid under the Financing Agreement.

(f) No remedy conferred upon or reserved to the Trust is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Financing Agreement or in any Additional Security or now or hereafter existing at law or in equity. No delay or omission to exercise any right, remedy or power accruing upon any Event of Default shall impair any such right, remedy or power or shall be construed to be a waiver thereof, but any such right, remedy or power may be exercised from time to time and as often as may be deemed expedient.

Section 10. Interim Financing; Principal Forgiveness.

(a) Subject to the availability to the Trust of moneys for such purpose and the provisions of Section 3(a) hereto, if the Closing Date ~~set forth in Schedule A of the Financing Agreement~~ is more than forty five (45) days subsequent to the date of execution and delivery of the Financing Agreement by the Trust, the Trust (upon not less than ten (10) Business Days prior notice from the Borrower) agrees to provide interim financing (an "Interim Loan") to the Borrower to pay or provide for all or any part of the eligible Costs of any Project (i) incurred by the Borrower on and after the date of execution and delivery by the Borrower of the Financing Agreement or (ii) incurred by the Borrower prior to the date of its execution and delivery of the Financing Agreement and either (x) paid by the Borrower from the proceeds of notes or other obligations issued by the Borrower in anticipation of the Loan, or (y) paid by the Borrower from other moneys available to the Borrower under a valid declaration of official intent to reimburse such payment from the

proceeds of the Loan. The Interim Loan shall be evidenced by a note (the “Interim Loan Note”) issued by the Borrower to the Trust pursuant to the Applicable Authority in form and substance satisfactory to the Trust and otherwise as hereinafter provided.

(b) The Interim Loan Note shall be dated the date of its execution and delivery by the Borrower, shall mature and be payable on the Closing Date (subject to renewal at the option of the Trust to one or more dates not later than three (3) years subsequent to such date of execution and delivery or, if later, the expected completion date of the applicable Projects as determined by the Department), shall be in principal amount equal to the aggregate amount of proceeds thereof from time to time disbursed to or for the account of the Borrower and shall be in such maximum aggregate principal amount as shall be requested by the Borrower not exceeding the lesser of (i) the aggregate eligible Costs of each Project which have been or are expected to be expended at or prior to the maturity date of the Interim Loan Note (as set forth in the applicable Project Regulatory Agreement) and (ii) the Initial Obligation Amount set forth in Schedule C of the Financing Agreement (or such lesser amount as shall equal the total eligible Costs of the Projects approved by the Department at the date of the Interim Loan Note). The principal amount of the Interim Loan Note from time to time outstanding shall bear interest from the date or dates of disbursement thereof to or for the account of the Borrower until repaid at the Interim Loan Interest Rate set forth in Schedule A of the Financing Agreement, calculated on the basis of actual days and a 365/366 day year, payable at maturity.

(c) Upon execution and delivery by the Borrower of the Interim Loan Note, the Trust shall, subject to the availability to the Trust of moneys for such purpose, disburse amounts (representing proceeds of the Interim Loan) pursuant to requisitions for payment or reimbursement of Costs of the applicable Project submitted to the Trust by the Borrower. For purposes of this Section 10, all provisions of Section 7(a), (c) and (e) hereof applicable to the Project Account and the requisition and disbursement therefrom of proceeds of the Loan, shall be equally applicable (to the extent not inconsistent herewith) to the requisition and disbursement of proceeds of the Interim Loan. Notwithstanding the foregoing, as more fully described in Section 4(c) and (d), the Borrower acknowledges that the Department, in the exercise of its rights under the Project Regulatory Agreement, may reclassify certain Project Costs as ineligible and/or terminate the Project Regulatory Agreement and in such events the Trust may have no further obligation to disburse proceeds of the Interim Loan and the Borrower may be obligated to repay all or a portion of disbursements previously made.

(d) Notwithstanding anything herein to the contrary, the obligation of the Trust to make and fund the Interim Loan is expressly conditional upon the receipt by the Trust of the following, each in form and substance satisfactory to the Trust:

(i) A certificate or certificates of Authorized Officers of the Borrower as to the due authorization, execution, delivery and adoption, as applicable, of the Financing Agreement, any Additional Security, the Project Regulatory Agreement and the Interim Loan Note, and confirming as of the date of execution and delivery of the Interim Loan Note the representations and warranties of the Borrower in Section 2 hereof applicable to the Interim Loan, and to the further effect that (x) none of the foregoing instruments have been amended or supplemented since their date (except such amendments or supplements which have been approved by the Trust or the Department, as applicable, or which under

the terms of the applicable instrument may be executed and delivered or adopted by the Borrower without the consent of the Trust or the Department) or repealed and that each such instrument remains in full force and effect as of such date, and (y) as of such date, no Event of Default or Default, as applicable, and no event which with the passage of time or the giving of notice may become or may be declared to be an Event of Default or a Default, shall have happened and shall be continuing under the Financing Agreement or any Project Regulatory Agreement;

(ii) The Interim Loan Note duly executed by Authorized Officers of the Borrower;

(iii) An opinion of Local Bond Counsel to the effect that the Financing Agreement, each Project Regulatory Agreement, any Additional Security, and the Interim Loan Note have been duly authorized, executed and delivered by the Borrower in accordance with the Applicable Authority and each constitutes a valid and binding obligation of the Borrower enforceable in accordance with its terms and the terms of the Enabling Act and the Applicable Authority; the Interim Loan Note has been duly and validly executed by or on behalf of the Borrower and delivered to or upon the order of the Trust in accordance with the Financing Agreement and the Applicable Authority; and the Interim Loan Note constitutes (1) a valid and binding general obligation of the Borrower enforceable in accordance with its terms and payable as to principal, premium, if any, and interest (to the extent not paid from other sources) from (a) taxes which may be levied upon all taxable property within the territorial boundaries of the Borrower, subject only to the limit imposed by Chapter 59, Section 21C of the General Laws of the Commonwealth to the extent applicable to the Interim Loan Note, provided that taxes levied on certain taxable property located within a development district, if any, established by the Borrower pursuant to Chapter 40Q of the General Laws may be restricted and unavailable to pay debt service on the Interim Loan Note or (b) sums which may be annually apportioned and assessed by the Borrower on its Participating Members pursuant to the Applicable Authority, or (2) a general or special obligation of the Borrower (as provided in any Additional Security) payable from any Additional Security and any other moneys, funds and accounts provided in the Financing Agreement and secured by a valid pledge of and lien on and perfected security interest in any such Additional Security (in rendering the foregoing opinion, such counsel may take an exception on account of bankruptcy, insolvency and other laws affecting creditors' rights generally and to the exercise of judicial discretion in accordance with general equitable principles); and

(iv) An Interim Loan Origination Fee, in an amount equal to one-tenth of one percent (.1%) of the maximum aggregate principal amount of the Interim Loan Note, but not less than \$500 or more than \$1,000, as stated in Schedule A.

(e) *Principal Forgiveness*. Schedule B contains or will contain the provisions related to any principal forgiveness for which Loan and the Interim Loan qualifies (if any). Except as described in Schedule B, principal forgiveness will be applied to reduce or retire the Interim Loan Note upon completion of the Project. Notwithstanding anything herein to the contrary, Schedule B may be amended by the Trust from time to time upon notice to the Borrower (i) to reflect any change to the amount, if any, of principal forgiveness expected to be applied to the Loan or the

Interim Loan, (ii) to comply with any additional conditions or restrictions applicable to the Trust and/or the Borrower resulting from the source(s) of funds used by the Trust to provide such principal forgiveness and (iii) to make such other changes as the Trust, in its sole reasonable discretion, deems advisable to permit the orderly administration of principal forgiveness.

Section 11. Assignment, Transfer and Exchange.

(a) The Borrower acknowledges that the Trust may pledge and assign the Financing Agreement or all or part of its rights under the Financing Agreement, and the right, title and interest of the Trust in and to all or part of the Loan, the Local Governmental Obligations and Payments thereunder and under the Financing Agreement or any Additional Security to the Master Trustee in accordance with the Master Trust Agreement and in connection with any such assignment may transfer to the Master Trustee the Loan, the Local Governmental Obligations and any or all Payments and the Local Governmental Obligations attributable thereto, and the Borrower by its execution and delivery of the Financing Agreement expressly consents to any such assignment and transfer.

(b) In connection with any assignment by the Trust provided herein, the Borrower further agrees to deliver the Local Governmental Obligations, or other evidence of indebtedness, to the Trust on the Closing Date, or on any date thereafter when the Local Governmental Obligations, or other evidence of indebtedness, may be assigned, exchanged or transferred in accordance with its terms and the terms of the Financing Agreement, in such denominations, registered to such owners, in one or more series, and otherwise in such form and tenor as the Trust may request to evidence the Loan made, and the Payments payable, under the Financing Agreement, separately or as a whole, or in part one or in part the other, or in any combination thereof, provided that the aggregate principal amount payable on the Local Governmental Obligations, or other evidence of indebtedness, shall not exceed the Principal Obligation payable under the Financing Agreement on the Loan plus interest, if any, accrued and to accrue thereon as provided therein and herein.

(c) Except as hereinabove provided, so long as any Event of Default shall not have occurred under the Financing Agreement and be continuing, the Trust shall not assign the Financing Agreement or the Loan made hereby, or transfer or sell the Local Governmental Obligations], without the prior written approval of the Borrower.

(d) The Borrower may not assign the Financing Agreement or the Loan or the Local Governmental Obligations, or any of its rights or obligations under the Financing Agreement or hereunder, without the express prior written consent of the Trust.

Section 12. Action by Parties. Where the Financing Agreement shall provide for any direction, consent, approval or other action to be taken or made by the Borrower, the Trust or the Department hereunder or under the Financing Agreement, such direction, consent, approval or other action shall be sufficiently taken or made for all purposes of the Financing Agreement if taken or made by Authorized Officers of the Borrower, the Trust or the Department, as the case may be.

Section 13. Notices. All notices, consents, certificates and other communications under the Financing Agreement shall be sufficiently given when delivered by hand or courier or sent by signed electronic mail or registered or certified mail, postage prepaid, addressed to the Addresses for Notice set forth in Schedule A of the Financing Agreement or to such further or different address as any of the parties to the Financing Agreement or the Department may designate in writing to the other notice parties indicated in said Schedule A.

Section 14. Severability. In the event any provision of the Financing Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 15. No Right of Set-Off. By their execution and delivery of the Financing Agreement, the Trust and the Borrower agree that, except as otherwise provided in the Financing Agreement, neither the Trust nor the Borrower shall have any right to set-off and apply any amount at any time held, and other indebtedness at any time owing, by the Trust to or for the account of the Borrower, or by the Borrower to or for the account of the Trust, as applicable, against any and all of the obligations of the Borrower or the Trust, as applicable, now or hereinafter existing on the Local Governmental Obligations, or other evidence of indebtedness, or otherwise under the Financing Agreement.

Section 16. Amendment of Financing Agreement and Other Instruments. Except as expressly provided herein or in the Financing Agreement with respect to the amendment of Schedule A, Schedule B, Schedule C and Schedule D of the Financing Agreement, the Financing Agreement and the Local Governmental Obligations, or other evidence of indebtedness, may not be amended, modified or changed in any respect except in writing signed by the parties to the Financing Agreement. No such amendment, modification or change of the Financing Agreement which, in the reasonable opinion of the Department (expressed in a certificate of an Authorized Officer of the Department delivered to the Trust prior to the execution and delivery of such amendment, modification and change by the Trust), materially and adversely affects the rights and obligations of the Department under any Project Regulatory Agreement, shall be effective until the Department shall have consented in writing thereto. The Trust shall deliver a copy of any such proposed amendment, modification or change of the Financing Agreement to the Department at least ten (10) days prior to the execution and delivery thereof by the Trust.

Section 17. Term.

(a) The term of the Financing Agreement shall be from the date of execution and delivery thereof by the parties to the Financing Agreement until all payments on account of principal of and interest on the Loan and any Interim Loan, all Administrative Fees and the Origination Fee payable under the Financing Agreement shall have been paid in full or provision for the payment thereof shall have been duly provided for in accordance with this Section 17.

(b) Notwithstanding anything in subsection 17(a) to the contrary, prior to the payment of all payments on account of principal of and interest on the Loan and any Interim Loan payable under the Financing Agreement at the times and in the manner provided herein, the Borrower may defease its obligations under the Financing Agreement and under the Local Governmental Obligations, or other evidence of indebtedness, and upon such defeasance shall be discharged from

its obligations, covenants and agreements under the Financing Agreement and under the Local Governmental Obligations, or other evidence of indebtedness, if the Borrower shall deposit with the Trust (in the case of payments related to any Interim Loan) or the Master Trustee for the account of the Trust (in the case of Payments related to the Loan) either moneys in an amount sufficient, or Defeasance Obligations (as defined in the Master Trust Agreement), the principal installments of and/or interest on which when due, without reinvestment, will provide moneys which, together with the moneys, if any, deposited with the Trust or the Master Trustee, as the case may be, at the same time, will be sufficient, to pay (i) all payments on account of principal of and interest on the Loan and any Interim Loan payable under the Financing Agreement at the times and in the amounts provided herein on the scheduled Payment Dates therefor, (ii) all Administrative Fees payable to the Trust under the Financing Agreement accrued to such date of deposit, (iii) the Origination Fee or any portion thereof that has not previously been paid to the Trust and (iv) any and all other amounts incurred or reasonably expected to be incurred by the Trust in effecting such defeasance.

Section 18. Financing Loans with Proceeds of Bonds, Pledging Loans to Bonds; Additional Borrower Requirements. Notwithstanding anything in Section 10 hereof to the contrary, at the sole option of the Trust, upon not less than ten (10) days' prior notice to the Borrower, the Trust may finance any Loan with proceeds of Bonds issued by the Trust and pledge such Loan as security for such Bonds, provided that no such pledge and financing shall increase or otherwise adversely affect the obligations of the Borrower by changing the payment terms of the Loan or the interest thereon or the security therefor, without the prior written consent of the Borrower. Upon such a pledge and financing of a Loan by the Trust a Borrower may have to comply with certain additional requirements, including, without limitation:

- (i) to update its Loan Questionnaire by completing and signing a Verification Form;
- (ii) to sign such other documents as determined by bond counsel for such Bonds to be necessary and appropriate; and
- (iii) to make such certifications as determined by bond counsel for such Bonds to be necessary and appropriate, including: (1) that it will not take, or permit to be taken, any action or actions that would cause any Bond, to which a Loan or a Local Governmental Obligation is pledged, to be an "arbitrage bond" within the meaning of Section 148 of the Code or a "private activity bond" within the meaning of Section 141(a) of the Code or that would cause any such Bond to be "federally guaranteed" within the meaning of Section 149(b) of the Code, or that would otherwise cause any amounts payable with respect to such Bonds to become included in the gross income of a holder of such Bonds for federal income tax purposes; and (2) that it will take all actions, maintain all records and accounts, and make all reports requested by the Trust or required by any provision of applicable law or the Project Regulatory Agreement, necessary to comply with, or necessary to permit the Trust to comply with, the provisions of Section 148(f) of the Code.

Section 19. Execution in Counterparts; Electronic Signatures. The Financing Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. Electronic signatures

shall be deemed original signatures for purposes of the Financing Agreement and all matters related thereto, with such electronic signatures having the same legal effect as original signatures. The parties to the Financing Agreement agree that the Financing Agreement, any amendment thereto or any other document necessary for the consummation of the transaction contemplated by the Financing Agreement may be accepted, executed or agreed to through the use of an electronic signature in accordance with applicable law and as so accepted, executed or agreed, will be binding on all parties to the Financing Agreement.

Section 20. Applicable Law. The Financing Agreement, including these Terms and Conditions and all schedules to the Financing Agreement, shall be governed by and construed in accordance with the laws of the Commonwealth.

Section 21. Further Assurances. The Borrower shall, at the request of the Trust, authorize, execute, acknowledge and deliver such further resolutions, conveyances, transfers, assurances and other instruments as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, covenants and agreements granted or made or intended to be granted or made by the Financing Agreement and the Local Governmental Obligations, or other evidence of indebtedness.

Section 22. Prior Financing Agreements. Except as otherwise provided herein, the Financing Agreement merges and supersedes all prior negotiations, representations, and agreements between the parties relating to the subject matter of the financing of the Project and the Financing Agreement, including these Terms and Conditions and constitutes the entire agreement between the parties in respect to the Financing Agreement and hereof.

CROSS-CUTTING FEDERAL AUTHORITIES

The following list of cross-cutting federal authorities is provided for reference only; additional applicable federal cross-cutting authorities may exist. While the Super-Cross Cutters apply in all circumstances, certain of the Other Cross-Cutting Authorities listed may not apply in all circumstances.

Super Cross-Cutters

- Civil Rights Act of 1964, as amended, 42 U.S.C. 2000d *et seq.*
- Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794
- The Age Discrimination Act of 1975, as amended, 42 U.S.C. 6102
- Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Pub. L. 95-500

Other Cross-Cutting Authorities

- ~~Executive Order 11246 (1965) — Equal Employment Opportunity, as amended~~
- Archeological and Historic Preservation Act, 54 U.S.C. 312502
- Clean Air Act, 42 U.S.C. 7506(c)
- Coastal Barriers Resources Act, 16 U.S.C. 3501 *et seq.*
- Coastal Zone Management Act of 1972, 16 U.S.C. 1451 *et seq.*
- Endangered Species Act of 1973, 16 U.S.C. 1531 *et seq.*
- ~~Executive Order 12898 (1994) — Federal Actions to Address Environmental Justice in Minority Populations and Low Income Populations~~
- Farmland Protection Policy Act, 7 U.S.C. 4201 *et seq.*
- Fish and Wildlife Coordination Act, 16 U.S.C. 661 *et seq.*
- ~~Executive Order 14030 (2021) — Climate-Related Financial Risk (reinstating Executive Order 13690 (2015) — Establishing a Federal Flood Risk Management Standard and a Process for Further Soliciting and Considering Stakeholder Input, amending Executive Order 11988 (1977) — Floodplain Management)~~
- Magnuson-Stevens Fishery Conservation and Management Act, 16 U.S.C. 1801 *et seq.*
- Marine Mammal Protection Act of 1972, Pub. L. 92-522.
- Migratory Bird Treaty Act, 16 U.S.C. 703 *et seq.*
- National Historic Preservation Act, 54 U.S.C. 300101 *et seq.*
- Executive Order 11990 (1977) — *Protection of Wetlands*
- Safe Drinking Water Act, 42 U.S.C. 300f *et seq.*
- Wild and Scenic Rivers Act, 16 U.S.C. 1271 *et seq.*
- Executive Order 11593 (1971) — *Protection and Enhancement of the Cultural Environment*
- [Native American Graves Protection and Repatriation Act, 25 U.S.C. 32](#)

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Summary report: Litera Compare for Word 11.12.0.83 Document comparison done on 7/1/2025 10:57:29 AM	
Style name: strikethrough	
Intelligent Table Comparison: Active	
Original DMS: iw://mintzdocuments-mobility.imatege.work/active/512531649/1 - Terms and Conditions to Financing Agreement (12024).docx	
Modified DMS: iw://mintzdocuments-mobility.imatege.work/active/520235144/3 - Terms and Conditions to Financing Agreement (72025).docx	
Changes:	
<u>Add</u>	26
Delete	35
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	61



***Item #5 Approval of Term Sheet and Loan Commitment
to Pine Valley Plantation Cooperative Corporation***

Pine Valley Cooperative Corporation

Management Analysis and Recommendation

July 9, 2025



MASSACHUSETTS
CLEAN WATER TRUST

Background

- **Pine Valley Plantation Cooperative Corporation**
 - **Loan Amount:** \$6,014,514 on the 2024 IUP
 - **Classification:** Small System serving <10,000 and a Tier 2 Disadvantaged Community.
 - **Project:** Private mobile home community, a Public Water Supplier, with 500+ 55 years and older residents in Belchertown, requires a complete water distribution system rebuild. Involves installing approximately 19,500 feet of new water main and 398 service connections.
- **Policy:** Loans to Private Entities – adopted June 11, 2025
 - The Trust requires that any loan to a Private Entity must be secured by assets that ensure the repayment of the loan. The required security must be comparable to that of governmental borrowers.
- **The policy requires:**
 - The Borrower agrees to provide a perfected first lien security interest in all gross revenues and receivables and sign a Deposit Account Control Agreement (DACA)/Lockbox Agreement.
 - Additional approved security to ensure repayment of the loan
 - Credit risk assessment
 - Capacity analysis of the aggregate amount of loans to all Private Entities categorized against credit risk.

Pine Valley Credit Risk Assessment

Management, with financial advisors, evaluated and classified credit risk

Metric	Description	Weight	Risk Scoring	Result
Debt Service Coverage Ratio (DSCR)	Assesses a borrower's ability to meet annual debt obligations using operating income.	30%	Low: DSCR > 1.5 Moderate: DSCR = 1.2–1.5 High: DSCR < 1.2	.54x ¹
Average Bill as a Percentage of Median Household Income	Compares the typical customer bill to the local median household income to gauge affordability.	20%	Low: Bills < 2% Moderate: Bills range 2% to 5% High: Bills > 5%	1.4% ²
Liquidity – Days Cash on Hand	Measures the borrower's ability to cover operating expenses without new revenue.	30%	Low: >180 days Moderate: 90–180 days High: <90 days	<1 day
Current Ratio	Evaluates short-term liquidity by comparing current assets to current liabilities, indicating the borrower's ability to cover short-term obligations.	20%	Low: > 2.0 Moderate: Between 1.0 and 2.0 High: < 1.0	0.44
¹ Based on 2024 income vs estimated annual debt service of \$308,000 ² Proposed annual water bill 908.4./ MHI of Belchertown \$63,309				

- Pine Valley received a final composite score of 1.4. Which is considered High Risk under this credit risk framework.

Pine Valley Security & Recommendation



Security

- Pine Valley has proactively saved a \$665k reserve for this project
- Pine Valley has proposed increasing the monthly maintenance fee to \$376 per household per month, of which \$75.67 would be dedicated to drinking water infrastructure including the repayment of the loan.
- The 13.3% increase to the monthly maintenance fee will cover the costs of the debt service for this loan.

Management Recommendation

Management is recommending approval of this loan with 0% interest and Tier 2 principal forgiveness - contingent on the agreement to the following covenants by Pine Valley:

- Provide a perfected first lien security interest in all gross revenues and receivables of the private entity.
- Require Pine Valley to approve a rate schedule for the drinking water infrastructure portion of the maintenance fee that is adequate to cover 110% of annual debt service for the life of the loan.
- Require a debt service reserve fund that will be equal 2x MADS for the term of the loan and secured by a DACA.

Schedule for Outstanding Private Borrower Loans

In accordance with the Private Borrower Policy, the aggregate amount of loans to all Private Entities must be considered in the management report and categorized against credit risk.

- All outstanding loans, and proposed loans, have been factored in the 2025 IUP capacity calculation.

Private Borrower	Loan Number	Amount	Status
Aquarion Water Co - Millbury	DWEC 23-134	\$4,679,913	PRA – Loan Agreement not executed
Aquarion Water Co - Oxford	DWEC 23-144	\$9,194,763	PRA – Loan Agreement not executed
Total Outstanding		\$13,874,676	

- Projects were originally approved with the agreement to be secured via a guarantee from their rated corporate affiliate, Eversource Energy. These were considered “Low Risk” and adequately secured under the previous private borrower policy.
- However, the Aquarion Water Company of Massachusetts, Inc is in the process of being sold - the Trust is working with Aquarion to understand the impact of this sale on the required guarantee prior to execution of any loan agreements.
- No disbursement have been made or will be made until the security guarantee has been clarified by Aquarion.



Questions?

TERM SHEET

This Term Sheet, dated as of June 11, 2025 (this “***Term Sheet***”), sets forth certain of the principal terms and conditions of a loan to Pine Valley Plantation Cooperative Corporation (“***Pine Valley***”) from the Massachusetts Clean Water Trust (“***MCWT***”).

This Term Sheet contemplates that the MCWT will make a loan to Pine Valley in the principal amount of up to \$6,014,514 for the purpose of the complete replacement of Pine Valley’s entire water distribution system, including installing approximately 19,500 feet of new, appropriately sized PVC water main (increasing the main trunk line size to 4" based on hydraulic modeling), replacing all 398 service connections to individual homes and facilities, and adding 68 new isolation gate valves and 24 air release/blow-off assemblies for improved system management and maintenance (the “***Project***”). The MCWT will initially make a non-amortizing interim loan (the “***Interim Loan***”), funded on a draw-down basis during construction of the Project, and will make a permanent amortizing loan (the “***Loan***”) to refinance the Interim Loan when construction is substantially complete or upon expiration of the Interim Loan, whichever comes first.

This Term Sheet and the undertakings contemplated herein are subject in all respects to the negotiation, execution and delivery of mutually acceptable definitive documentation between the MCWT and Pine Valley. It is also subject to MCWT Board approval.

THIS TERM SHEET IS NOT A COMMITMENT TO LEND; IT IS A GENERAL OUTLINE OF THE TERMS AND CONDITIONS OF A POSSIBLE TRANSACTION AND IS NONBINDING.

If the lending terms are acceptable to you, please sign and return a copy of this Term Sheet.

Terms of Loan

Principal Amount	Up to \$6,014,514
Interest Rate	0% per annum
Principal Forgiveness	Tier 2 principal forgiveness (13.2%), to be applied at the time of the execution of the Loan.
Maturity/ Amortization	Up to 20 years.
Mortgage	The Interim Loan and the Loan shall be secured by a first priority mortgage in the fee interest owned by Pine Valley.
Reserve	Upon the closing of the Interim Loan, Pine Valley shall deposit an amount equal to 2x the maximum annual debt service on the Loan into a reserve, based upon an estimated debt service schedule included in Schedule C of the Financing Agreement. The reserve amount will be adjusted at the time the Loan is finalized to reflect any adjustments in

	the debt service. The reserve shall be held at a bank, in an account over which there is a deposit account control agreement (DACA) in favor of the MCWT. Amounts in the reserve shall remain in the reserve until the Loan is paid in full. Amounts in the reserve may be applied by the MCWT toward debt service payments on the Interim Loan or the Loan in the event of a default in payment by Pine Valley. Interest earnings on the reserve fund may be applied to debt service owed by Pine Valley on the Loan. Amounts in the reserve fund shall be applied to pay principal in the final two years of the Loan.
Gross Revenues	The Interim Loan and the Loan shall be secured by a perfected first lien security interest in all gross revenues and receivables of Pine Valley. This lien will be perfected by a DACA over Pine Valley's operating accounts and the filing of appropriate financing statements under the Massachusetts Uniform Commercial Code.
Operating/Financial Covenants	
Rates	Prior to the closing of the Interim Loan, Pine Valley shall pass a resolution setting a rate schedule for the drinking water infrastructure portion of the maintenance fee that is adequate to cover 110% of annual debt service for the life of the Loan, and will covenant that in no year shall the assessment be less than such amount. Pine Valley will provide evidence that such rate schedule shall be binding on all current and future residents. See Exhibit A for an example rate schedule, which is preliminary and subject to change. In the event adjustments are necessary at the time the Loan is finalized, Pine Valley shall make any corresponding adjustments to the rate schedule.
Additional Debt	Pine Valley shall not incur any additional debt without the prior written consent of MCWT, except for debt incurred to acquire equipment that is secured solely by the equipment being acquired.
Subordination of Purchase Money Mortgages	From and after the date of the Interim Loan, the Bylaws and Proprietary Agreement shall be amended such that the assessment for paying the Loan shall be senior to any purchase money mortgage.
Terms and Conditions	The Interim Loan and Loan shall be subject to the customary general terms and conditions applicable to MCWT loans.

MASSACHUSETTS CLEAN WATER TRUST

Signed by:
By: Susan Perez
Name: D6BF83E8535C43F...
Title: _____

Acceptance and acknowledgment. By signing below, the undersigned authorized representative of Pine Valley (i) certifies that the above terms and conditions are acceptable to Pine Valley and (ii) acknowledges that such terms and conditions are not a commitment to lend.

PINE VALLEY PLANTATION COOPERATIVE CORPORATION

Signed by:
By: R. Kuhn
Name: 8484A3AFB6BD420...
Title: _____

Exhibit A

		Year	Monthly Rate	Annual Water Rate	# households	Annual Water Revenue	Debt Service	Outstanding Loan Balance	Admin Fee 0.15%	110% Debt Service
pre construction		2025	\$ 31.53	\$ 378.36	389	\$ 147,182	add to reserve			
construction		2026	\$ 36.53	\$ 438.36	389	\$ 170,522	add to reserve			
construction		2027	\$ 41.53	\$ 498.36	389	\$ 193,862	add to reserve	5,220,598		
Debt Service Year	1	2028	\$ 46.53	\$ 558.36	389	\$ 217,202	200,000	5,020,598	7,830.90	228,614
Debt Service Year	2	2029	\$ 49.00	\$ 588.00	389	\$ 228,732	200,000	4,820,598	7,530.90	228,284
Debt Service Year	3	2030	\$ 54.00	\$ 648.00	389	\$ 252,072	225,000	4,595,598	7,230.90	255,454
Debt Service Year	4	2031	\$ 53.10	\$ 637.20	389	\$ 247,871	225,000	4,370,598	6,893.40	255,083
Debt Service Year	5	2032	\$ 59.00	\$ 708.00	389	\$ 275,412	250,000	4,120,598	6,555.90	282,211
Debt Service Year	6	2033	\$ 59.00	\$ 708.00	389	\$ 275,412	250,000	3,870,598	6,180.90	281,799
Debt Service Year	7	2034	\$ 59.00	\$ 708.00	389	\$ 275,412	250,000	3,620,598	5,805.90	281,386
Debt Service Year	8	2035	\$ 59.00	\$ 708.00	389	\$ 275,412	250,000	3,370,598	5,430.90	280,974
Debt Service Year	9	2036	\$ 65.00	\$ 780.00	389	\$ 303,420	275,000	3,095,598	5,055.90	308,061
Debt Service Year	10	2037	\$ 65.00	\$ 780.00	389	\$ 303,420	275,000	2,820,598	4,643.40	307,608
Debt Service Year	11	2038	\$ 65.00	\$ 780.00	389	\$ 303,420	275,000	2,545,598	4,230.90	307,154
Debt Service Year	12	2039	\$ 65.00	\$ 780.00	389	\$ 303,420	275,000	2,270,598	3,818.40	306,700
Debt Service Year	13	2040	\$ 65.00	\$ 780.00	389	\$ 303,420	275,000	1,995,598	3,405.90	306,246
Debt Service Year	14	2041	\$ 65.00	\$ 780.00	389	\$ 303,420	275,000	1,720,598	2,993.40	305,793
Debt Service Year	15	2042	\$ 65.00	\$ 780.00	389	\$ 303,420	275,000	1,445,598	2,580.90	305,339
Debt Service Year	16	2043	\$ 65.00	\$ 780.00	389	\$ 303,420	275,000	1,170,598	2,168.40	304,885
Debt Service Year	17	2044	\$ 65.00	\$ 780.00	389	\$ 303,420	275,000	895,598	1,755.90	304,431
Debt Service Year	18	2045	\$ 71.50	\$ 858.00	389	\$ 333,762	300,000	595,598	1,343.40	331,478
Debt Service Year	19	2046	\$ 71.50	\$ 858.00	389	\$ 333,762	300,000	295,598	893.40	330,983
Debt Service Year	20	2047	\$ 69.70	\$ 836.40	389	\$ 325,360	295,598	0	443.40	325,646

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MASSACHUSETTS CLEAN WATER TRUST MEMORANDUM

TO: The Massachusetts Clean Water Trust Board of Trustees

FROM: Sue Perez, Executive Director of the Massachusetts Clean Water Trust

SUBJECT: Management Decision Letter: Loan Application of Pine Valley Plantation Cooperative Corporation

DATE: July 9, 2025

Dear Members of the Board of Trustees,

This letter evaluates the \$6,014,514 million Drinking Water State Revolving Fund ("DWSRF") loan application from Pine Valley Plantation Cooperative Corporation ("Pine Valley"), a private mobile home community for residents 55 years and older in Belchertown, designated public water supplier which qualifies as an eligible borrower under Chapter 29C of the General Laws.

The project addresses critical water supply issues, scoring 433 points in the 2024 DWSRF Intended Use Plan. Pine Valley's project qualifies as serving a small system in a Tier 2 Disadvantaged Community.

Project Description

This project addresses the critical failure of Pine Valley Plantation's aging water distribution infrastructure, a system originally installed nearly 50 years ago. Constructed in phases using various materials and contractors, the network is now plagued by frequent, costly water main breaks and leaks. These failures not only cause service disruptions for the community's 500-800 residents (all aged 55 and older) but also create significant risks of contamination entering the water supply and impose a financial burden due to constant emergency repairs. Furthermore, undersized piping in sections of the 150-acre site leads to inadequate water pressure and flow, particularly in areas near the end of the distribution system.

The proposed solution is a comprehensive overhaul: the complete replacement of the entire distribution system. This involves installing approximately 19,500 feet of new, appropriately sized PVC water main (increasing the main trunk line size to 4" based on hydraulic modeling), replacing all 398 service connections to individual homes and facilities, and adding 68 new isolation gate valves and 24 air release/blow-off assemblies for improved system management and maintenance. The redesign will also reroute mains for better separation from other utilities, eliminate problematic cross-country lines, and ensure consistent pressure and flow throughout the community. This vital infrastructure upgrade will result in a completely new, reliable water system with an expected service life of 50-75 years, safeguarding public health and ensuring dependable water service for the residents of Pine Valley Plantation.

Residents will fund the loan payments through the monthly maintenance fee. A monthly maintenance fee is assessed which includes water and sewer system maintenance, trash/recycling collection, road maintenance, snow removal, salt and sanding of all common grounds, streets, and buildings, spring and fall

pickup of leaves and brush, Spectrum cable TV, high speed internet and real estate taxes on the Pine Valley property. Pine Valley is proposing a 13.3% increase to the monthly maintenance fee to cover the costs of the debt service for this loan. See below for the history of the monthly maintenance fee.

	2019	2020	2021	2022	2023	2024	2025	Proposed
Community Maintenance Fee	179.60	184.60	196.70	197.38	183.93	183.93	183.93	183.93
Community Maintenance Fee - Water Infra	-	-	-	-	18.53	18.53	18.53	18.53
Water Infrastructure Project Fee	13.00	13.00	13.00	13.00	13.00	13.00	13.00	57.14
Subtotal Water Infra Project Fees	13.00	13.00	13.00	13.00	31.53	31.53	31.53	75.67
Belchertown Licence Fee	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Belchertown Sewer User Fee	30.40	30.40	30.40	32.30	32.30	32.30	32.30	32.30
Stormwater Fee				3.02	3.02	3.02	3.02	3.02
Broadband fee (TV/Internet)	-	58.00	60.90	65.30	69.22	69.22	69.22	69.22
Total Maintenance Fees	235.00	298.00	313.00	323.00	332.00	332.00	332.00	376.14

Private Borrower Policy Assessment

The Trust requires that any loan to a private entity must be secured by assets (financial or otherwise) that ensure the repayment of the loan. The Trust mandates that all private entities provide a perfected first lien security interest in all gross revenues and receivables of the private entity. This includes a deposit account control agreement (DACA) and the filing of appropriate financing statements under the Massachusetts Uniform Commercial Code.

Additionally, a private entity must include one of the following:

- A letter of credit issued by a bank approved by the Trust, covering at least 100% of the loan amount
- Marketable securities equaling at least 120% of the loan amount, marked to market quarterly
- An absolute and unconditional guarantee by a rated corporate affiliate of the private entity

Private entities classified as Small Systems, that is, entities serving populations $\leq 10,000$, who may not be able to provide one of the items above, may provide one of the following:

- A personal guarantee from a principal with a net worth of at least 300% of the loan amount
- Real property located in Massachusetts, free of liens, appraised at 150% of the loan amount
- A first lien on personal property valued at 150% of the loan amount
- A certified rate order sufficient to cover the loan and operational expenses
- Any other security that, in the opinion of Management and the Board, is reasonable

Pine Valley is a small system co-op that sets its maintenance fees annually via member vote; it is not subject to DPU rate oversight. As noted in the table above, Pine Valley currently collects a monthly maintenance fee of \$332 per household per month, of which \$31.53 is dedicated to drinking water infrastructure. Pine Valley has proposed increasing the monthly maintenance fee to \$376 per household per month, of which \$75.67 would be dedicated to drinking water infrastructure including the repayment of the loan.

	Monthly Fee	# Households	Annual Revenue
Current	\$31.53	389	\$147,182
Proposed	\$76.14	389	\$353,228

Pine Valley has indicated that they nearly always have a 100% collection rate of maintenance fees and that they have policies in place to address rare situations of non-payment.

Pine Valley currently holds approximately \$665,000 in reserves.

Credit Risk Analysis

The Trust requested that PFM review Pine Valley’s risk profile through an additional weighted credit risk framework. PFM completed a review of the following metrics and weights

Metric	Description	Weight	Risk Scoring	Pine Valley Score
Debt Service Coverage Ratio (DSCR)	Assesses a borrower’s ability to meet annual debt obligations using operating income.	30%	Low: DSCR > 1.5	0.54x ¹
			Moderate: DSCR = 1.2–1.5	
			High: DSCR < 1.2	
Average Bill as a Percentage of Median Household Income	Compares the typical customer bill to the local median household income to gauge affordability.	20%	Low: Bills < 2%	1.4% ²
			Moderate: Bills range 2% to 5%	
			High: Bills > 5%	
Liquidity – Days Cash on Hand	Measures the borrower’s ability to cover operating expenses without new revenue.	30%	Low: >180 days	< 1 day
			Moderate: 90–180 days	
			High: <90 days	
Current Ratio	Evaluates short-term liquidity by comparing current assets to current liabilities, indicating the borrower’s ability to cover short-term obligations.	20%	Low: > 2.0	0.44
			Moderate: Between 1.0 and 2.0	
			High: < 1.0	
¹ Based on 2024 income vs. estimated annual debt service of \$308,000.				
² Proposed annual water bill \$908.04 / median household income of Belchertown \$63,309				

Each score is awarded between 1 and 3 points with low credit risk receiving 3 points, moderate risk receiving 2 points, and high risk receiving 1 point. The points are then weighted as noted above and then calculated to provide a composite score to determine the Final Risk Tier.

Final Risk Tiers:

1. Low Risk: 2.5–3.0 score
2. Moderate Risk: 1.8–2.4 score
3. High Risk: <1.7 score

Pine Valley received a final composite score of 1.4. Which is considered High Risk under this credit risk framework.

Alternatives & Recommendation

While the proposed rate increase appears mathematically feasible to cover debt service, its successful implementation relies on the approval of the co-op members, many of whom are elderly and on fixed incomes. The PFM analysis highlights existing weaknesses in liquidity and current ratio.

Management recommends in addition to providing the Tier 2 principal forgiveness (13.2%) to this loan to also provide a zero percent interest rate due to the public health benefits of providing safe drinking water to this vulnerable community. This vital infrastructure upgrade will result in a completely new, reliable water system with an expected service life of 50-75 years, safeguarding public health and ensuring dependable water service for the residents of Pine Valley Plantation.

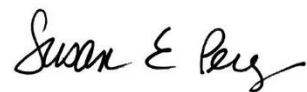
Management proposes a debt service schedule that will gradually increase to correspond to rate increases. See below for example:

		Year	Monthly Rate	Annual Water Rate	# households	Annual Water Revenue	Debt Service	Outstanding Loan Balance	Admin Fee 0.15%	110% Debt Service
pre construction		2025	\$ 31.53	\$ 378.36	389	\$ 147,182	add to reserve			
construction		2026	\$ 36.53	\$ 438.36	389	\$ 170,522	add to reserve			
construction		2027	\$ 41.53	\$ 498.36	389	\$ 193,862	add to reserve	5,220,598		
Debt Service Year	1	2028	\$ 46.53	\$ 558.36	389	\$ 217,202	200,000	5,020,598	7,830.90	228,614
Debt Service Year	2	2029	\$ 49.00	\$ 588.00	389	\$ 228,732	200,000	4,820,598	7,530.90	228,284
Debt Service Year	3	2030	\$ 54.00	\$ 648.00	389	\$ 252,072	225,000	4,595,598	7,230.90	255,454
Debt Service Year	4	2031	\$ 53.10	\$ 637.20	389	\$ 247,871	225,000	4,370,598	6,893.40	255,083
Debt Service Year	5	2032	\$ 59.00	\$ 708.00	389	\$ 275,412	250,000	4,120,598	6,555.90	282,211
Debt Service Year	6	2033	\$ 59.00	\$ 708.00	389	\$ 275,412	250,000	3,870,598	6,180.90	281,799
Debt Service Year	7	2034	\$ 59.00	\$ 708.00	389	\$ 275,412	250,000	3,620,598	5,805.90	281,386
Debt Service Year	8	2035	\$ 59.00	\$ 708.00	389	\$ 275,412	250,000	3,370,598	5,430.90	280,974
Debt Service Year	9	2036	\$ 65.00	\$ 780.00	389	\$ 303,420	275,000	3,095,598	5,055.90	308,061
Debt Service Year	10	2037	\$ 65.00	\$ 780.00	389	\$ 303,420	275,000	2,820,598	4,643.40	307,608
Debt Service Year	11	2038	\$ 65.00	\$ 780.00	389	\$ 303,420	275,000	2,545,598	4,230.90	307,154
Debt Service Year	12	2039	\$ 65.00	\$ 780.00	389	\$ 303,420	275,000	2,270,598	3,818.40	306,700
Debt Service Year	13	2040	\$ 65.00	\$ 780.00	389	\$ 303,420	275,000	1,995,598	3,405.90	306,246
Debt Service Year	14	2041	\$ 65.00	\$ 780.00	389	\$ 303,420	275,000	1,720,598	2,993.40	305,793
Debt Service Year	15	2042	\$ 65.00	\$ 780.00	389	\$ 303,420	275,000	1,445,598	2,580.90	305,339
Debt Service Year	16	2043	\$ 65.00	\$ 780.00	389	\$ 303,420	275,000	1,170,598	2,168.40	304,885
Debt Service Year	17	2044	\$ 65.00	\$ 780.00	389	\$ 303,420	275,000	895,598	1,755.90	304,431
Debt Service Year	18	2045	\$ 71.50	\$ 858.00	389	\$ 333,762	300,000	595,598	1,343.40	331,478
Debt Service Year	19	2046	\$ 71.50	\$ 858.00	389	\$ 333,762	300,000	295,598	893.40	330,983
Debt Service Year	20	2047	\$ 69.70	\$ 836.40	389	\$ 325,360	295,598	0	443.40	325,646

Management is recommending approval of this loan contingent on the agreement to the following covenants by Pine Valley.

- Provide a perfected first lien security interest in all gross revenues and receivables of the private entity. This includes a deposit account control agreement (DACA) and the filing of appropriate financing statements under the Massachusetts Uniform Commercial Code.
- Approve a rate schedule for the drinking water infrastructure portion of the maintenance fee that is adequate to cover 110% of annual debt service for the life of the loan which will not exceed 20 years (see above for example)
- Provide a debt service reserve fund to be held by the Trust that will equal 2x maximum annual debt service (MADS) throughout the life of the loan – the expectation is that this would be funded at the time of the interim loan execution with use of the reserve funds.

Sincerely,



Susan E. Perez
Executive Director
Massachusetts Clean Water Trust

Schedule for Outstanding Private Borrower Loans

In accordance with the Private Borrower Policy, the aggregate amount of loans to all Private Entities must be considered by the Executive Committee before recommending it to the Board. Management must provide the total outstanding private loans, loan commitments and detail their respective risk levels. Further, management will include an analysis of the impact of the new loan on the overall risk level for the portfolio of private loans and the impact on available capacity of the DWSRF program.

Private Borrower	Loan Number	Amount	Status
Aquarion Water Co - Millbury	DWEC 23-134	\$4,679,913	PRA – Loan Agreement not executed
Aquarion Water Co - Oxford	DWEC 23-144	\$9,194,763	PRA – Loan Agreement not executed
Total Outstanding		\$13,874,676	

Risk Profile. These projects were approved with the agreement to be secured via a guarantee from their rated corporate affiliate, Eversource Energy. However, the Aquarion Water Company of Massachusetts, Inc is in the process of being sold and the Trust is working with Aquarion to understand the impact of this sale on the required guarantee prior to execution of any loan agreements. The Trust has made no disbursements for the Aquarion projects, and no disbursements will be made until the security guarantee has been clarified by Aquarion.

Capacity. All three loans, the proposed Pine Valley loan and the two Aquarion loans have been factored into the current capacity model that was used in the 2025 DWSRF IUP.



Items #5 through #10 *Project Descriptions*

Project Descriptions for July 9, 2025

Board of Trustees Meeting

Loan Commitment to Pine Valley Plantation Cooperative Corporation

Pine Valley Plantation Cooperative Corporation DW-24-59

The project involves the replacement of approximately 4 miles of existing water distribution piping serving 389 units within the PVP Mobile Home Park with a new 4" PVC distribution system. The project will also replace water services to the lots within the development. The goal of the project is to replace the existing system, which is undersized, and was built in phases by different contractors using different materials and fittings, resulting in poor water supply and numerous leaks and failures, requiring significant ongoing maintenance.

Asset Management Planning Agreements

Needham CWA-24-48

Needham Sanitary Sewer System Asset Mapping

The project will develop an advanced Asset Management Plan for the Town's sanitary sewer system, allowing the Town to practice more efficient planning and strategic decision making as well as identify critical assets and assess risks.

Newton CWA-24-37

City of Newton Stormwater AMP

The project is to update the Stormwater Infrastructure Improvement Plan (e.g. Asset Management Plan), the City of Newton DPW will work with a consultant to inventory and assess the current state of the City's stormwater control assets; inventory critical asset attributes, update the existing GIS for these assets; evaluate the level of service (LOS) of these assets in terms of quality, quantity, reliability, and environmental standards; quantify minimum life cycle costs for stormwater control operation and maintenance; and update the long-term funding strategy to incorporate efficient operations and long-term management strategies.

Weston DWA-24-39

Weston Drinking Water Asset Management Plan

The project is to prepare an Asset Management Plan (AMP) to augment previous assessments that were limited to major infrastructure. This AMP includes inventory and assessment of the current state of the Town's water distribution system assets with particular focus on individual pipes throughout the system; update the Town's GIS; evaluate the level of service in terms of quality, quantity, reliability and environmental standards; identify assets critical to sustaining system performance; quantify minimum life cycle costs for critical assets, operations and maintenance; and determine a long-term capital improvement plan to ensure high-level performance and pipe integrity.

Williamstown CWA-24-19

FY2025 Sewer AM Planning Project (CMOM Year 2)

The project is to continue to work on a “living” collection system planning (dynamic) tool that provides a continually updated roadmap for the Town’s collection system infrastructure. The Town views asset management as a streamlined and focused process that aids the Town in defining and prioritizing the capital improvements that are needed within the existing infrastructure. The Asset Management Program maximizes capital investment by prioritizing the capital needs based on the criticality of the asset. This asset management process must be revisited and updated in perpetuity to continue to have a useful planning tool as the Town moves forward in maintaining its infrastructure.

Community Septic Management Program Commitment

Sharon CW-25-10

Sharon Residential Septic Loans 2025

To assist town residents in fixing their septic systems

Community Septic Management Program Agreement

Sharon CWT-25-10

Sharon Residential Septic Loans 2025

To assist town residents in fixing their septic systems

Clean Water Agreements

Boston Water and Sewer Commission CW-24-39

East Boston Sewer Separation Phase IV

The project is to reduce CSO discharges in Boston’s Inner Harbor and Chelsea Creek. It involves five sewer separation projects over an area of 230 acres by constructing new storm drains and allowing the existing combined sewers to function as separate sanitary sewers, or by constructing new sanitary sewers and allowing the existing combined sewer to serve as storm drains.

Boston Water and Sewer Commission CW-24-39-A

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The project is to reduce CSO discharges in Boston’s Inner Harbor and Chelsea Creek. It involves five sewer separation projects over an area of 230 acres by constructing new storm drains and allowing the existing combined sewers to function as separate sanitary sewers, or by constructing new sanitary sewers and allowing the existing combined sewer to serve as storm drains.

Revere CWP-24-40

Phase 15 Construction - I/I, IDDE, P.S. & Drainage

The project includes the removal of inflow/infiltration (I/I) from the City's sewer system and capacity improvement. Construction will include the redirection of public and private inflow sources discovered during Phase 15 Field Investigations in addition to IDDE source removal, and drainage improvements. Illicit connections, including sump pumps, roof leaders, etc. will be removed from the City's sewer system in order to remove inflow and increase wastewater capacity. Construction will also include pump station improvements (both stormwater and wastewater), CIPP lining, sewer spot repairs, replacements, new sewer lines, cleaning, and additional wastewater metering.

Saugus CWP-24-86

Comprehensive Sewer System Rehabilitation – 2

The project includes comprehensive sewer system rehabilitation in Subsystem 2 in Saugus. Construction will include the rehabilitation of pipelines, manholes, and service laterals necessary to eliminate I/I from the system. Approximately 7,600 feet of 8-inch, 200 feet of 10-inch, and 4,650 feet of 24-inch pipe have been identified as being in need of CIPP in Subsystem 2 to eliminate I/I. Also included in this project will be the installation of a lining system to improve the quality of the service to mainline connection. There are approximately 160 of this type of connection in Subsystem 2. Approximately 60 manholes have also been identified and are in need of rehabilitation. Each manhole will be lined using the latest standards.

Drinking Water Agreements**Auburn Water District DWPEC-24-63**

Arsenic and PFAS Removal WTP for South Street Well

The project involves construction of a water treatment plant for the South Street Wells to remove arsenic and PFAS. The arsenic levels exceed the MCL and were removed from service. These wells must be returned to service with the appropriate treatment in place to protect public health, meet compliance with drinking water MCLs and maintain a sustainable water supply for customers.

Franklin DWEC-24-96

Franklin Hayward St. WTP Improvements

The Project involves treatment of iron and manganese in wells 1, 2, 2a, and 2b as well as PFAS treatment at the Hayward St Water Treatment Plant (WTP). A conceptual design for the treatment of PFAs for wells 1, 2, 2a and 2b, as well as future treatment of well 9, are included in the project scope.

Middleborough DWPEC-24-51**East Grove Street Water Treatment Plant**

The project involves construction of a permanent treatment system consisting of a two stage process for treating iron in the first stage, followed by PFAS treatment in the second stage. The vessels will be housed in a new building to be constructed at the East Grove Street dug well site.

Norwood DWP-24-48**Bellevue Water Tanks Replacement**

The project includes replacement of the 4.0 MG standpipe and 0.5 MG elevated tanks that are beyond their useful life. The tanks will be replaced with (2) 1.5 MG composite elevated tanks. The new tanks will include mixers.

Shrewsbury DWEC-24-72**Home Farm WTP PFAS Treatment Upgrades**

The project will expand treatment operations at the Home Farm Water Treatment Plant (WTP) and includes construction of a new building with PFAS treatment equipment for all of the Town's groundwater sources. The new building will include pressure vessels for PFAS treatment, and new aeration towers. The completed project will reduce PFAS concentrations in finished water, allow the Town to utilize the full permitted capacity of groundwater wells with higher PFAS concentrations, and reduce operation and maintenance costs related to pH adjustment and VOC removal. The new treatment equipment will match the 7.0 million gallon per day (mgd) treatment capacity of the existing WTP.

South Grafton Water District DWEC-24-88**PFAS Treatment Plant for Wells #2 and #3**

The project is to construct a permanent PFAS filtration plant next to Well #3 that will be sized to treat the combined flows from both wells of approximately 700 gpm. The plant will be a metal building with slab on grade and perimeter frost footings approximately 32' by 45' and operate as a pump through station with filters operating in lead lag configuration.

Stoughton DWPEC-24-91**Pratts Court WTP Improvements**

The project is to upgrade the existing Pratts Court WTP by installing new well pumps, slip lining the original well, yard piping to connect new wells, replacing filter media in 3 pressure filters, demolishing 1 pressure filter, installation of 2 GAC pressure vessels, creating a roof penthouse, relocating the potassium hydroxide system, installing a new permanganate feed system, and all associated piping, equipment, electrical, and controls.

Uxbridge DWPEC-24-52**Blackstone Water Treatment Plant**

The project includes construction of a new 1.2 MGD water treatment plant at the Town of Uxbridge's Blackstone well site to remove high concentrations of manganese and PFAS. The new treatment system will include filtration for iron and manganese removal followed by media adsorption for removal of PFAS compounds. Additional upgrades include new chemical treatment systems, piping, and other utilities at the site. Construction of this treatment plant allows the Town to return an offline well to service and reduces the need to limit production capacity by blending of the remaining wells.



Item #11 (*No Reference Documents*)