

**UNITED STATES  
ENVIRONMENTAL PROTECTION AGENCY**

**WIFIA LOAN AGREEMENT**

**for up to \$86,926,000**

**with**

**CITY OF JOLIET, ILLINOIS**

**for the**

**ALTERNATIVE WATER SUPPLY PROGRAM – PHASE III PROJECT  
(WIFIA – 19155IL)**

**Dated as of August [\_\_\_\_], 2025**

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## WIFIA LOAN AGREEMENT

**THIS WIFIA LOAN AGREEMENT** (this “**Agreement**”), dated as of August [\_\_\_], 2025, is by and between **CITY OF JOLIET**, a municipal corporation and home rule unit of local government duly organized and existing under the laws of the State of Illinois with an address at 150 West Jefferson Street, Joliet, IL 60432 (the “**Borrower**”), and the **UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**, an agency of the United States of America, acting by and through the Administrator of the Environmental Protection Agency, with an address at 1200 Pennsylvania Avenue NW, Washington, DC 20460 (the “**WIFIA Lender**”).

### RECITALS:

WHEREAS, the Congress of the United States of America enacted the Water Infrastructure Finance and Innovation Act (as amended, and as may be further amended from time to time), which is codified as 33 U.S.C. §§ 3901-3915;

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

WHEREAS, the Borrower and the WIFIA Lender entered into that certain WIFIA Master Agreement, dated as of April 19, 2022, as amended by Amendment No. 1, dated as of August [\_\_\_], 2025 (the “**WIFIA Master Agreement**”), pursuant to which the parties thereto have set forth certain common terms and conditions applicable to each WIFIA loan and project under the Master Program;

WHEREAS, pursuant to the Application the Borrower has requested that the WIFIA Lender make the WIFIA Loan (as defined below) in a principal amount not to exceed \$86,926,000 to be used to pay a portion of the Eligible Project Costs related to the Project (as defined below);

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

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

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

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

Application, the WIFIA Master Agreement, and the supporting information provided by the Borrower.

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

## **ARTICLE I DEFINITIONS AND INTERPRETATION**

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

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

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

“**Final Maturity Date**” means the earlier of (a) January 1, 2065 (or such earlier date as is set forth in an updated Exhibit A (*WIFIA Debt Service*) pursuant to Section 8(d) (*Payment of Principal and Interest – Adjustments to Loan Amortization Schedule*) of the WIFIA Master Agreement); and (b) the Principal Payment Date immediately preceding the date that is thirty-five (35) years following the Substantial Completion Date.

“**First Payment Date**” means the earlier to occur of (a) the Payment Date immediately succeeding the date of the initial disbursement of the WIFIA Loan, and (b) the Payment Date on or immediately preceding the fifth (5th) anniversary of the Substantial Completion Date.

“**Indenture**” means that certain Master Indenture of Trust dated as of March 15, 2022, between the Borrower and the Trustee.

“**Interest Payment Date**” means January 1 and July 1 of each year, commencing on the January 1 or July 1 immediately succeeding the date of the initial disbursement of the WIFIA Loan.

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

**“Principal Payment Date”** means each January 1, beginning on January 1, 2062.

**“Project”** means the design, engineering, construction, program management and planning for the Water Transmission System Program, as further described in Schedule III (Project).

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

**“Projected Substantial Completion Date”** means June 30, 2031, as such date may be adjusted in accordance with Section 16(d) (Reporting Requirements – Construction Reporting) of the WIFIA Master Agreement.

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

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

**“WIFIA Loan”** means the secured loan made by the WIFIA Lender to the Borrower on the terms and conditions set forth herein, in the WIFIA Master Agreement and in the WIFIA Bond, pursuant to the Act, in a principal amount not to exceed \$86,926,000, to be used in respect of Eligible Project Costs with respect to the Project.

**“WIFIA Loan Agreement Effective Date”** means the date of this Agreement.

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

**“WIFIA Ordinance”** means that certain Ordinance Approving an amendment of the WIFIA Master Agreement and One or More WIFIA Project Loan Agreements with the United States Environmental Protection Agency and One or More Supplemental Indentures and Authorizing the Issuance of Waterworks and Sewerage Senior Lien Revenue Bonds of the City of Joliet, Illinois, adopted by the Joliet City Council on August 5, 2025.

**“WIFIA Supplemental Indenture”** means that certain WIFIA Loan Supplemental Indenture Number Three, dated as of August 1, 2025, by and between the Borrower and the Trustee.

## Section 2. Interpretation.

(a) Except as otherwise expressly provided herein, the rules of interpretation set forth in Section 2 of the WIFIA Master Agreement shall apply herein, *mutatis mutandis*, as if set out in this Agreement in full (and as if each reference therein to “this Agreement” were a reference to this Agreement, and each reference to any “WIFIA Loan” or any “WIFIA Bond” were a reference, respectively, to the WIFIA Loan or the WIFIA Bond as such terms are defined in this Agreement).

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

## **ARTICLE II THE WIFIA LOAN**

Section 3. WIFIA Loan Amount. The principal amount of the WIFIA Loan shall not exceed \$86,926,000. WIFIA Loan proceeds available to be drawn shall be disbursed from time to time in accordance with Section 4 (Disbursement Conditions) hereof and Section 11(c) (Conditions Precedent – Conditions Precedent to Disbursements) of the WIFIA Master Agreement.

Section 4. Disbursement Conditions. The WIFIA Loan shall be disbursed in accordance with Section 4 (Disbursement Conditions) of the WIFIA Master Agreement.

Section 5. [Reserved].

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

Section 7. [Reserved].

Section 8. Payment of Principal and Interest

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

(b) WIFIA Bond. As evidence of the Borrower's obligation to repay the WIFIA Loan, the Borrower shall issue and deliver to the WIFIA Lender, on or prior to the WIFIA Loan Agreement Effective Date, the WIFIA Bond substantially in the form of **Error! Reference source not found.** (*Form of WIFIA Bond*) to the Master Agreement, having a maximum principal amount of \$86,926,000

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

Section 10. Fees and Expenses. The Borrower shall pay to the WIFIA Lender, in each case pursuant to and in accordance with Section 10 (Fees and Expenses) of the WIFIA Master Agreement:

(a) a one-time Servicing Set-Up Fee equal to \$12,710;

(b) an annual Construction Period Servicing Fee equal to \$12,710 per annum; provided that the initial Construction Period Servicing Fee shall be in a pro-rated amount equal to \$3,170 in accordance with Section 10(a)(ii) (*Fees and Expenses*) of the WIFIA Master Agreement;

(c) an Operating Period Servicing Fee equal to \$9,530 per annum; and

(d) any other applicable fees, costs, charges and expenses pursuant to, and otherwise in accordance with, Section 10 (*Fees and Expenses*) of the WIFIA Master Agreement.

### **ARTICLE III CONDITIONS PRECEDENT**

#### **Section 11. Conditions Precedent.**

(a) Conditions Precedent to Effectiveness. The effectiveness of this Agreement is subject to the satisfaction, or the WIFIA Lender's written waiver, as determined by the WIFIA Lender in its sole discretion, of each of the conditions precedent to the effectiveness of this Agreement set forth in Section 11(b) (*Conditions Precedent – Conditions Precedent to Effectiveness of Each WIFIA Loan Agreement*) of the WIFIA Master Agreement, including delivery of complete and fully executed versions of the WIFIA Ordinance and the WIFIA Supplemental Indenture (each of which is incorporated by reference herein, *mutatis mutandis*, as if set out in this Agreement in full and as if each reference therein to any "Project," any "WIFIA Loan," any "WIFIA Bond," or any "WIFIA Loan Agreement" were a reference, respectively, to the Project, the WIFIA Loan, the WIFIA Bond, or this Agreement (as such terms are defined in this Agreement)).

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

### **ARTICLE IV REPRESENTATIONS AND WARRANTIES**

Section 12. Representations and Warranties of Borrower. The representations and warranties set out in Section 12 (*Representations and Warranties of Borrower*) of the WIFIA Master Agreement shall be made on the WIFIA Loan Agreement Effective Date and as of each date on which any disbursement of the WIFIA Loan is requested or made, except as otherwise expressly provided in Section 12 of the WIFIA Master Agreement. Each such representation and warranty is incorporated by reference herein, *mutatis mutandis*, for the benefit of the WIFIA Lender as if set out in this Agreement in full (and as if each reference therein to "this Agreement"

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

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

## **ARTICLE V COVENANTS**

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

Section 15. [Reserved].

Section 16. [Reserved].

## **ARTICLE VI EVENTS OF DEFAULT**

Section 17. Events of Default and Remedies.

(a) Each Event of Default set out in Section 17 (*Events of Default and Remedies*) of the WIFIA Master Agreement shall constitute an Event of Default under this Agreement, except as otherwise expressly provided in Section 17 (*Events of Default and Remedies*) of the WIFIA Master Agreement.

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

## **ARTICLE VII MISCELLANEOUS**

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

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

Section 20. Termination. This Agreement shall terminate upon the irrevocable payment in full in immediately available funds by the Borrower of the Outstanding WIFIA Loan Balance, together with all accrued interest, fees and expenses with respect thereto; provided that the indemnification requirements of Section 32 (*Indemnification*) of the Master WIFIA Agreement, as incorporated herein, the reporting and record keeping requirements of Section 14(q) (*Affirmative Covenants – Access; Records*) of the WIFIA Master Agreement, as incorporated herein, and the payment requirements of Section 10 (*Fees and Expenses*) shall survive the termination of this Agreement as provided in such sections.

Section 21. Miscellaneous. Article VII (*Miscellaneous*) of the WIFIA Master Agreement (other than Sections 25 (*Governing Law*), 34 (*Effectiveness*) and 35 (*Termination*) of the WIFIA Master Agreement) shall be incorporated in this Agreement, *mutatis mutandis*, as if set out in this Agreement in full (and as if each reference therein to “this Agreement” were a reference to this Agreement and as if each reference therein to (a) any “Project” or the “Master Program”, (b) any “WIFIA Loan” or (c) any “WIFIA Bond” were a reference, respectively, to (i) the Project, (ii) the WIFIA Loan or (iii) the WIFIA Bond (as such terms are defined in this Agreement)).

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

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

**CITY OF JOLIET, ILLINOIS**  
by its authorized representative

By: \_\_\_\_\_  
Name:  
Title:

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

By: \_\_\_\_\_  
Name: Lee M. Zeldin  
Title: Administrator

**SCHEDULE I**  
**PROJECT BUDGET**

| <b>SOURCES OF FUNDS</b>         | <b>AMOUNT (\$ USD)</b> | <b>PERCENTAGE (%)</b> |
|---------------------------------|------------------------|-----------------------|
| WIFIA Loan                      | \$86,926,000           | 49%                   |
| Revenue Bonds                   | \$90,474,000           | 51%                   |
| <b>Total Sources</b>            | <b>\$177,400,000</b>   | <b>100.00%</b>        |
| <b>USES OF FUNDS</b>            | <b>AMOUNT (\$ USD)</b> | <b>PERCENTAGE (%)</b> |
| <b>Construction</b>             | <b>\$141,069,398</b>   | <b>79.5%</b>          |
| <b>Design</b>                   | <b>\$18,962,433</b>    | <b>10.7%</b>          |
| <b>Program Management</b>       | <b>\$12,678,348</b>    | <b>7.1%</b>           |
| <b>Other (land acquisition)</b> | <b>\$3,689,821</b>     | <b>2.1%</b>           |
| <b>Total Capital Costs</b>      | <b>\$176,400,000</b>   | <b>99.4%</b>          |
| <b>Financing Costs</b>          | <b>\$1,000,000</b>     | <b>&lt;1%</b>         |
| <b>Total Uses</b>               | <b>\$177,400,000</b>   | <b>100.00%</b>        |

## SCHEDULE II

### CONSTRUCTION SCHEDULE

| Project Component Name                   | Start Date | Begin Design | Begin Construction | Substantial Completion |
|------------------------------------------|------------|--------------|--------------------|------------------------|
| System Improvements for AWSP (Phase III) | 1/15/2021  | 4/15/2025    | 4/15/2025          | 6/30/2031              |
|                                          |            |              |                    |                        |

## **SCHEDULE III**

### **PROJECT**

The **Project** is the planning, design, and construction of proposed system improvements related to the Alternative Water Source Program (AWSP). Specifically, the components include required additions and upgrades to the existing distribution system under ‘Capital Improvement Plan #8 – Joliet Distribution System Improvements’ to connect the City of Joliet to AWSP infrastructure by upgrading pumping, storage, and distribution systems deemed necessary by 2030.

## **SCHEDULE 12(n)**

### **CONSTRUCTION CONTRACTS**

#### **A. Existing Construction Contracts**

As of the date of this agreement no construction contracts have been executed for elements of the Project.

#### **B. Additional Construction Contracts**

| <b>Contract Package No.</b> | <b>Description</b>                                                             | <b>Est. Bid Award Date</b> |
|-----------------------------|--------------------------------------------------------------------------------|----------------------------|
| JOL-08-02                   | Elevated Water Storage Tanks                                                   | June 2026                  |
| JOL-08-03                   | Ridge Rd Pumping Station, Ingalls Pumping Station Improvements, Morgan St PRV  | Dec 2025                   |
| JOL-08-04                   | Water Distribution Improvements                                                | Jan 2026                   |
| JOL-08-05                   | Water Storage Tanks                                                            | Feb 2026                   |
| JOL-08-06                   | Stryker and WCHPZ Water Pumping Stations                                       | Dec 2026                   |
| JOL-08-07                   | Washington St Water Pumping Station and Essington Pumping Station Improvements | June 2027                  |
| JOL-08-08                   | Existing Facility Demo, Rehab, and Repurposing                                 | June 2030                  |
| JOL-08-09                   | Public Utilities Maintenance Facility Improvements                             | Sept 2026                  |

**EXHIBIT A**  
**WIFIA DEBT SERVICE**  
***[Attached.]***