

LOAN AGREEMENT

This Loan Agreement (this "Loan Agreement"), dated as of October 1, 2025, is between Webster Bank, National Association, a national banking association organized and existing under the laws of the United States of America, as lender (together with its successors and assigns, the "Lender"), and the Napa-Vallejo Waste Management Authority, a joint powers authority duly organized and existing under the Constitution and laws of the State of California, as borrower (the "Authority").

BACKGROUND:

1. The Authority is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement dated March 17, 1993, as amended, most recently by the Fifth Amendment, dated May 5, 1998 (collectively, the "JPA Agreement"), by and among the County of Napa and the Cities of Napa, Vallejo and American Canyon, and under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act").

2. The Authority owns and operates a system for the receiving, processing, recycling and transportation of solid waste and the recovery of materials from solid waste (as further defined herein, the "Enterprise").

3. The Authority is authorized under the JPA Agreement and Article 4 of the Act (the "Bond Law") to borrow money to finance or refinance the acquisition, construction, improvement or renovation of the facilities making up the Enterprise.

4. In order to provide funds to finance capital improvements to the Enterprise, consisting generally of a new recycling facility for construction and demolition materials adjacent to the Authority's Devlin Road Recycling and Transfer Facility, the Authority has determined to borrow the amount of \$_____ from the Lender under this Loan Agreement and to make loan repayments (the "Loan Repayments") to the Lender, secured by a pledge of and lien on the Net Revenues as set forth in this Loan Agreement.

AGREEMENT:

In consideration of the foregoing and the material covenants hereinafter contained, the Authority and the Lender formally covenant, agree and bind themselves as follows:

ARTICLE I DEFINITIONS AND APPENDICES

SECTION 1.1. *Definitions.* All terms defined in this Section 1.1 have the meanings herein specified for all purposes of this Loan Agreement.

“American Canyon Sanitary Landfill” means the landfill located at the end of Eucalyptus Road in an unincorporated area of the County.

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to the Authority from time to time concerning or relating to bribery or corruption.

“Authority” means the Napa-Vallejo Waste Management Authority, a joint powers authority duly organized and existing under the Constitution and laws of the State of California.

“Bond Counsel” means (a) Jones Hall LLP, or (b) any other attorney or firm of attorneys of nationally recognized expertise with respect to legal matters relating to obligations the interest on which is excludable from gross income under Section 103 of the Tax Code.

“Bond Law” means Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code (Section 6586 et seq.).

“Closing Date” means the date of execution and delivery of this Loan Agreement by the Authority and the Lender, being October 7, 2025.

“County” means the County of Napa, California.

“Determination of Taxability” means the first to occur of the following:

- (a) on the date when the Authority files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability has occurred;
- (b) on the date when the Lender notifies the Authority that it has received a written opinion from Bond Counsel to the effect that an Event of Taxability has occurred, accompanied by a copy of such opinion of Bond Counsel, unless, within 180 days after receipt by the Authority of such notification and copy of such opinion from the Lender, the Authority delivers to the Lender a ruling or determination letter issued to or on behalf of the Authority by the Commissioner or any District Director of the Internal Revenue Service (or any other governmental official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability has not occurred;
- (c) on the date when the Authority is be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon any review or audit or upon any other ground whatsoever, an Event of Taxability has occurred; or
- (d) on the date when the Authority receives notice from the Lender that the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed the interest on

the Loan Repayments as includable in the gross income of the Lender due to the occurrence of an Event of Taxability and the Lender has provided to the Authority a copy of such notice and any related documents received from the Internal Revenue Service;

provided, however, that no Determination of Taxability shall occur under subparagraph (c) or subparagraph (d) above unless the Authority has been afforded the opportunity, at its expense, to contest any such assessment, and until such contest, if made, has been finally determined; *provided, further, however*, that upon demand from the Lender following an event listed in subparagraphs (a), (b), (c) or (d) above, the Authority shall reimburse the Lender for any payments, including any taxes, interest, penalties or other charges, Lender is obligated to make to the Internal Revenue Service as a result of the Determination of Taxability.

“Enterprise” means the Authority’s system for the receiving, processing, recycling and transportation of solid waste and the recovery of materials from solid waste, and all buildings, facilities, land, rights of way and other real or personal property owned by the Authority in connection therewith, including without limitation the Devlin Road Recycling and Transfer Facility, the Project, the closed American Canyon Sanitary Landfill, and all extensions of and improvements to the Enterprise hereafter acquired, constructed or installed by the Authority.

“Enterprise Fund” means the fund established and maintained by the Authority into which the Gross Revenues are deposited and maintained by the Authority.

“Environmental Laws” means any and all federal, state and local statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to the environment or to emissions, discharges or releases of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes into the environment including, without limitation, ambient air, surface water, ground water or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes or the clean-up or other remediation thereof.

“Event of Default” means any of the events of default as defined in Section 5.1.

“Event of Taxability” means any action taken or not taken by the Authority which has the effect of causing interest paid or payable on the Loan Repayments to be includable, in whole or in part, in the gross income of the holder of the Loan Repayments for federal income tax purposes.

“Federal Securities” means any direct general non-callable obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), or obligations the timely payment of principal of and interest on which are directly guaranteed by the United States of America.

“Fiscal Year” means each twelve-month period during the Term of this Loan Agreement commencing on July 1 in any calendar year and ending on June 30 in the next

succeeding calendar year, or any other twelve-month period selected by the Authority as its fiscal year period.

["Franchise Agreements"] means, collectively, the following:

- (a) an agreement entitled "_____ Agreement" dated as of _____, _____, as amended, between the County and Napa County Recycling & Waste Services, LLC, which has an exclusive franchise to collect, transport and dispose of all garbage and rubbish, including recyclable materials, in the unincorporated areas of the County in the manner and at the rates established by the County;
- (b) an agreement entitled "_____ Agreement" dated as of _____, _____, between the City of American Canyon and Recology American Canyon, which has an exclusive franchise to collect, transport and dispose of all garbage and rubbish, including recyclable materials, in the City of American Canyon in the manner and at the rates established by the City of American Canyon;
- (c) an agreement entitled "_____ Agreement" dated as of _____, _____, between the City of Vallejo and Recology Vallejo, which has an exclusive franchise to collect, transport and dispose of all garbage and rubbish, including recyclable materials, in the City of Vallejo Canyon in the manner and at the rates established by the City of Vallejo.]

"Governmental Authority" means any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other person with authority to bind a party at law.

"Gross Revenues" means, for any period, all revenues, charges and fees received by the Authority from the operation of the Enterprise, including amounts payable to the Authority under the Operating Agreement and the Franchise Agreements, amounts released to the Authority from the Landfill Closure Trust Fund and the Napa-Vallejo Waste Management Authority Environmental Liabilities Trust Fund, proceeds resulting from the sale of assets of the Authority no longer necessary to the operation of the Enterprise, and interest earnings on the Revenue Fund and funds held by the Authority hereunder.

Notwithstanding the foregoing, "Gross Revenues" shall exclude (a) the proceeds of any ad valorem property taxes levied for the purpose of paying bonded indebtedness of the Authority and (b) the proceeds of any special assessments or special taxes levied upon real property within any improvement district served by the Authority for the purpose of paying special assessment bonds or special tax obligations of the Authority.

"Integrated Waste Management Act" means the California Integrated Waste Management Act of 1989 (Public Resources Code Section 40000 *et. seq.*), as it may be amended from time to time.

"Landfill Closure Trust Fund" means the trust of that name created under Integrated Waste Management Act, and held and maintained by any trustee thereof the Landfill Closure Trust Fund.

"Law" means any treaty or any Federal, regional, state and local law, statute, rule, ordinance, regulation, code, license, authorization, decision, injunction, interpretation, policy, guideline, supervisory standard, order or decree of any court or other Governmental Authority.

"Lender" means Webster Bank, National Association, a national banking association organized and existing under the laws of the United States of America, and its successors or assigns.

"Loan" means the loan made by the Lender to the Authority under this Loan Agreement.

"Loan Agreement" means this Loan Agreement, between the Lender and the Authority, as may be amended in accordance with the terms hereof.

"Loan Repayment Date" means August 1 and February 1 in each year, commencing _____ 1, 2026, and continuing until repayment of the Loan in full.

"Loan Repayments" means all payments required to be paid by the Authority under Section 3.4, including any prepayment thereof under Section 6.1.

"Material Adverse Effect" means an event or occurrence which adversely affects in a material manner (a) the Enterprise or the other assets, liabilities, condition (financial or otherwise), business, facilities or operations of the Authority, (b) the ability of the Authority to carry out its business in the manner conducted as of the date of this Loan Agreement or to meet or perform its obligations under this Loan Agreement on a timely basis, or (c) the validity or enforceability of this Loan Agreement.

"Maximum Annual Debt Service" means, as of the date of any calculation, the maximum sum obtained for the current or any future Fiscal Year during the Term of this Loan Agreement by totaling the aggregate amount of the following:

- (a) Loan Repayments coming due in such Fiscal Year and
- (b) the principal and interest coming due and payable in such Fiscal Year on any Parity Obligations then outstanding, including the principal amount coming due and payable by operation of mandatory sinking fund redemption.

"Net Revenues" means, for any Fiscal Year, all Gross Revenues received by the Authority for such Fiscal Year, less the Operation and Maintenance Costs for such Fiscal Year.

"Operating Agreement" means that certain agreement entitled "Amendment No. 1 to Amended and Restated Agreement 07-03 for Solid Waste Diversion, Transfer and Transport Services Between the Napa-Vallejo Waste Management Authority and Northern Recycling Operations & Waste Services, LLC," dated December 6, 2018, and as it may be amended from time to time.

“Operation and Maintenance Costs” means the reasonable and necessary costs and expenses paid by the Authority for maintaining and operating the Enterprise, including but not limited to the reasonable expenses of management and repair and other costs and expenses necessary to maintain and preserve the Enterprise in good repair and working order, and including but not limited to Post-Closure Costs, and administrative costs of the Authority attributable to the Enterprise and the financing thereof.

Notwithstanding the foregoing, “Operation and Maintenance Costs” exclude depreciation, replacement and obsolescence charges or reserves therefor, amortization of intangibles, pension and OPEB accruals, changes in the market value of investments, and all other bookkeeping entries of a similar nature.

“Post-Closure Costs” means post-closure maintenance and monitoring costs, as defined in the Integrated Waste Management Act, with respect to the American Canyon Sanitary Landfill.

“Parity Obligations” means any bonds, notes or other obligations of the Authority payable from and secured by a pledge of and lien of Net Revenues on a parity with the Loan Repayments, which are issued or incurred by the Authority in accordance with Section 4.7.

“Project” means the capital improvements to the Enterprise which are financed from the proceeds of the Loan, anticipated to consist of a new recycling facility for construction and demolition materials adjacent to the Authority’s Devlin Road Recycling and Transfer Facility, and any other capital improvement projects designated in writing by the Authority to the Lender hereafter.

“Project Costs” means all costs and expenses relating to the Project, including but not limited to the following:

- (a) obligations incurred or assumed for labor, materials and equipment in connection with the Project,
- (b) the costs of performance, labor and material bonds of insurance of all kinds that may be required or necessary during the course of constructing or equipping the Project, to the extent not purchased by contractors or subcontractors for the Project,
- (c) all costs of engineering services, including the costs incurred or assumed for preliminary design and development work, test borings, surveys, estimates, plans and specifications, and for supervising improvements as well as for the performance of all of the duties required by or consequent upon the proper improvement of the System, and all costs of architectural services in connection with the preparation of the plans and specification for the Project,
- (d) all expenses incurred in connection with the preparation and execution of this Loan Agreement and the performance of the duties of the Authority hereunder and related hereto,

- (e) all costs incurred in preparing or obtaining permits or approval from regulatory agencies in connection with the Project and the constructing and equipping of the Project, and
- (f) all other costs which are considered to be a part of the costs of the Project in accordance with generally accepted accounting principles and which will not affect the exemption from federal income taxes of interest on any of the Loan Repayments.

“Project Fund” means the fund by that name and established and held by the Authority under Section 3.2 for the purpose of disbursing the proceeds of the Loan to finance the acquisition and construction of the Project.

“Tax Code” means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published thereunder.

“Term of this Loan Agreement” or “Term” means the time during which this Loan Agreement is in effect, as provided in Section 3.3.

SECTION 1.2. *Appendix A.* The following Appendix is attached to, and by reference made a part of, this Loan Agreement:

APPENDIX A: The schedule of Loan Repayments to be paid by the Authority during the Term.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS

The Authority represents, warrants and covenants to the Lender as follows:

- (a) Due Organization and Existence. The Authority is a joint powers authority organized and existing under the Constitution and laws of the State of California.
- (b) Authorization. The Authority is authorized under the laws of the State of California to enter into this Loan Agreement, to enter into the transactions contemplated hereby and to carry out its obligations hereunder, and the Board of Directors of the Authority has duly adopted its resolution authorizing the execution and delivery of this Loan Agreement.
- (c) No Violations. Neither the execution and delivery of this Loan Agreement, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or

instrument to which the Authority is now a party or by which the Authority is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrances whatsoever upon any of the property or assets of the Authority, other than as set forth herein.

- (d) Prior Indebtedness. The Authority has not issued or incurred any obligations which are currently outstanding having any priority in payment out of the Gross Revenues or Net Revenues over the payment of the Loan Repayments.
- (e) Financial Condition. The financial statements of the Authority for the year ended June 30, 2024, supplied to the Lender (i) were prepared in accordance with generally accepted accounting principles, consistently applied, and (ii) fairly present the Authority's financial condition as of the date of the statements. Other than as described in such financial statements or otherwise disclosed to the Lender, there has been no material adverse change in the Authority's financial condition subsequent to June 30, 2024.
- (f) No Financial Advisory or Fiduciary Relationship. The Authority represents, warrants and acknowledges that: (i) the transaction contemplated herein is an arm's length commercial transaction among the Authority and the Lender and its affiliates, (ii) in connection with such transaction, the Lender and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or a fiduciary of the Authority, (iii) the Lender and its affiliates are relying on the bank exemption in the Municipal Advisor Rules, (iv) the Lender and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the Authority with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Lender, or any affiliate of the Lender, has provided other services or advised, or is currently providing other services or advising the Authority on other matters), (v) the Lender and its affiliates have financial and other interests that differ from those of the Authority, and (vi) the Authority has consulted with their own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.
- (g) Consents and Approvals. No consent or approval of any trustee or holder of any indebtedness of the Authority or of the voters of the Authority, and no consent, permission, authorization, order or license of, or filing or registration with, any Governmental Authority is necessary in connection with the execution and delivery of this Loan Agreement, or the consummation of any transaction herein contemplated, except as have been obtained or made and as are in full force and effect.

- (h) No Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, or other Governmental Authority pending or, to the knowledge of the Authority, threatened against or affecting the Authority or the assets, properties or operations of the Authority which, if determined adversely to the Authority or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Loan Agreement or upon the financial condition, assets, properties or operations of the Authority, and the Authority is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, educational or other Governmental Authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Loan Agreement or the financial conditions, assets, properties or operations of the Authority.
- (i) No Defaults. The Authority has never not appropriated or defaulted under any of its payment or performance obligations or covenants, either under any loan agreement of the same general nature as this Loan Agreement, or under any of its bonds, notes, or other debt obligations.
- (j) Fee Title. The Authority is the owner in fee of title, or has necessary rights of access, to the property where the Enterprise is located. No lien or encumbrance on such property materially impairs the Authority's use of the property for the purposes for which it is, or may reasonably be expected to be, used.
- (k) Accuracy of Information. All information, reports and other papers and data furnished by the Authority to the Lender were, at the time the same were so furnished, complete and accurate in all material respects and insofar as necessary to give the Lender a true and accurate knowledge of the subject matter and were provided in expectation of the Lender's reliance thereon in entering into the transactions contemplated by this Loan Agreement. No fact is known to the Authority which has had or, so far as the Authority can now reasonably foresee, may in the future have a material adverse effect on the Authority, which has not been set forth in the financial statements previously furnished to the Lender or in other such information, reports, papers and data or otherwise disclosed in writing to the Lender prior to the Closing Date. Any financial, budget and other projections furnished to the Lender by the Authority or its or their agents were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of the conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent the Authority's best estimate of its future financial performance.

- (l) Rate Setting. The Authority is empowered to set rates, fees and charges for the services furnished by the Enterprise without review or approval by any state or local government agency.
- (m) Environmental Laws. In the ordinary course of its business, the Authority conducts an ongoing review of Environmental Laws on the business, operations and the condition of its property, in the course of which it identifies and evaluates associated liabilities and costs (including, but not limited to, any capital or operating expenditures required for clean-up or closure of properties currently or previously owned or operated, any capital or operating expenditures required to achieve or maintain compliance with environmental protection standards imposed by law or as a condition of any license, permit or contract, any related constraints on operating activities, including any periodic or permanent shutdown of any facility or reduction in the level of or change in the nature of operations conducted thereat and any actual or potential liabilities to third parties, including employees, and any related costs and expenses). On the basis of such review, the Authority does not believe that Environmental Laws are likely to have a Material Adverse Effect.
- (n) No Sovereign Immunity. The Authority is not entitled to claim immunity on the grounds of sovereignty or other similar grounds (including, without limitation, governmental immunity) with respect to itself or its revenues (irrespective of their use or intended use) from (i) any action, suit or other proceeding arising under or relating to this Loan Agreement, (ii) relief by way of injunction, order for specific performance or writ of mandamus or for recovery of property or (iii) execution or enforcement of any judgment to which it or its revenues might otherwise be made subject in any action, suit or proceeding relating to this Loan Agreement, and no such immunity (whether or not claimed) may be attributed to the Authority or its revenues.
- (o) Insurance. As of the Closing Date, the Authority maintains such insurance, including self-insurance, as is required by Section 4.3.
- (p) Anti-Corruption Laws. The Authority and its respective officers and directors and to the knowledge of the Authority, its employees and agents, are in compliance with Anti-Corruption Laws in all material respects. None of (i) the Authority, any of its directors or officers or employees, or (ii) to the knowledge of the Authority, any agent of the Authority that will act in any capacity in connection with or benefit from the Loan established hereby, is a sanctioned person (as defined in the Anti-Corruption Laws). The transaction contemplated by this Loan Agreement does not violate Anti-Corruption Laws.
- (q) Compliance with Laws. The Authority is in compliance with all laws applicable to the Authority, non-compliance with which could reasonably be expected to have a Material Adverse Effect.

In the operation of the Enterprise, the Authority will comply with all applicable state, federal, and local statutes and regulations, and shall obtain all permits required thereunder. Because the facilities comprising the Enterprise are owned by the Authority, as a joint powers authority comprised solely of a county and three municipalities, none of the facilities comprising the Enterprise are subject to any local zoning or building regulations. In particular, no County use permits are required for the facilities comprising the Enterprise and any subdivisions of land involved in the construction of any improvements to the Enterprise have been determined by the Authority's legal counsel to be exempt from the requirement of filing any subdivision map under the Subdivision Map Act and local ordinances promulgated thereunder.

- (r) No Material Breach. The Authority is not in any material respect in breach of or default under any constitutional provision, law or administrative regulation of the State of California or of the United States or any agency or instrumentality of either or any judgment or decree or any loans, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or to which the Authority or any of its property or assets is otherwise subject (including, without limitation, this Loan Agreement), and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument; and the execution and delivery of this Loan Agreement and compliance with the Authority's obligations herein will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any constitutional provision, law, administrative regulation, judgment, decree, indenture, agreement, mortgage, lease or other instrument to which the Authority is a party or to which the Authority or any of its property or assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Authority or under the terms of any such law, regulation or instruments, except as provided by this Loan Agreement.
- (s) Consents and Approvals. All consents, approvals, authorizations, orders, licenses or permits of any Governmental Authority, legislative body, board, agency or commission having jurisdiction of the matter, that are required for the due authorization by, or that would constitute a condition precedent to or the absence of which would materially adversely affect the making or accepting of this Loan Agreement and the execution, delivery of and performance of this Loan Agreement by the Authority have been duly obtained (except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of this Loan Agreement, as to which no representation is made).

ARTICLE III TERMS OF THE LOAN

SECTION 3.1. *Obligation to Make Loan; Amount of Loan.* The Lender hereby agrees to lend to the Authority, and the Authority hereby agrees to borrow from the Lender, the Loan in the amount of \$_____ under the terms and provisions set forth in this Loan Agreement.

SECTION 3.2. *Application of Loan Proceeds.*

(a) Transfers to Project Fund and Costs of Issuance. The Lender hereby agrees on the Closing Date to wire:

(i) \$_____ to the Authority for deposit into the Project Fund established and held by the Authority under this Loan Agreement; and

(ii) \$_____, constituting the remainder of the proceeds of the Loan, to the payees set forth in a written certificate or closing memorandum signed by an authorized officer of the Authority and delivered to the Lender, as costs of issuance of this Loan Agreement.

(b) Payment of Fees. The fees and disbursements of counsel to the Authority, the fees and disbursements of the Authority's municipal advisor, fees of the California Debt and Investment Advisory Commission (CDIAC), and other miscellaneous expenses of the Authority incurred in connection with this Loan Agreement (if any) shall all be the obligation of the Authority. The Lender shall have no responsibility for any expenses incurred by the Authority associated with this Loan Agreement, including, but not limited to, the expenses identified above as the obligation of the Authority; provided, however, that at the request of the Authority, the Lender may facilitate the direct payment of such expenses on behalf of the Authority as a component of the proceeds of the Loan.

(c) Use of Moneys in Project Fund. The Project Fund is hereby established as a separate fund to be held by the Authority. All money deposited in the Project Fund shall be used by the Authority for the payment of the costs of the acquisition and construction of the Project (or for making reimbursements to the Authority for such costs previously paid by the Authority), including payment of costs incidental to, or connected with, such acquisition and construction. The Authority shall maintain records of each expenditure made from amounts withdrawn from the Project Fund. Upon completion of the Project, as determined in the sole discretion of the Authority, amounts remaining in the Project Fund (if any) shall be withdrawn by the Authority from the Project Fund and used to pay the interest component of the Loan Repayments when and as due.

SECTION 3.3. *Term.* The Term of this Loan Agreement commences on the Closing Date, and ends on the date on which the Loan is paid in full or provision for such payment is made as provided herein.

SECTION 3.4. *Loan Repayments.*

(a) Obligation to Pay. The Authority hereby agrees to repay the Loan to the Lender in the aggregate principal amount of \$_____, together with interest on the unpaid principal balance thereof.

(b) Payments. Interest on the unpaid principal balance of the Loan shall be calculated at a rate of interest of _____% on the basis of a 360-day year of twelve 30-day months, and the Loan Repayments shall be payable to the Lender by wire transfer or other form of electronic payment in accordance with written instructions provided by the Lender or, with the Lender's consent, by such other commercially reasonable method of payment, in the amounts set forth on Appendix A.

(c) Default Rate. If an Event of Default under this Loan Agreement occurs, the Authority agrees to pay amounts due the Lender with interest thereon, to the extent permitted by law, from the occurrence thereof to the applicable date of payment at the rate of _____% per annum.

(d) Taxable Rate. From and after an Event of Taxability, following a Determination of Taxability, interest on the unpaid principal balance of the Loan shall be calculated at a rate of interest of _____%, calculated on the basis of a 360-day year of twelve 30-day months. In such event, the Loan Repayment schedule shall be updated in Appendix A.

(e) Optional Prepayment; Security Deposit. The Loan Repayments may be optionally prepaid and/or a security deposit may be made by the Authority with respect to some or all of the Loan Repayments in accordance with Article VI.

SECTION 3.5. *Nature of Authority's Obligations.*

(a) Special Obligation. The Authority's obligation to pay the Loan Repayments is a special obligation of the Authority limited solely to the Net Revenues. Under no circumstances is the Authority required to advance moneys derived from any source other than the Net Revenues for the payment of the Loan Repayments, and no other funds or property of the Authority are liable for the payment of the Loan Repayments. Notwithstanding the foregoing, nothing prohibits the Authority voluntarily from making any payment hereunder from any source of legally available funds of the Authority.

(b) Obligations Absolute. The obligation of the Authority to pay the Loan Repayments from the Net Revenues and the obligation of the Authority to perform and observe the other agreements contained herein, are absolute and unconditional and are not subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach of the Authority or the Lender of any obligation to the Authority or otherwise with respect to the Enterprise, whether hereunder or otherwise, or out of indebtedness or liability at any time owing to the Authority by the Lender. Until all of the Loan Repayments have been fully paid or prepaid, the Authority:

- (i) will not suspend or discontinue payment of any Loan Repayments,
- (ii) will perform and observe all other agreements contained in this Loan Agreement, and

- (iii) will not terminate this Loan Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Enterprise, sale of the Enterprise, the taking by eminent domain of title to or temporary use of any component of the Enterprise, commercial frustration of purpose, any change in the tax or other laws of the United States of America or the State of California or any political subdivision of either thereof or any failure of the Lender to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Loan Agreement.

SECTION 3.6. *Pledge and Application of Net Revenues.*

(a) Pledge. All of the Net Revenues are hereby irrevocably pledged to the punctual payment of the Loan Repayments, on a parity with the pledge and lien which secures the Parity Obligations. The Net Revenues may not be used for any other purpose so long as the Loan Repayments remain unpaid; except that out of the Net Revenues there may be apportioned such sums, for such purposes, as are expressly permitted by this Section 3.6.

Pursuant to Section 5451 of the Government Code of the State of California, the pledge of the Net Revenues by the Authority for the repayment of the principal and interest components of the Loan Repayments constitutes a first lien and security interest which immediately attaches to the Net Revenues, and is effective and binding against the Authority and its successors and creditors and all others asserting rights therein irrespective of whether those parties have notice of the pledge, irrespective of whether such amounts are or may be deemed to be a fixture and without the need for physical delivery, recordation, filing or further act.

(b) Deposit of Gross Revenues; Transfers to Make Loan Repayments. The Authority has heretofore established a special fund designated the "Enterprise Fund," which the Authority agrees to continue to maintain so long as any Loan Repayments remain unpaid. The Authority shall continue to deposit all Gross Revenues in the Enterprise Fund promptly upon the receipt thereof. All Gross Revenues will be held by the Authority in the Enterprise Fund in trust for the benefit of the Lender and for the benefit of the holders of Parity Obligation, subject to the prior application thereof for Operation and Maintenance Costs. The Authority shall apply amounts in the Enterprise Fund as set forth in this Loan Agreement, and in the Parity Obligations. The Authority shall apply amounts on deposit in the Enterprise Fund to pay when due the following amounts in the following order of priority:

- (i) all Operation and Maintenance Costs;
- (ii) the Loan Repayments, and all payments of principal of and interest on any Parity Obligations;
- (iii) any other payments required to comply with the provisions of this Loan Agreement and the Parity Obligations; and

(iv) any other purposes authorized under subsection (d) of this Section.

(c) No Preference or Priority. Payment of the Loan Repayments and the principal of and interest on any Parity Obligation shall be made without preference or priority. If the amount of Net Revenues on deposit in the Enterprise Fund is at any time insufficient to enable the Authority to pay when due the Loan Repayments and the principal of and/or interest on any Parity Obligation, such payments shall be made by the Authority on a pro rata basis.

(d) Other Uses Permitted. The Authority shall manage, conserve and apply the Gross Revenues in such a manner that all deposits required to be made under the preceding provisions of this Section 3.6 will be made at the times and in the amounts so required. Subject to the foregoing sentence and Section 4.7, so long as no Event of Default has occurred and is continuing hereunder, the Authority may at any time and from time to time use and apply the Gross Revenues for (i) the acquisition and construction of improvements to the Enterprise; (ii) the prepayment of any Parity Obligation to the extent permitted by the applicable Parity Obligations, or (iii) any other lawful purpose of the Authority.

ARTICLE IV

COVENANTS OF THE AUTHORITY

SECTION 4.1. *Release and Indemnification Covenants.* The Authority shall indemnify and hold the Lender and its officers, agents, successors and assigns harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of the following:

- (a) the use, maintenance, condition or management of, or from any work or thing done on or about the Enterprise by the Authority,
- (b) any breach or default on the part of the Authority in the performance of any of its obligations under this Loan Agreement,
- (c) any intentional misconduct or negligence of the Authority or of any of its agents, contractors, servants, employees or licensees with respect to the Enterprise, and
- (d) any intentional misconduct or negligence of any lessee of the Authority with respect to the Enterprise.

No indemnification is made under this Section 4.1 or elsewhere in this Loan Agreement for willful misconduct, gross negligence, or breach of duty under this Loan Agreement by the Lender, its officers, agents, employees, successors or assigns. The provisions of this Section shall survive the termination of this Loan Agreement.

SECTION 4.2. *Sale or Eminent Domain of Enterprise.* Except as provided herein, the Authority covenants that the Enterprise will not be encumbered, sold, leased, pledged, any charge placed thereon, or otherwise disposed of, as a whole or substantially as a

whole if such encumbrance, sale, lease, pledge, charge or other disposition would materially impair the ability of the Authority to pay the Loan Repayments or any Parity Obligation or would materially adversely affect its ability to comply with the terms of this Loan Agreement and the Parity Obligations. The Authority shall not enter into any agreement which impairs the operation of the Enterprise or any part of it necessary to secure adequate Net Revenues to pay the Loan Repayments or any Parity Obligation, or which otherwise would impair the rights of the Lender with respect to the Net Revenues. If any substantial part of the Enterprise is sold, the payment therefor must either (a) be used for the acquisition or construction of improvements and extensions or replacement facilities or (b) be applied to prepay or fund a security deposit for the Loan Repayments and any Parity Obligation.

Any amounts received as awards as a result of the taking of all or any part of the Enterprise by the lawful exercise of eminent domain, if and to the extent that such right can be exercised against such property of the Authority, shall either (a) be used for the acquisition or construction of improvements and extension of the Enterprise, or (b) be applied to prepay or fund a security deposit for the Loan Repayments and any Parity Obligation.

SECTION 4.3. *Insurance.* The Authority shall at all times maintain with responsible insurers all such insurance on the Enterprise as is customarily maintained with respect to works and properties of like character against accident to, loss of or damage to the Enterprise. If any useful part of the Enterprise is damaged or destroyed, such part shall be restored to usable condition. All amounts collected from insurance against accident to or destruction of any portion of the Enterprise shall be used to repair or rebuild such damaged or destroyed portion of the Enterprise, and to the extent not so applied, shall be applied to pay the Loan Repayments or any Parity Obligation in the manner provided in this Loan Agreement and the Parity Obligations.

The Authority shall also maintain, with responsible insurers, worker's compensation insurance and insurance against public liability and property damage to the extent reasonably necessary to protect the Authority and the Lender.

Any insurance required to be maintained hereunder may be maintained by the Authority in the form of self-insurance or in the form of participation by the Authority in a program of pooled insurance. The Authority shall cause evidence of the insurance required by this Section to be provided to the Lender upon request.

SECTION 4.4. *Records and Accounts; Audited Financials; Budget.* The Authority shall keep proper books of records and accounts of the Enterprise, separate from all other records and accounts, in which complete and correct entries are made of all transactions relating to the Enterprise. Said books shall, upon prior request, be subject to the reasonable inspection of the Lender.

The Authority shall cause its books and accounts to be audited annually by an independent certified public accountant or firm of certified public accountants, and shall furnish a copy of such report to the Lender not more than nine months after the close of each Fiscal Year (commencing with the Fiscal Year ending June 30, 2025). If the Authority's audited financial statements are not available within nine months after the close of a Fiscal Year, the Authority will furnish unaudited financial statements to the Lender within such period, and will then supply such audit promptly upon the availability thereof.

In addition, the Authority shall provide to the Lender a copy of the Authority's annual budget, as adopted or amended, within 60 days of such adoption or amendment.

SECTION 4.5. *Rates and Charges.*

(a) The Authority shall fix, prescribe and revise rates, fees and charges for the services and facilities furnished by the Enterprise during each Fiscal Year that are sufficient to yield Gross Revenues sufficient to pay the following:

(i) Operation and Maintenance Costs estimated by the Authority to become due and payable in such Fiscal Year; and

(ii) Loan Repayments and all payments of principal of and interest on any Parity Obligations becoming due and payable in such Fiscal Year; and

(iii) all other payments required for compliance with this Loan Agreement and any Parity Obligations; and

(iv) all payments required to meet any other obligations of the Authority which are charges, liens, encumbrances upon or payable from the Gross Revenues.

(b) The Authority shall fix, prescribe and revise rates, fees and charges for the services and facilities furnished by the Enterprise during each Fiscal Year that are sufficient to yield Net Revenues at least equal to 1.1 times the Loan Repayments and all payments of principal of and interest on any Parity Obligations becoming due and payable in such Fiscal Year.

(c) The Authority shall fix, prescribe and revise rates, fees and charges for the services and facilities furnished by the Enterprise during each Fiscal Year that are sufficient to yield Net Revenues, together with any fund balances legally available for payment of debt service and not budgeted to be expended during the upcoming fiscal year (excluding the Landfill Closure Trust Fund) at least equal to 2.0 times the Loan Repayments and all payments of principal of and interest on any Parity Obligations becoming due and payable in such Fiscal Year.

SECTION 4.6. *No Priority for Additional Obligations; Compliance with Parity Obligations.* The Authority may not issue or incur any bonds or other obligations having any priority in payment of principal or interest out of the Net Revenues over the Loan Repayments. The Authority shall observe and perform all of the covenants, agreements and conditions on its part required to be observed and performed under the Parity Obligations. The Authority shall not take or omit to take any action within its control which would, or which if not corrected with the passage of time would, constitute an event of default under any Parity Obligations.

SECTION 4.7. *Issuance of Additional Parity Obligation.* The Authority is hereby permitted to issue or incur any Parity Obligation upon the satisfaction of the following conditions precedent:

- (a) The Authority is not then in default under the terms of this Loan Agreement.
- (b) The amount of Net Revenues as shown by the books of the Authority for the latest Fiscal Year for which audited financial statements are available, or as shown by the books of the Authority for any more recent 12-month period selected by the Authority, are at least equal to 1.25% of Maximum Annual Debt Service. For purposes of determining the amount of Net Revenues under this subsection (b), such amount may be increased by any or all of the following amounts as determined by the Authority:
 - (i) an allowance for Net Revenues from any additions or improvements to or extensions of the Enterprise to be made by the Authority during the 36 month period following the issuance of such Parity Obligation, in an amount equal to 90% of the estimated additional average annual Net Revenues to be derived from all properties which are improved with a structure the construction of which has been completed prior to the date of issuance of such Parity Obligation and to which service will be provided by such additions, improvements and extensions; and
 - (ii) an allowance for Net Revenues arising from any increase in the charges made for service from the Enterprise which has been approved by the Authority prior to the incurring of such Parity Obligation but which was not in effect during the Fiscal Year or other 12-month period described above, in an amount equal to the total amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year or other 12-month period.
- (c) The Authority shall file with the Lender a written certificate to the effect that all of the foregoing conditions have been met.

SECTION 4.8. *Assignment by the Lender.* The Lender has the right to assign its interests herein to an affiliate or to a bank, insurance company or other financial institution, or an affiliate of any such entity, but no such assignment will be effective as against the Authority unless and until the Lender provides the Authority written notice thereof and provides to the Authority a letter of representations of the assignee in form and substance acceptable to the Authority. The Authority shall pay all Loan Repayments hereunder under the written direction of the Lender named in the most recent assignment or notice of assignment provided to the Authority. During the Term of this Loan Agreement, the Authority shall keep a complete and accurate record of all such notices of assignment.

SECTION 4.9. *Assignment by the Authority.* Neither the Loan nor this Loan Agreement may be assigned by the Authority, other than to a public agency which succeeds to the interests of the Authority in and to the Enterprise and which (by operation of law, by contract or otherwise) becomes legally bound to all of the terms and provisions hereof.

SECTION 4.10. *Amendment of this Loan Agreement.* This Loan Agreement may be amended pursuant to a written amendment by and between the Authority and the Lender.

SECTION 4.11. *Tax Covenants.*

(a) Generally. The Authority shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, the interest components of the Loan Repayments to become includable in gross income for federal income tax purposes.

(b) Private Activity Bond Limitation. The Authority shall assure that the proceeds of the Loan are not so used as to cause the Loan to satisfy the private business tests of section 141(b) of the Tax Code or the private loan financing test of section 141(c) of the Tax Code.

(c) Federal Guarantee Prohibition. The Authority may not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Loan Repayments to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

(d) No Arbitrage. The Authority may not take, or permit or suffer to be taken, any action with respect to the proceeds of the Loan Repayments which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Loan Repayments to be "arbitrage bonds" within the meaning of Section 148(a) of the Tax Code.

(e) Arbitrage Rebate. The Authority shall take any and all actions necessary to assure compliance with section 148(f) of the Tax Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Loan.

(f) Acquisition, Disposition and Valuation of Investments. Except as otherwise provided in the following sentence, the Authority covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Loan Agreement, or otherwise containing gross proceeds of the Loan (within the meaning of section 148 of the Tax Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Loan Agreement or the Tax Code) at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Tax Code shall be valued at their present value (within the meaning of section 148 of the Tax Code).

For purposes of this subsection, the term "Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a

specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, (iii) the investment is a United States Treasury Security – State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the Authority and related parties do not own more than 10% beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES

SECTION 5.1. *Events of Default Defined.* The following are Events of Default under this Loan Agreement:

- (a) Failure by the Authority to pay any Loan Repayment or other payment required hereunder when due.
- (b) Failure by the Authority to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in the preceding clause (a) of this Section, for a period of 60 days after written notice specifying such failure and requesting that it be remedied has been given to the Authority by the Lender; *provided, however*, that the Lender may, upon written request of the Authority prior to the expiration of such 60-day period, consent to an extension of such time in order to cure such failure if corrective action has been instituted by the Authority and is being thereafter diligently pursued and will, in the reasonable judgment of the Lender, be diligently pursued until the default is corrected
- (c) The filing by the Authority of a voluntary petition in bankruptcy, or failure by the Authority promptly to lift any execution, garnishment or attachment, or adjudication of the Authority as a bankrupt, or assignment by the Authority for the benefit of creditors, or the entry by the Authority into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Authority in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar acts which may hereafter be enacted.

SECTION 5.2. *Remedies on Default.* Upon the occurrence and during the continuance of an Event of Default, the Lender may pursue any available remedy at law or in equity to collect the Loan Repayments then due or thereafter to become due during the Term of this Loan Agreement, or enforce performance and observance of any obligation, agreement or covenant of the Authority under this Loan Agreement.

SECTION 5.3. *No Remedy Exclusive.* No remedy herein conferred upon or reserved to the Lender is exclusive, and every such remedy is cumulative and in addition

to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default impairs any such right or power or operates as a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lender to exercise any remedy reserved to it in this Article V it is not necessary to give any notice, other than such notice as may be required in this Article V or by law.

SECTION 5.4. *Agreement to Pay Attorneys' Fees and Expenses.* If either party to this Loan Agreement defaults under any of the provisions hereof and the nondefaulting party employs attorneys (including in-house counsel) or incurs other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party will on demand therefor pay to the nondefaulting party the reasonable fees of such attorneys (including those of in-house counsel) and such other expenses so incurred by the nondefaulting party.

SECTION 5.5. *No Additional Waiver Implied by One Waiver.* If any agreement contained in this Loan Agreement is breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE VI

SECURITY DEPOSIT; DISCHARGE OF AUTHORITY'S OBLIGATIONS; OPTIONAL PREPAYMENT

SECTION 6.1. *Security Deposit; Discharge of Authority's Obligations.* Notwithstanding any other provision of this Loan Agreement, the Authority may (but is not required to) on any date secure the payment of Loan Repayments in whole or in part, by irrevocably depositing with the Lender, a trustee, escrow agent or other fiduciary an amount of cash which, together with other available amounts, is invested in whole or in part in Federal Securities in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient to pay all such Loan Repayments when due, as the Authority instructs at the time of the deposit.

In the event of a security deposit under this Section 6.1 for the payment in full of all remaining Loan Repayments, (i) the Authority hereby grants a first priority security interest in and lien on the security deposit and all proceeds thereof in favor of the Lender, and (ii) the pledge of Net Revenues and all other security provided by this Loan Agreement for said obligations will cease and terminate, excepting only the obligation of the Authority to make, or cause to be made, all of Loan Repayments from such security deposit.

SECTION 6.2. *Optional Prepayment.* Without limiting Section 6.1, the Authority has the right at its option to prepay the Loan Repayments, in whole [but not in part][or in part], on any Loan Repayment Date commencing August 1, 20____, at a prepayment price equal to the principal amount of Loan Repayments prepaid, plus the premium set forth in the following table, together with accrued interest thereon to the date of prepayment:

Loan Repayment Dates

Prepayment Premium

Notice of prepayment, which may be conditioned upon receipt of funds, shall be given by the Authority not less than 30 days prior to the prepayment date, to the Lender pursuant to this Loan Agreement. Any notice mailed as provided in this paragraph shall be conclusively presumed to have been duly given, whether or not the Lender receives such notice. Repayments of Loan Repayments in part shall be applied to the principal component of remaining Loan Repayments as directed by the Authority.

ARTICLE VII MISCELLANEOUS

SECTION 7.1. *Notices; Address for Loan Repayments.* Any notice, request, complaint, demand or other communication under this Loan Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopier or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by telecopier or other form of telecommunication, (b) 48 hours after deposit in the United States of America first class mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Lender or the Authority may, by written notice to the other, from time to time modify the address or number to which communications are to be given hereunder.

If to the Authority: Napa-Vallejo Waste Management Authority
c/o Napa County
1195 Third Street
Napa, California 94559-3082
Attention: Executive Director

If to the Lender: Webster Bank, National Association
360 Lexington Avenue, 5th Floor
New York, NY 10017
Attention: Public Sector Finance

SECTION 7.2. *Binding Effect.* This Loan Agreement inures to the benefit of and is binding upon the Lender and the Authority and their respective successors and assigns.

SECTION 7.3. *Severability.* If any provision of this Loan Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

SECTION 7.4. *Further Assurances and Corrective Instruments.* The Lender and the Authority shall, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further

instruments as may reasonably be required for carrying out the expressed intention of this Loan Agreement.

SECTION 7.5. *Execution in Counterparts.* This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 7.6. *Applicable Law.* This Loan Agreement shall be governed by and construed in accordance with the laws of the State of California.

SECTION 7.7. *Captions.* The captions or headings in this Loan Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Loan Agreement.

SECTION 7.8. *Waiver of Sovereign Immunity.* To the extent permitted by law, the Authority hereby expressly waives, and agrees not to claim, any sovereign immunity in any suits or judicial proceedings related to or arising out of this Loan Agreement.

SECTION 7.9. *Net-net-net Contract.* This Loan Agreement is a "net-net-net" contract, and the Authority hereby agrees that the Loan Repayments are an absolute net return to the Lender, free and clear of any expenses, charges or set-offs whatsoever.

SECTION 7.10. *Waiver of Jury Trial.*

(a) TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OF THE AUTHORITY AND THE LENDER IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS LOAN AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE AUTHORITY FURTHER AGREES THAT, IN THE EVENT OF LITIGATION, IT WILL NOT PERSONALLY OR THROUGH ITS AGENTS OR ATTORNEYS SEEK TO REPUDIATE THE VALIDITY OF THIS SECTION, AND IT ACKNOWLEDGES THAT IT FREELY AND VOLUNTARILY ENTERED INTO THIS LOAN AGREEMENT TO WAIVE TRIAL BY JURY IN ORDER TO INDUCE THE LENDER TO ENTER INTO THIS LOAN AGREEMENT.

(b) To the extent the foregoing waiver of a jury trial is unenforceable under applicable California law, the parties agree to refer, for a complete and final adjudication, any and all issues of fact or law involved in any litigation or proceeding (including all discovery and law and motion matters, pretrial motions, trial matter and post-trial motions up to and including final judgment), brought to resolve any dispute (whether based on contract, tort or otherwise) between the parties hereto arising out of, in connection with or otherwise related or incidental to this Loan Agreement to a judicial referee who shall be appointed under a general reference pursuant to California Code of Civil Procedure Section 638, which referee's decision will stand as the decision of the court. Such judgment will be entered on the referee's statement of judgment in the same manner as if the action had been tried by the court. The parties shall select a single neutral referee, who shall be a retired state or federal judge with at least five years of judicial experience in civil matters; provided that the event the parties cannot agree upon a referee, the referee will be appointed by the court. The fees and expense of any referee appointed in such action or proceeding shall be borne by the party who does not prevail, as determined by the referee.

[Signature Page Follows]

IN WITNESS WHEREOF, the Lender has caused this Loan Agreement to be executed in its name by its duly authorized officer and the Authority has caused this Loan Agreement to be executed in its name by its duly authorized officer, as of the date first above written.

**WEBSTER BANK, NATIONAL
ASSOCIATION, as lender**

By: _____

**NAPA-VALLEJO WASTE MANAGEMENT
AUTHORITY, a joint powers agency
as borrower**

By: _____
MARY LUROS, NVWMA Chair

<p>APPROVED AS TO FORM Office of County Counsel</p> <p>By: <u>Thomas C. Zeleny</u> Authority Counsel</p> <p>Date: <u>September 9, 2025</u> PL Doc. No. 138571</p>	<p>APPROVED BY THE AUTHORITY BOARD OF DIRECTORS</p> <p>Date: _____ Processed By: _____ _____ Secretary of the Authority</p>	<p>ATTEST: MARIE NICHOLAS Secretary of the Authority</p> <p>By: _____</p>
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APPENDIX A

SCHEDULE OF LOAN REPAYMENTS

(Principal amount: \$ _____; Interest rate: _____%)*

<u>Loan Repayment Date</u>	<u>Principal Component</u>	<u>Interest Component**</u>	<u>Total Loan Repayment</u>
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Totals	\$	\$	\$
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* The interest rate above assumes no Event of Default or Event of Taxability has occurred.

** Calculated assuming a 360-day year consisting of twelve 30-day months.