

Notice of Change to Bank Credit Arrangements

Salt River Project Agricultural
Improvement and Power District, Arizona
\$100,000,000 Tax-Exempt Promissory Notes, Series C
\$500,000,000 Taxable Promissory Notes, Series D-1
\$500,000,000 Tax-Exempt Promissory Notes, Series D-2

Notice of a change to bank credit arrangements is hereby given by the Salt River Project Agricultural Improvement and Power District (the "District"), pursuant to Section 10.13 of its Note Resolution adopted April 8, 2013 (the "Note Resolution"), to (i) the holders (each, a "Holder") of the Series C and Series D-1 Notes issued by the District pursuant to the Note Resolution, (ii) the Issuing and Paying Agent (as defined in the Note Resolution) and (iii) the District's commercial paper dealers. The following amends the information relating to the bank credit arrangements that provide liquidity support to the District's commercial paper program.

The District's Board of Directors authorized, on June 27, 2019, amendments to the U.S. Bank Agreement and the JPM Agreement. Both amendments are dated and effective on or about June 29, 2019.

The amendment to the U.S. Bank Agreement extends the maturity date to on or about June 29, 2022 and has an available commitment of \$150,000,000. The amendment to the JPM Agreement extends the maturity date to on or about June 29, 2023 and has an available commitment of \$346,500,000 with \$3,500,000 drawn.

SUMMARY OF CHANGES TO BANK CREDIT ARRANGEMENTS

Effective on or about June 29, 2019, the District amended the U.S. Bank Agreement with U.S. Bank as agent, and the lender identified in the table below (the "U.S. Bank Lender") by extending the maturity date thereunder, subject to its terms and conditions, to on or about June 29, 2022. Under the terms of the U.S. Bank Agreement, and subject to its conditions, the U.S. Bank Lender agrees to make loans to the District up to a maximum of \$150,000,000 upon request of the District. At the District's option, the U.S. Bank Agreement may be terminated in whole at any time, or reduced from time to time.

Effective on or about June 29, 2019, the District amended the JPM Agreement with JPM, as agent, and the lender identified in the table below (the "JPM Lender" and collectively, with the U.S. Bank Lender, the "Lenders"), by extending the maturity date thereunder, subject to its terms and conditions, to on or about June 29, 2023. Under the terms of the JPM Agreement, and subject to its conditions, the JPM Lender agrees to make loans to the District up to a maximum of \$350,000,000 upon request of the District. At the District's option, the JPM Agreement may be terminated in whole at any time, or reduced from time to time. The Lenders' maximum commitments are as follows:

<u>Lender</u>	<u>Commitment</u>
U.S. Bank National Association	\$150,000,000
JP Morgan Chase Bank National Association	\$350,000,000
Total Commitment	\$500,000,000

For the convenience of the person receiving this notice, the following is a description of certain terms of the U.S. Bank Agreement and the JPM Agreement (together the "Agreements"), and some of the differences between the Agreements. It is not a complete listing of terms or differences and anyone receiving this notice and deciding to take or withhold action based on the terms of the U.S. Bank Agreement or the JPM Agreement should not rely on this description but rather is urged to review the full and complete copies of the U.S. Bank Agreement and the JPM Agreement which are available at the offices of the District.

Loans made under the Agreements may be for any lawful purpose of the District. The District has not covenanted to continue to maintain the Agreements or to use borrowings solely for repayment of the Notes. There are various conditions precedent to advances under the Agreements that include, but are not limited to, compliance with the covenants set forth in the respective Agreements and the continued accuracy of representations and warranties therein. The obligation of the U.S. Bank Lender to make loans under the U.S. Bank Agreement is subject to the additional conditions precedent, among others, that the District (i) has not failed to pay any amounts due to the Lenders for loans made under the U.S. Bank Agreement, (ii) has not defaulted on its obligations in excess of \$10,000,000 under any agreement or resolution which has caused an acceleration of maturity of its obligations secured thereby, (iii) has not experienced an event of default in payment of principal and interest on other District indebtedness having an aggregate principal amount in excess of \$10,000,000 outstanding, (iv) has not filed any voluntary or involuntary proceeding under any debtor relief law now or hereafter in effect or upon the appointment of a receiver, trustee, custodian or conservator of all or any substantial part of the assets of the District or made a general assignment for the benefit of creditors, (v) maintains investment grade ratings on its bonds of at least BBB+ from S&P and at least Baa1 from Moody's or if Moody's or S&P no longer maintains ratings on the District's bonds at the District's request, from the remaining agency rating such bonds and from Fitch Investors Service, Inc., (vi) maintains debt service coverage (as defined in the U.S. Bank Agreement) of 1.15 times calculated quarterly for the preceding twelve months, (vii) maintains accumulated net revenues excluding other comprehensive income of not less than \$3.5 billion, plus 50% of accumulated net revenues excluding other comprehensive income earned subsequent to April 30, 2017 (not reduced by any net operating losses), and (viii) does not have any final monetary judgments, levies and attachments entered or filed against it or its properties greater than \$10,000,000, or \$50,000,000 in the aggregate.

The obligations of the JPM Lender to make loans under the JPM Agreement are also subject to the conditions precedent outlined in the preceding paragraph, except that with respect to clause (vi), the JPM Agreement conditions loans upon maintenance of debt service coverage (as defined in the JPM Agreement) of 1.10 times calculated quarterly for the preceding twelve months; and, except for clause (vii), the JPM Agreement conditions loans upon District maintenance of accumulated net revenues excluding other comprehensive income of at least \$3.8 billion plus 50% of accumulated net revenues earned subsequent to April 30, 2017 (not reduced by any net losses).

Complete copies of the U.S. Bank Agreement and the JPM Agreement may be reviewed at the offices of the District by any Holder, Issuing and Paying Agent or commercial paper dealer, and have been provided to Standard & Poor's Ratings Group ("S&P") and to Moody's Investors Service ("Moody's"), which provide ratings for the District's revenue bonds and commercial paper program.

Date: July 9, 2019

Salt River Project

Treasury Department, ISB336

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If there are any questions concerning this notification, please call Dale Politi, Assistant Treasurer,
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