

Standard Conditions	As determined by the Financial Security Review, the Financing Agreement is subject to the following conditions:
1	Recipient shall pledge the net revenues of Zone 8 – Cascade Shores Fund, for repayment of the proposed CWSRF financing agreement. This pledge revenue fund (source) shall be subject to lien and pledge as security for the Obligation. (Section 3.7 ISA)
Special Conditions	(Must be listed under Exhibit “D” ISA)
1	<p>Restricted Account:</p> <ul style="list-style-type: none"> <li>(a) Establishment of a Restricted Account under Zone 8-Cascade Shores Fund. Recipient shall establish a Restricted Account in the initial amount of \$60,000 from available cash reserves prior to execution of this Agreement.</li> <li>(b) Application and Purpose of the Restricted Account. The money in the Restricted Account shall be subject to lien and pledge for repayment of this Obligation and the debt service under the CWSRF Agreement #4967-110. Funds in the Restricted Account may also be applied to cover Operations and Maintenance Costs in the event of insufficiency of available Revenues.</li> <li>(c) No Use for Additional Debt. The Recipient may not use the Restricted Account for payment of or security for any other debt obligation other than this Obligation and existing System Obligations repayable to the State Water Board.</li> <li>(d) Term and Replenishment of Restricted Account. Recipient shall maintain the Restricted Account until such time that the Division, in its discretion, determines that Revenues are sufficient to cover Operations and Maintenance Costs and debt service on System Obligations. Recipient’s financial information will be analyzed annually by the Division to determine the need for replenishment of the Restricted Account. If required by the Division, Recipient shall replenish the Restricted Account in such amounts, as determined by the Division in its discretion, necessary to ensure proper System operation, cover Operations and Maintenance Costs, and satisfy debt service on System Obligations. The Deputy Director may suspend any requirements related to this Restricted Account, or release the Recipient from the obligation to maintain the Restricted Account. The Recipient shall be released from the obligation to maintain the Restricted Account after the Reserve Account, described below, is fully funded.</li> <li>(e) Material Provisions. Requirements related to the Restricted Account are material provisions of this Agreement.</li> </ul>
2	Recipient shall establish a restricted Reserve Fund, held in the Zone 8 – Cascade Shores Fund, equal to one year’s debt service on the Obligation. The restricted Reserve Fund shall be maintained for the full term of the Agreement and shall be subject to lien and pledge as security for the Obligation. Recipient shall begin funding the Restricted Reserve upon Completion of Construction, and Recipient shall complete funding of such restricted Reserve Fund within one year unless such period is extended for good cause by the Deputy Director of the Division.
3	The proposed financing agreement shall be issued on parity with the SWRCB SRF Loan C-06-4967-110. Issuance of additional parity debt requires Recipient’s Net Revenues to be a minimum of 1.10 times the maximum annual debt service for existing and proposed additional debt.
4	Recipient shall establish and maintain rates and charges sufficient to generate Revenues in the amounts necessary to cover Operations and Maintenance Costs, and shall ensure that Net Revenues are equal to at least 1.10 times the annual debt service in each fiscal year during the term of this Agreement.