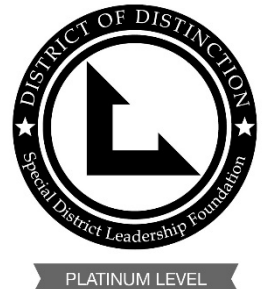




TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT

SDLF Platinum-Level of Governance



President – Kevin Graves • Vice-President – Ashley Porter • Director – Bryon Gutow • Director – Michael Callahan • Director – Carolyn Graham

NOTICE OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE TOWN OF DISCOVERY BAY Wednesday August 17, 2022, 7:00 P.M.

NOTICE Coronavirus COVID-19

In response to the current proclaimed State of Emergency, indoor masking requirements, and recommended measures to promote social distancing imposed by State and local officials, the Town of Discovery Bay Community Services District Board of Directors will take all actions necessary to carry out the intent and purpose of AB 361, including, ensuring that the Directors and meeting attendees may continue to have the option to access and participate in this public meeting by teleconference to avoid imminent risks to the health or safety of the Directors and meeting attendees.

To accommodate the public during this period of time, the Town of Discovery Bay Community Services District Board of Directors has arranged for members of the public to observe and address the meeting telephonically or in person.

TO ATTEND IN PERSON: The meeting will be held at the Community Center located at 1601 Discovery Bay Boulevard.

TO ATTEND BY WEBINAR:

Please register for the Regular Meeting of the Board of Directors by: *(Copy and paste into your browser the registration URL. You will then be directed to download the webinar to your device and register with LogMeIn, Inc.)*

Registration URL: <https://attendee.gotowebinar.com/register/3994013796179728397>
Webinar ID#: 101-050-299

After registering, you will receive a confirmation email containing information about joining the webinar by computer or by phone.

For listen only mode dial: +1 (415) 655-0052 ID# 965-537-607

Download Agenda Packet and Materials at <http://www.todb.ca.gov/>

REGULAR MEETING 7:00 P.M.

A. ROLL CALL AND PLEDGE OF ALLEGIANCE

1. Call business meeting to order 7:00 p.m.
2. Pledge of Allegiance.
3. Roll Call.

B. PUBLIC COMMENTS (Individual Public Comments will be limited to a 3-minute time limit)

During Public Comments, the public may address the Board on any issue within the District's jurisdiction which is not on the Agenda. The public may comment on any item on the Agenda at the time the item is before the Board for consideration. Any person wishing to speak will have 3 minutes to make their comment. There will be no dialog between the Board and the commenter as the law strictly limits the ability of Board members to discuss matters not on the agenda. We ask that you refrain from personal attacks during comment, and that you address all comments to the Board only. Any clarifying questions from the Board must go through the President. Comments from the public do not necessarily reflect the viewpoint of the Directors.

C. CONSENT CALENDAR

All matters listed under the CONSENT CALENDAR are considered by the District to be routine and will be enacted by one motion.

1. Approve Regular Board of Directors DRAFT Meeting minutes from August 3, 2022.
2. Approve Register of District Invoices.
3. Approve Resolution 2022-29 Re-Authorizing Remote Teleconference Meetings of the Legislative Body of the Town of Discovery Bay Community Services District Pursuant to the Brown Act Provisions.

D. AREA AGENCIES AND LIAISON REPORTS / PRESENTATIONS

E. PRESENTATIONS

1. Veolia Presentation.

F. DISCUSSION AND POSSIBLE ACTION

1. Discussion and Possible Action to Adopt Board Resolution 2022-30 Authorizing the Issuance and Sale of Enterprise Revenue Refunding Bonds, Series 2022B, to Refinance the 2012 Enterprise Revenue Bonds in the Principal Amount Not to Exceed \$11,725,000 and Approving Related Documents and Actions.
2. Discussion and Possible Action to Approve a Contract with the California Conservation Corps for Maintenance of Town Streetscapes and Landscape Areas as Assigned.

G. MANAGER'S REPORT

H. GENERAL MANAGER'S REPORT

I. DIRECTOR REPORTS

J. DIRECTORS REGIONAL MEETING AND TRAINING REPORTS

K. CORRESPONDENCE RECEIVED

L. MUNICIPAL ADVISORY COUNCIL

M. FUTURE AGENDA ITEMS

N. ADJOURNMENT

1. Adjourn to the next Regular Meeting of the Board of Directors on September 7, 2022, beginning at 7:00 p.m. at the Community Center located at 1601 Discovery Bay Boulevard.

"This agenda shall be made available upon request in alternative formats to persons with a disability, as required by the American with Disabilities Act of 1990 (42 U.S.C. § 12132) and the Ralph M. Brown Act (California Government Code § 54954.2). Persons requesting a disability related modification or accommodation in order to participate in the meeting should contact the Town of Discovery Bay, at (925) 634-1131, during regular business hours, at least forty-eight hours prior to the time of the meeting."

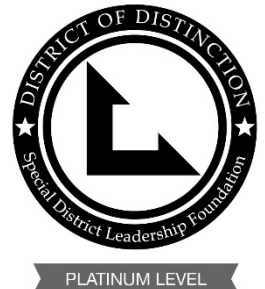
"Materials related to an item on the Agenda submitted to the Town of Discovery Bay after distribution of the agenda packet are available for public inspection in the District Office located at 1800 Willow Lake Road during normal business hours."



TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT

SDLF Platinum-Level of Governance



President – Kevin Graves • Vice-President – Ashley Porter • Director – Bryon Gutow • Director – Michael Callahan • Director – Carolyn Graham

NOTICE OF THE REGULAR MEETING MINUTES OF THE BOARD OF DIRECTORS OF THE TOWN OF DISCOVERY BAY Wednesday August 3, 2022

REGULAR MEETING 7:00 P.M.

A. ROLL CALL AND PLEDGE OF ALLEGIANCE

1. Call business meeting to order 7:00 p.m.
2. Pledge of Allegiance led by Legal Counsel, Andy Pinasco.
3. Roll Call was taken all members were present.

B. PUBLIC COMMENTS (Individual Public Comments will be limited to a 3-minute time limit)

1. Resident Comment:
 - Resident suggested sending Staff a link to an article in regard to programs to aid in reducing temperatures and global warming.

C. CONSENT CALENDAR

All matters listed under the CONSENT CALENDAR are considered by the District to be routine and will be enacted by one motion.

1. Approve Regular Board of Directors DRAFT Meeting minutes from July 20, 2022.
2. Approve Register of District Invoices.
3. Approve Resolution 2022-28 Re-Authorizing Remote Teleconference Meetings of the Legislative Body of the Town of Discovery Bay Community Services District Pursuant to the Brown Act Provisions.

Director Gutow made a Motion to Approve the Consent Calendar as presented.

Vice-President Porter second.

Vote: Motion Carried – AYES:5, NOES: 0, ABSTAINED: 0, ABSENT: 0

No public comment.

D. AREA AGENCIES AND LIAISON REPORTS / PRESENTATIONS

1. Supervisor Diane Burgis, District III Report.

Presented by Supervisor Diane Burgis.

- Annexation of ECC Fire and Contra Costa Fire – Fifth Station is underway and opening early next year.
- Code Enforcement – New code enforcement officers coming onboard in the next couple of months. Ordinance passed increasing fines and penalty amounts for short-term rental violations. Urgency Ordinance is in place for unpermitted events and looking to increase those fines.
- Conveyance System – Supervisor Burgis encouraged the Board to look at the EIR and as a body to provide comments to represent the Delta.
- Harmful Algae Blooms – Supervisor Burgis is working with Federal Lobbyist to work on grant application for consistent funding to address issues related to climate change, water quality, and low flows. Supervisor encourages residents to use caution and to be aware of points of entry for people and pets entering the water, not all areas have been tested.

- New Appointment Commissions – Currently interviewing for Mental Health Commission, Fish and Wildlife Committee, Bryon-Brentwood-Knightsen-Union Cemetery District, Assessment Appeals Board, and Aviation Advisory Committee.

2. Sheriff's Office Report.

Presented by Lieutenant, Mark Johnson for the Month of July.

- Discovery Bay – received 511 calls for service, 35 reports taken.
- Hiring for new Deputy Sheriff.

3. CHP Report.
None.

4. Contra Costa Fire Report.
None.

E. PRESENTATIONS

1. None.

F. DISCUSSION AND POSSIBLE ACTION

1. Discussion and Possible Action to Approve Change Order 2 with Anderson Pacific for the Denitrification Project.

Presented by Gregory Harris, HERWIT Engineering.

- Pump Station W – Original pump station built in Discovery Bay and is to allow for rehab/repairs and maintenance for Influent Pump Station. Pump Station W needs work to be done.
- Cost savings to proceed with Change Order 2.

No public comment.

President Graves made a Motion to Approve Staff's Recommended Actions noting it is a Budget any substantial cost that exceeds the contingency fund Staff will bring back to Board and then move forward with the afore recommended items listed under Recommended Action.

Vice-President Porter second.

Vote: Motion Carried – AYES:5, NOES: 0, ABSTAINED: 0, ABSENT: 0

2. Discussion and Possible Action to Approve a Contract with Architecture and Engineering Transformed ("AETypic") for Architecture Consulting Services Related to a New District Main Office Building.

Presented by General Manger, Dina Breitstein.

- Ad Hoc Building Committee conducted interviews of potential Architectural and Engineering firms to conduct the Needs Assessment for a new office building. Committee has selected Architectural Engineering Transformed ("AETypic") to conduct Needs Assessment, Consulting, and provide Architectural Concept Designs for the construction of The Town of Discovery Bay District Office Building. The Ad Hoc Committee recommends approving the proposal of AETypic and authorizing the General Manager to enter into agreement not to exceed \$32,388 + 15% contingency.

Resident Comment:

- Resident supports a new office building and not use portables.

Vice-President Porter made a Motion to Approve Staff Recommendation to Move forward with AET.

President Graves second.

Vote: Motion Carried – AYES:5, NOES: 0, ABSTAINED: 0, ABSENT: 0

3. Discussion and Possible Action to Approve a Car Show Event in Cornell Park on September 24, 2022.

Presented by Interim Assistant General Manager, Mike Davies.

- Car Show Event will promote Community Involvement with little impact to Cornell Park.

Resident Comment:

- Resident expressed concern about access to suitable bathrooms.

Director Graham made a Motion to Approve Car Show Event at Cornell Park on September 24, 2022, with Conditions of Approval included on Staff Report.

Director Gutow second.

Vote: Motion Carried – AYES:5, NOES: 0, ABSTAINED: 0, ABSENT: 0

G. MANAGER'S REPORT

1. Presented by Interim Assistant General Manager, Mike Davies.

- Agenda language has been updated to allow the public to attend in person or telephonically (if available). Staff has requested Board to notify staff beforehand if they know if they will be attending remote in order to adjust wording on Agenda prior to the agenda being posted on Fridays the week prior to the Board Meeting.

2. Presented by Recreation Programs Supervisor, Monica Gallo.

- Due to popularity of swim lessons over the Summer swim has been extended through the month of August. Water Aerobics has also been extended. Public recreation swim will be available on Wednesdays and Fridays, 3 – 6 p.m.
- Stroke Clinic – Will be offered soon and filling up quickly.
- Lap Swim – Available five days a week, 10 am – 2 pm.
- Pickleball Court Rental – Private family rented three courts.
- Yoga – Will be included in the next Activity Guide.

Board would like to compose a Certificate of Appreciation to Tony, Adams Pool for the excellent work that has been done.

H. GENERAL MANAGER'S REPORT

Presented by Dina Breitstein.

- Technical Issues with Orion Readers due to upgrades to cellular towers in Town. This issue does not affect the meters. Notices will be sent out to residents that are affected.
- Assistant General Manager position closed on July 22, 2022. Applicants will be interviewed at a future date.

I. DIRECTOR REPORTS

1. Standing Committee Reports.

a. Internal Operations Committee Meeting (Committee Members Michael Callahan and Carolyn Graham). August 3, 2022.

Update Provided by Michael Callahan.

- Reviewed clarifications of MAC duties, Board responsibilities, and discussed land signs around Willow Lake and Discovery Bay Boulevard.

b. Finance Committee Meeting (Committee Members Bryon Gutow and Kevin Graves). August 3, 2022.

Update Provided by Bryon Gutow.

- Pump Station W – Finance looked at options in order to fix repairs.
- Bonds – A couple of bonds are maturing and looking into potentially combining bonds into a private loan from a commercial institution that will be discussed August 17, 2022.

- c. Water and Wastewater Committee Meeting (Committee Members Kevin Graves and Ashley Porter). August 3, 2022.

Update by Provided by Ashley Porter.

- Presentation to compare various ways to fund upcoming Water and Wastewater projects.

2. Other reportable items.

Update Provided by Ashley Porter regarding the Code Enforcement meeting attended.

- Sheriff's Office and Code Enforcement are working together.
- Code Enforcement will be increasing fines and has the ability to temporarily suspend permits if needed.

J. DIRECTORS REGIONAL MEETING AND TRAINING REPORTS

1. Contra Costa County Aviation Advisory Committee (President Graves). July 14, 2022.
2. Transplan Committee Meeting (Director Graham). July 14, 2022.
3. East Contra Costa Code Enforcement Meeting (Vice-President Porter). July 28, 2022.
 - Letter sent to Code Enforcement Meeting; Code Enforcement started sending letters to homes that have not pulled permits. Any issues occurring homeowners are encouraged to contact the non-emergency phone number of the Sheriff's Office.

K. CORRESPONDENCE RECEIVED

L. MUNICIPAL ADVISORY COUNCIL

M. FUTURE AGENDA ITEMS

None.

N. ADJOURNMENT

1. Meeting adjourned at 7:58 p.m. to the next Regular Meeting of the Board of Directors on August 17, 2022, beginning at 7:00 p.m. at the Community Center located at 1601 Discovery Bay Boulevard.

"This agenda shall be made available upon request in alternative formats to persons with a disability, as required by the American with Disabilities Act of 1990 (42 U.S.C. § 12132) and the Ralph M. Brown Act (California Government Code § 54954.2). Persons requesting a disability related modification or accommodation in order to participate in the meeting should contact the Town of Discovery Bay, at (925) 634-1131, during regular business hours, at least forty-eight hours prior to the time of the meeting."

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Town of Discovery Bay

"A Community Services District"

STAFF REPORT

Meeting Date

August 17, 2022

Prepared By: Julie Carter, Finance Manager & Lesley Marable, Accountant
Submitted By: Dina Breitstein, General Manager

Agenda Title

Approve Register of District Invoices.

Recommended Action

Staff recommends that the Board approve the listed invoices for payment.

Executive Summary

District invoices are paid on a regular basis, and must obtain Board authorization prior to payment. Staff recommends Board authorization in order that the District can continue to pay warrants in a timely manner.

Fiscal Impact:

Amount Requested \$ 278,415.66

Sufficient Budgeted Funds Available?: Yes (If no, see attached fiscal analysis)

Prog/Fund # See listing of invoices. **Category:** Operating Expenses and Capital Improvements

Previous Relevant Board Actions for This Item

Attachments

Request For Authorization to Pay Invoices for the Town of Discovery Bay CSD 2022/2023

AGENDA ITEM: C2

Request for Authorization to Pay Invoices
For The Meeting On August 17, 2022
Town of Discovery Bay CSD
Fiscal Year 7/22 - 6/23

Veolia Water North America	\$177,388.91
J.W. Backhoe & Construction, Inc.	\$31,575.97
Luhdorff & Scalmanini	\$24,574.50
Robert Half	\$7,000.34
Brentwood Decorative Rock, Inc.	\$4,982.26
Univar Solutions USA Inc.	\$4,193.00
Herwit Engineering	\$4,022.50
Bob Murray & Associates	\$3,697.54
Core & Main LP	\$3,477.40
Mt Diablo Resource Recovery	\$2,304.49
Lincoln Aquatics	\$1,899.56
Precision IT Consulting	\$1,201.48
Karina Dugand	\$1,188.00
City Of Brentwood	\$1,066.61
Verizon Wireless	\$956.32
Michelle Dominge	\$900.00
County of Contra Costa Public Works Dept	\$863.63
Office Depot	\$737.59
Kevin Graves	\$690.00
Ashley Porter	\$575.00
Bryon Gutow	\$575.00
Carolyn Graham	\$575.00
Watersavers Irrigation Inc.	\$518.42
Streamline	\$480.00
Michael Callahan	\$460.00
Devil Mountain Wholesale Nurse	\$430.53
Concentra	\$378.00
Bailey Bautista	\$348.06
Cintas	\$234.43
Boat Safe America	\$202.50
Geotab USA, Inc.	\$197.50
Discovery Pest Control	\$167.00
ULINE	\$136.92
Big B Lumber	\$136.65
UniFirst Corporation	\$130.64
Big O Tires	\$79.93
Water Utility Refund Customer	\$69.98

\$278,415.66



**TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT
RESOLUTION 2022-29**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TOWN DISCOVERY BAY COMMUNITY SERVICES DISTRICT RE-AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODY OF THE TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT PURSUANT TO BROWN ACT PROVISIONS

WHEREAS, the Town of Discovery Bay Community Services District (the "Town") is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of the Town's legislative body are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the District's legislative body conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, the Town's Board of Directors previously adopted a Resolution, Number 2021-16 on October 20, 2021, finding that the requisite conditions exist for the legislative body of the Town to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, as a condition of extending the use of the provisions found in section 54953(e), the Board of Directors must make findings that the Board has reconsidered the circumstances of the state of emergency that exist in the Town, and that either the state of emergency continues to directly impact the ability of the members to meet safely in person, or State or local officials continue to impose or recommend measures to promote social distancing; and

WHEREAS, on March 4, 2020, the Governor proclaimed a State of Emergency continues to exist throughout California as a result of the threat of COVID-19; and

WHEREAS, currently the dominant strain of COVID-19 in the country continues to be more transmissible than prior variants of the virus, may cause more severe illness, and that even fully vaccinated individuals can spread the virus to others resulting in rapid and alarming rates of COVID-19 cases and hospitalizations, therefore, meeting in person would present imminent risks to the health or safety of attendees and members; and

WHEREAS, the Cal-OSHA adopted emergency regulations (Section 3205) imposing requirements on California employers, including measures to promote social distancing remain in effect; and

WHEREAS, the health orders issued by the Contra Costa County Health Officer to preserve the public health, including requiring all people in Contra Costa County who aren't fully vaccinated, to adhere to indoor masking requirements, recommending measures for social distancing from non-household members for vaccinated individuals that have been exposed to COVID-19, and measures acknowledging that close contact to other persons increases the risk of transmission, remain in effect.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. AB 361 Compliance. The Board of Directors began using teleconferencing in accordance with subdivision (e) of Section 54953 of the Government Code, as amended by AB 361, on October 20, 2021, and have made the requisite findings by majority vote not later than 30 days after October 20, 2021, and every 30 days thereafter.

Section 3. State of Emergency. The Board of Directors hereby reconsiders the circumstances of the current State of Emergency proclaimed by the Governor on March 4, 2020, and find that the ongoing conditions of the State of Emergency directly impact the ability of members to meet safely in person.

Section 4. Measures to Promote Social Distancing. The Board of Directors hereby finds that Cal-OSHA and the County Health Official continue to recommend measures to promote physical distancing.

Section 5. Remote Teleconference Meetings. The General Manager of the Town of Discovery Bay Community Services District is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 6. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption.

Kevin Graves
Board President

I hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of the Town of Discovery Bay Community Services District at a meeting, held on August 17, 2022, by the following vote of the Board:

AYES:
NOES:
ABSENT:
ABSTAIN:

Dina Breitstein
Board Secretary



Water and Waste Water Monthly Report
Town of Discovery Bay

Presented August 2022

Safety & Training

Safe Work Days: 4,720

VNA University:

Scissor Lifts for General Industry

Aerial Lifts for General Industry

Ladder Safety

Weekly Safety Topics:

7/6 – Dayton Manual Chain Hoist Inspection and Operation

7/13 – JSA (Job Safety Analysis) Review

7/20 – Stress & Communication, Weathering Storms

7/27 – Poisonous Plants – Flash Training

Water Well Status

Willow WTP

01

Active

02

Active

06

Active

Newport WTP

04

Active

05

Active
(Emergency)

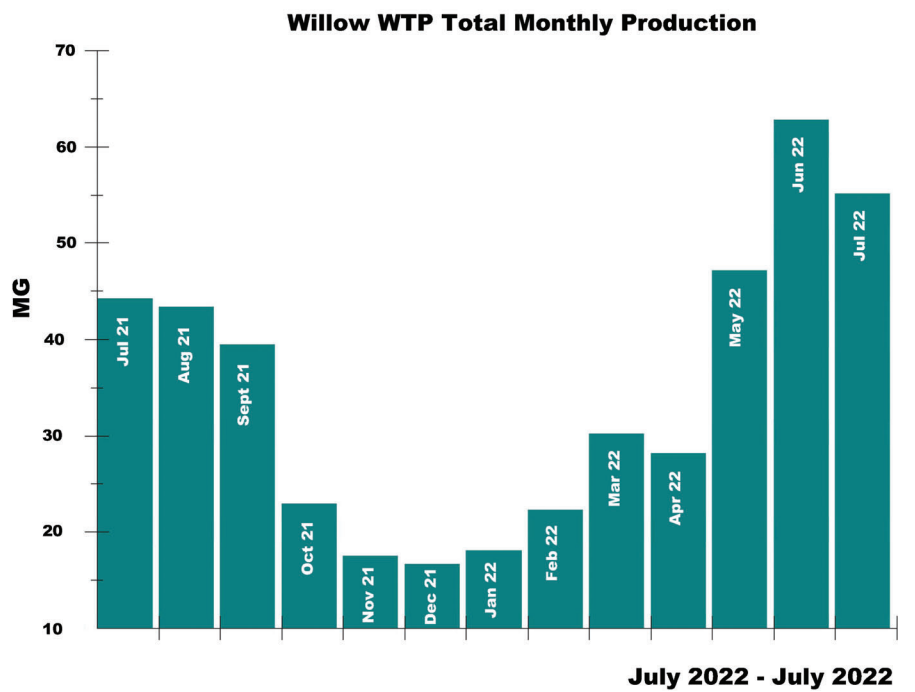
07

Active

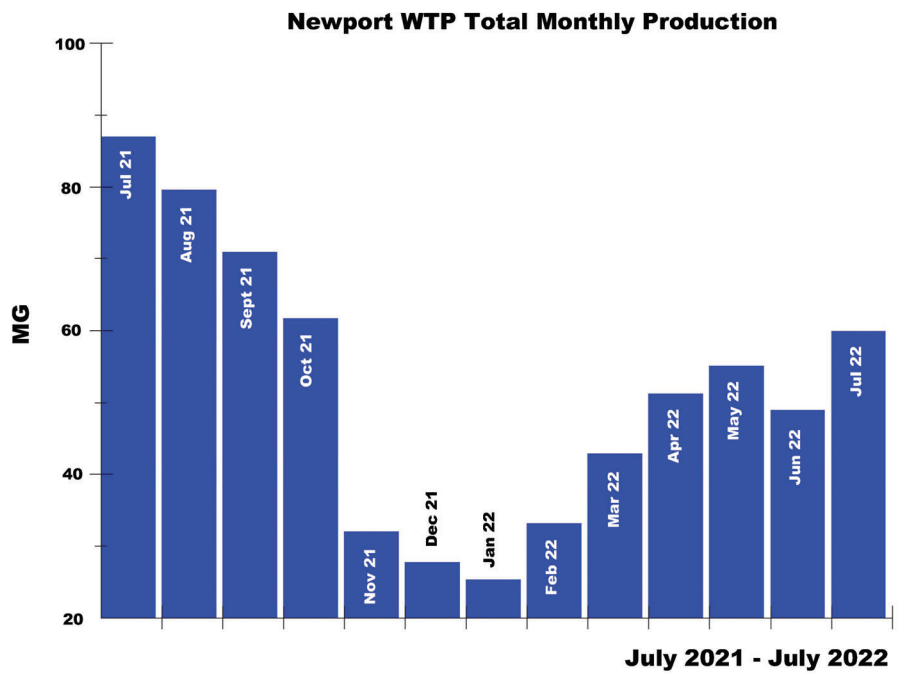
Water Production & Chemicals

	Production (MG)	Chemicals (gal) (Sodium Hypochlorite)
Willow WTP	61.61	2,237
Newport WTP	64.98	3,923
TOTAL	126.59	6,160

Water Production - Willow Total Monthly Production



Water Production - Newport Total Monthly Production



Water Compliance

Coliform Samples Collected: 20

Coliform Positive Results: 0

Water Quality Complaints: 0

Hydrant Flushing: 0

Valve Exercising: 0

Lift Station Status

A

Active

C

Active

D

Active

E

Active

F

Active

G

Active

H

Active

J

Active

R

Active

S

Active

Newport

Active

Lakeshore

Active

Lakes

Active

Lakes 4

Active

Bixler

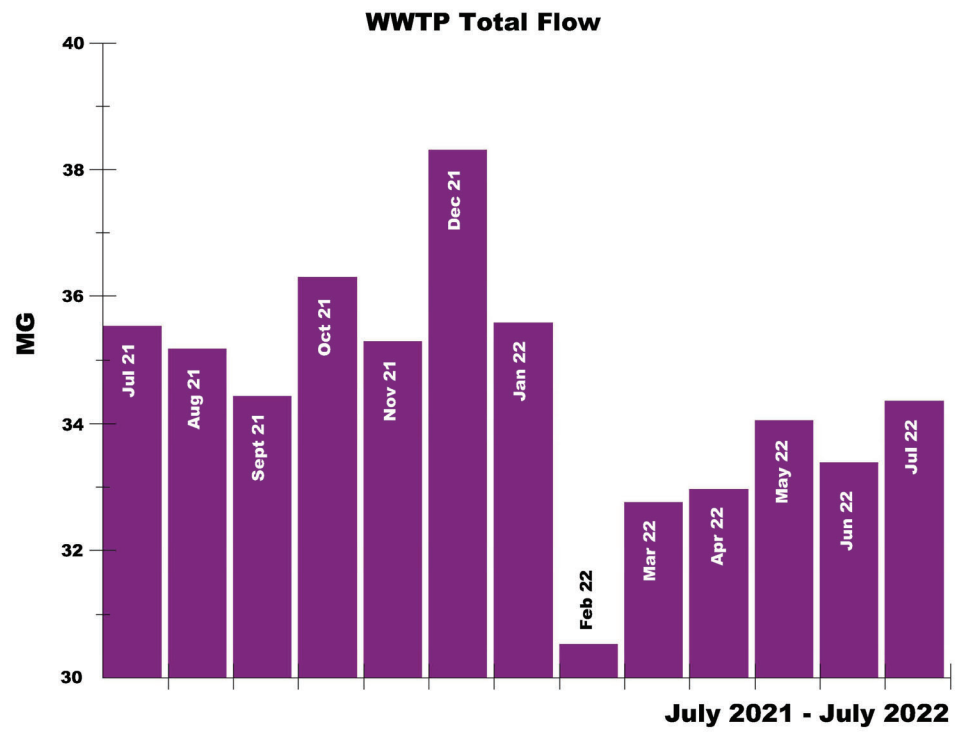
Active

Wastewater Flow & Chemicals

WW Plant 1	Total Flow (MG)	Influent Flow avg. (MG)	Discharge Flow avg. (MG)
	0	0	0
WW Plant 2	Total Flow (MG)	Influent Flow avg. (MG)	Discharge Flow avg. (MG)
	35.28	1.23	1.14
	Last Year Flow (MG)	Polymer (gal)	Alum (gal)
	34.27	0	0

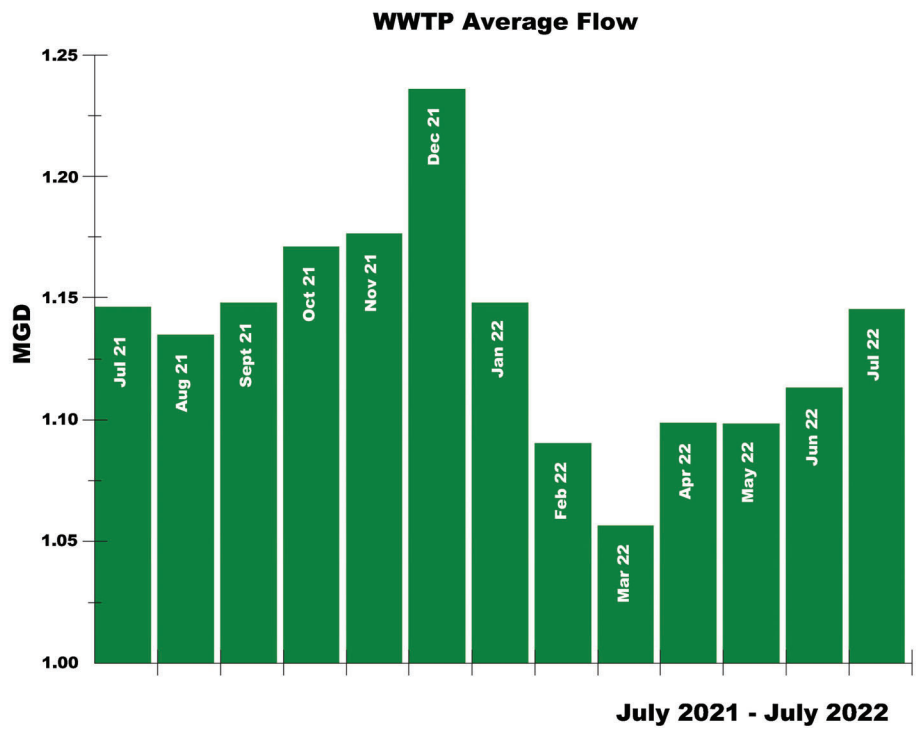
WWTP 2

Total Monthly Flow



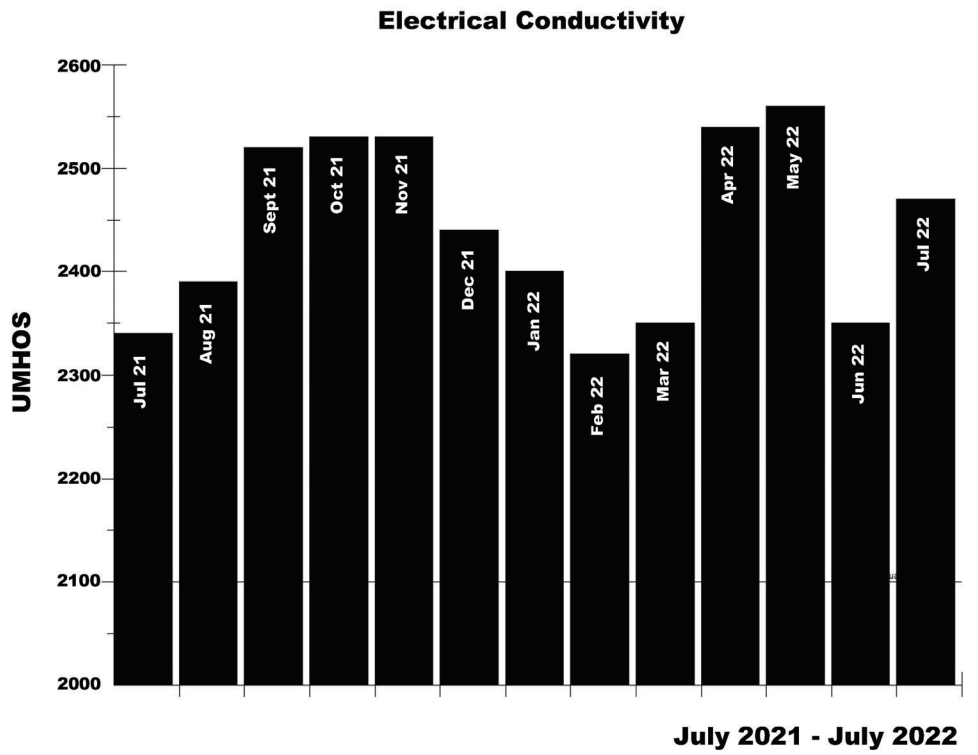
WWTP 2

Average Discharge Flow



WWTP 2

Monthly Conductivity



Wastewater Compliance

Effluent BOD₅, mg/L < 10: **1.5**

Effluent TSS, mg/L < 10: **1.6**

Total Coliform 7 day median < 23: **18.5**

Total Coliform daily max < 240: **130**

Eff NTU daily avg < 2: **1**

Eff Ammonia (N), mg/L < 8.4: **ND**

Removal BOD₅, monthly > 85%: **99.5%**

Removal TTS, monthly > 85%: **98.6%**

Conductivity annual avg < 2,400: **2,415**

**Maintenance
& Improvements**

SSOs: 0

Customer Inquires: 0



Town of Discovery Bay

"A Community Services District"

STAFF REPORT

Meeting Date

August 17, 2022

Prepared By: Julie Carter, Finance Manager
Submitted By: Dina Breitstein, General Manager

Agenda Title

Discussion and Possible Action to Adopt Board Resolution 2022-30 Authorizing the Issuance and Sale of Enterprise Revenue Refunding Bonds, Series 2022B, to Refinance the 2012 Enterprise Revenue Bonds in the Principal Amount Not to Exceed \$11,725,000 and Approving Related Documents and Actions.

Recommended Action

1. Adopt Board Resolution 2022-30 which authorizes the issuance and sale of by the Discovery Bay Public Financing Authority (Authority) of Enterprise Revenue Refunding Bonds, Series 2022B, refinancing the 2012 Water and Wastewater Projects funded by the 2012 Enterprise Revenue Bonds (2012 Bonds).
2. Direct the Executive Director to work with the Municipal Advisor, Bond Counsel, Underwriter, and Trustee to proceed with the issuance of Discovery Bay Public Financing Authority, Series 2022B Water and Wastewater Enterprise Revenue Bonds in the not to exceed principal amount of \$11,725,000.

Executive Summary

In 2012, the Authority issued the 2012 Bonds to complete the 2012 Water Project (Well #7) and the 2012 Wastewater Projects (Emergency Storage Facilities, Ox Ditch, Lift Station F Rehab, and other smaller projects). The 2012 Bonds have a 10-year call date of 12/1/2022.

On July 11, 2022, the General Manager, Finance Manager and 2022 Bond Financing Team (Financing Team) (Jim Fabian from Fieldman/Rolapp & Associates and Nicki Tallman and Rick Brandis from the Oppenheimer Group) met to wrap up the 2022 Bond issuance. The Financing Team presented a proposal to refund the 2012 Bonds. The proposal stated that the private sector would provide the most savings for the District. The General Manager authorized the Financing Team to obtain quotes from the private sector to refund the 2012 Bonds.

On August 3rd, the Financing Team presented to the Finance Committee the results of the proposals received:

- 16 Financial Institutions were contacted to provide proposals for the refunding.
- 7 Institutions submitted proposals.
- Webster Bank, National Association provided the most favorable interest rate of 3.54%, along with the most favorable terms and closing dates (9/15/2022)
- Projected Savings over the 20-year term of \$975K, (which includes issuance costs to the District of \$147K)

REFINANCING SUMMARY

The Resolutions for both the Town of Discovery Bay CSD (2022-30) and for the Public Financing Authority (PFA 2022-02) authorizes and approves the form of all the base documents necessary to provide for the successful refunding of the 2012 Bonds and issuance Enterprise Revenue Refunding Bonds, Series 2022B. The adoption of each Resolution is necessary for the financing team to move forward with completing the issuance.

Fiscal Impact:

Amount Requested \$11,725,000

Sufficient Budgeted Funds Available? (If no, see attached fiscal analysis)

Prog/Fund # Category:

- Wastewater Debt Service repayment savings of \$41K per year in fiscal years 2022-2042.
- Water Debt Service repayment savings of \$5K per year in fiscal year 2022-2042.

Previous Relevant Board Actions for This Item:

Attachments

1. District Board Resolution 2022-30
2. Water Installment Sale Agreement (2022 Bonds)
3. Wastewater Installment Sale Agreement (2022 Bonds)
4. Escrow Agreement (2012 Bonds)
5. Webster Bank's Term Sheet
6. Board Presentation

AGENDA ITEM: F1



**TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT
RESOLUTION 2022-30**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT APPROVING AND AUTHORIZING THE EXECUTION OF
DOCUMENTS AND APPROVING RELATED ACTIONS IN CONNECTION WITH THE
ISSUANCE AND SALE BY THE DISCOVERY BAY PUBLIC FINANCING AUTHORITY OF
ENTERPRISE REVENUE REFUNDING BONDS, SERIES 2022B (2012 WATER AND
WASTEWATER PROJECTS REFINANCING) IN THE PRINCIPAL AMOUNT NOT TO EXCEED
\$11,725,000 TO REFINANCE THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS
TO THE WATER AND WASTEWATER ENTERPRISES OF THE TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT**

RESOLVED, by the Board of Directors (the “**Board**”) of the Town of Discovery Bay Community Services District (the “**District**”), as follows:

WHEREAS, the Discovery Bay Public Financing Authority, a public entity that is duly organized and existing under a joint exercise of powers agreement and under the Constitution and laws of the State of California (the “**State**”), has the powers, among others, to issue bonds to provide financial assistance to its members pursuant to Articles 1, 2 and 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State, including but not limited to Article 4 thereof, known as the “Marks-Roos Local Bond Pooling Act of 1985,” Government Code Section 6584 *et seq.* (the “**Act**”);

WHEREAS, the District is a community services district duly organized and existing under the Community Services District Law of the State and a member of the Authority;

WHEREAS, the District has determined to refinance (a) the acquisition and construction of certain improvements and facilities (the “**2012 Water Project**”) to the District’s municipal water enterprise (the “**Water Enterprise**”), and (b) the acquisition and construction of certain improvements and facilities (the “**2012 Wastewater Project**”) to the District’s municipal wastewater enterprise (the “**Wastewater Enterprise**”);

WHEREAS, to assist the District to refinance the 2012 Water Project and the 2012 Wastewater Project, the Authority proposes to issue its revenue bonds under Article 4 of the Act (the “**Bond Law**”), designated as the Discovery Bay Public Financing Authority (Contra Costa County, California) Enterprise Revenue Refunding Bonds, Series 2022B (2012 Water and Wastewater Projects Refinancing) (the “**2022B Bonds**”), pursuant to and secured by an Indenture of Trust (the “**2022B Indenture**”), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the “**Trustee**”);

WHEREAS, the 2022B Bonds are to be secured by (i) installment payments to be made by the District pursuant to a Water Installment Sale Agreement (the “**2022B Water Installment**

Sale Agreement”), by and between the District and the Authority, which installment payments will be payable from net revenues of the Water Enterprise, and (ii) installment payments to be made by the District pursuant to a Wastewater Installment Sale Agreement (the “**2022B Wastewater Installment Sale Agreement**”), by and between the District and the Authority, which installment payments will be payable from net revenues of the Wastewater Enterprise, which together will be calculated to be sufficient, in time and amount, to enable the Authority to pay the principal of and interest and premium (if any) on the 2022B Bonds when due and payable; and

WHEREAS, the District’s obligations under the 2022B Water Installment Sale Agreement will be on parity as to payment and security with the District’s obligations under (i) a Water Installment Sale Agreement, dated as of April 1, 2017, as supplemented and amended by a First Supplement to Water Installment Sale Agreement, dated as of May 1, 2022, each by and between the Authority and the District (as so supplemented and amended, the “**2017 Water Installment Sale Agreement**”), pursuant to which the District agreed to make certain installment payments to the Authority payable from the net revenues of the Water Enterprise, and (ii) a Water Installment Sale Agreement, dated as of May 1, 2022 (the “**2022A Water Installment Sale Agreement**”), by and between the Authority and the District, pursuant to which the District agreed to make certain installment payments to the Authority payable from the net revenues of the Water Enterprise;

WHEREAS, the District’s obligations under the 2022B Wastewater Installment Sale Agreement will be on parity as to payment and security with the District’s obligations under (i) a Wastewater Installment Sale Agreement, dated as of April 1, 2017, as supplemented and amended by a First Supplement to Wastewater Installment Sale Agreement, dated as of May 1, 2022 (as so supplemented and amended, the “**2017 Wastewater Installment Sale Agreement**”), each by and between the Authority and the District, pursuant to which the District agreed to make certain installment payments to the Authority payable from the net revenues of the Wastewater Enterprise, and (ii) a Wastewater Installment Sale Agreement, dated as of May 1, 2022 (the “**2022A Wastewater Installment Sale Agreement**”), by and between the Authority and the District, pursuant to which the District agreed to make certain installment payments to the Authority payable from the net revenues of the Wastewater Enterprise;

WHEREAS, the installment payments made by the District under the 2017 Water Installment Sale Agreement and the 2017 Wastewater Installment Sale Agreement secure the outstanding Discovery Bay Public Financing Authority (Contra Costa County, California) Enterprise Revenue Bonds, Series 2017 (Water and Wastewater projects);

WHEREAS, the installment payments made by the District under the 2022A Water Installment Sale Agreement and the 2022A Wastewater Installment Sale Agreement secure the outstanding Discovery Bay Public Financing Authority (Contra Costa County, California) Enterprise Revenue Bonds, Series 2022 (Water and Wastewater projects);

WHEREAS, the Authority and the District desire to enter into an Escrow Deposit and Trust Agreement (2012 Bonds) (the “**Escrow Agreement**”) with U.S. Bank Trust Company, National Association to effect the refunding of the bonds that funded the 2012 Water Project and the 2012 Wastewater Project;

WHEREAS, following distribution to various private placement investors of a request for proposals by Oppenheimer & Co. Inc., acting as private placement agent (the “**Private Placement Agent**”), the Authority and the District received a proposal in the form of a term sheet from Webster Bank, National Association (or, an affiliate thereof, hereinafter referred to as the

“Purchaser”), pursuant to which the Purchaser has agreed to purchase the 2022B Bonds from the Authority; and

WHEREAS, there have been presented to the Board copies of 2022B Indenture, 2022B Water Installment Sale Agreement, 2022B Wastewater Installment Sale Agreement, the Escrow Agreement and certain other documents relating to the foregoing;

WHEREAS, the Authority and the District previously approved a debt management policy which complies with Government Code Section 8855, and the issuance of the 2022B Bonds and the execution and delivery of the 2022B Water Installment Sale Agreement and the 2022B Wastewater Installment Sale Agreement will be in compliance with said policy;

WHEREAS, pursuant to Section 5852.1 of the California Government Code, certain financial information relating to the 2022B Bonds is attached hereto as Appendix A, and such information has been disclosed and made public; and

WHEREAS, the Board has duly considered such transactions and wishes at this time to approve said transactions in the public interests of the District;

NOW, THEREFORE, it is hereby ORDERED and DETERMINED, as follows:

Section 1. Findings. The Board hereby specifically finds and declares that each of the statements, findings and determinations of the District that are set forth in the above recitals and in the preambles of the documents that are approved herein are true and correct and that: (a) the refinancing of the 2012 Water Project and the 2012 Wastewater Project will result in significant public benefits to the residents of the District of the type that is described in Section 6586 of the Act, in that having the Authority assist the District with respect to the refinancing of the 2012 Water Project and the 2012 Wastewater Project through the issuance of the 2022B Bonds and related transactions will result in demonstrable savings in effective interest rate to the District; and (b) the 2012 Water Project and 2012 Wastewater Project include facilities for the production, storage, transmission or treatment of water and wastewater within the meaning of Section 6586.5(c) of the Act.

Section 2. Issuance and Sale of 2022B Bonds. The Board hereby approves and authorizes the issuance, and the sale to the Purchaser on a private placement basis through the Private Placement Agent, of the 2022B Bonds by the Authority under and pursuant to the Bond Law and the 2022B Indenture for the purpose of providing funds to: (a) refinance the 2012 Water Project and the 2012 Wastewater Project; and (b) pay the costs of issuing the 2022B Bonds; provided, however, that in no event shall the aggregate principal amount of the 2022B Bonds exceed \$11,725,000, nor shall the final maturity date of the 2022B Bonds be later than December 1, 2042, nor shall the all in true interest cost of the 2022B Bonds exceed 3.85%.

Section 3. Approval of Installment Sale Agreements. (a) The Board hereby approves the 2022B Water Installment Sale Agreement in the form on file with the Secretary, together with such additions thereto and changes therein as the President of the Board, the General Manager or the Finance Manager, or any designee thereof (the “**Designated Officers**”) shall deem necessary, desirable or appropriate upon consultation with the law firm of Jones Hall, A Professional Law Corporation, as bond counsel (“**Bond Counsel**”), the execution of which by a Designated Officer shall be conclusive evidence of the approval of any such additions and changes. The Designated Officers, each acting alone, are hereby authorized and directed to

execute, and the Secretary is hereby authorized and directed to attest to, the final form of the 2022B Water Installment Sale Agreement for and in the name and on behalf of the District. The Board hereby authorizes the delivery and performance of the 2022B Water Installment Sale Agreement.

(b) The Board hereby approves the 2022B Wastewater Installment Sale Agreement in the form on file with the Secretary, together with such additions thereto and changes therein as the Designated Officers shall deem necessary, desirable or appropriate upon consultation with Bond Counsel, the execution of which by a Designated Officer shall be conclusive evidence of the approval of any such additions and changes. The Designated Officers, each acting alone, are hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest to, the final form of the 2022B Wastewater Installment Sale Agreement for and in the name and on behalf of the District. The Board hereby authorizes the delivery and performance of the 2022B Wastewater Installment Sale Agreement.

Section 4. Approval of Escrow Agreement. The Board hereby approves the Escrow Agreement in the form on file with the Secretary, together with such additions thereto and changes therein as the Designated Officers shall deem necessary, desirable or appropriate upon consultation with Bond Counsel, the execution of which by a Designated Officer shall be conclusive evidence of the approval of any such additions and changes. The Designated Officers, each acting alone, are hereby authorized and directed to execute the final form of the Escrow Agreement for and in the name and on behalf of the District. The Board hereby authorizes the delivery and performance of the Escrow Agreement.

Section 5. Approval of Term Sheet. The Purchaser has offered to purchase the 2022B Bonds on a direct placement basis pursuant to the terms of a Term Sheet (the “**Term Sheet**”), in the form on file with the Secretary. The Designated Officers, each acting alone, are hereby authorized to execute the Term Sheet, together with such additions thereto and changes therein as the Designated Officers shall deem necessary, desirable or appropriate upon consultation with Bond Counsel, the execution of which by a Designated Officer shall be conclusive evidence of the approval of any such additions and changes, and to take any and all actions necessary to effectuate a sale of the 2022B Bonds to the Purchaser in accordance with the Term Sheet, and any such actions previously taken are hereby ratified and approved.

Section 6. Professionals. In connection with the issuance of the 2022B Bonds, the Board approves the appointment of Jones Hall, A Professional Law Corporation, as bond counsel, Fieldman, Rolapp & Associates, Inc., as Municipal Advisor, and Oppenheimer & Co. Inc., as private placement agent. The Designated Officers are each hereby authorized and directed to execute and deliver, on behalf of the Authority, engagement agreements with each of the foregoing firms, the execution thereof by a Designated Officer being conclusive evidence of their approval.

Section 7. Official Actions. The President of the Board, the General Manager or the Finance Manager, the Secretary and any and all other officers of the District are hereby authorized and directed, for and in the name and on behalf of the District, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and sale of the 2022B Bonds and the consummation of the transactions as described herein.

Section 8. Prior Actions Ratified, Confirmed and Approved. All actions heretofore taken by any officer, agent or consultant of the District with respect to the 2022B Bonds, the 2022B Water Installment Sale Agreement, the 2022B Wastewater Installment Sale Agreement and the other agreements referred to herein, or in connection with or related to any of the agreements referred to herein are hereby ratified, confirmed and approved.

Section 9. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED, APPROVED AND ADOPTED THIS ___ DAY OF _____, 2022.

Kevin Graves
President

I, the undersigned Secretary of the Town of Discovery Bay Community Services District, hereby certify that the forgoing is a full, true and correct copy of a resolution duly adopted by the Board of Directors of the Town of Discovery Bay Community Services District at a meeting thereof held on the ___ day of _____, 2022, by the following vote of the members thereof:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dina Breitstein
Board Secretary

APPENDIX A

REQUIRED DISCLOSURES PURSUANT TO GOVERNMENT CODE SECTION 5852.1

The good faith estimates set forth herein are provided with respect to the 2022B Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Authority by Fieldman Rolapp & Associates, Inc., the District's Municipal Advisor, in consultation with Oppenheimer & Co. Inc., acting as private placement agent.

Principal Amount. The Municipal Advisor has informed the Authority that, based on the financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the 2022B Bonds to be sold is \$11,657,000 (the "Estimated Principal Amount").

True Interest Cost of the 2022B Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2022B Bonds is sold, its good faith estimate of the true interest cost of the 2022B Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the 2022B Bonds, is 3.54%.

Finance Charge of the 2022B Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2022B Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the 2022B Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the 2022B Bonds), is \$146,952. Such fees and charges include fees for bond counsel, municipal advisor, and private placement agent.

Amount of Proceeds to be Received. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2022B Bonds is sold plus net premium, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received from the sale of the 2022B Bonds, less the finance charge of the 2022B Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the 2022B Bonds, is \$11,510,048.

Total Payment Amount. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2022B Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments to pay debt service on the 2022B Bonds, plus the finance charge for the 2022B Bonds, as described above, not paid with the proceeds of the 2022B Bonds, calculated to the final maturity of the 2022B Bonds, is \$16,353,303.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the 2022B Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the 2022B Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of 2022B Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the 2022B Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the 2022B Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the financing plan, delays in the financing, or a combination of such factors. The actual date of sale of the 2022B Bonds and the actual principal amount of 2022B Bonds sold will be determined by the District and the Authority based on the timing of the need for proceeds of the 2022B Bonds and other factors. The actual interest rates borne by the 2022B Bonds will

depend on market interest rates at the time of sale thereof. The actual amortization of the 2022B Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the District and the Authority.

WATER INSTALLMENT SALE AGREEMENT

Dated as of September 1, 2022

by and between

**DISCOVERY BAY PUBLIC FINANCING AUTHORITY,
as Seller**

and the

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT,
as Purchaser**

Relating to:

**\$11,657,000
Discovery Bay Public Financing Authority
(Contra Costa County, California)
Enterprise Revenue Refunding Bonds, Series 2022B
(2012 Water and Wastewater Projects Refinancing)**

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WATER INSTALLMENT SALE AGREEMENT

THIS WATER INSTALLMENT SALE AGREEMENT, dated as of September 1, 2022 (this “**Water Installment Sale Agreement**”), is by and between the **DISCOVERY BAY PUBLIC FINANCING AUTHORITY**, a joint exercise of powers entity duly organized and existing under the laws of the State of California (the “**Authority**”), and the **TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**, a community services district duly organized and existing under the laws of the State of California (the “**District**”).

WITNESSETH:

WHEREAS, the Authority has the powers, among others, to issue bonds to provide financial assistance its members pursuant to Articles 1, 2 and 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State, including but not limited to Article 4 thereof, known as the “Marks-Roos Local Bond Pooling Act of 1985,” Government Code Section 6584 *et seq.* (the “**Act**”);

WHEREAS, the District, and a member of the Authority, has determined that, due to prevailing financial market conditions, it is in the best interests of the District to re finance the acquisition and construction of certain improvements and facilities (the “**2012 Water Project**”) which constitute part of the District’s municipal water enterprise (the “**Water Enterprise**”);

WHEREAS, to assist the District to refinance the 2012 Water Project, the Authority proposes to issue its revenue bonds under the provisions of Article 4 of the Act, designated as the “Discovery Bay Public Financing Authority (Contra Costa County, California) Enterprise Revenue Refunding Bonds, Series 2022B (2012 Water and Wastewater Projects Refinancing)” (the “**Bonds**”), all pursuant to and secured by that certain Indenture of Trust, dated as of September 1, 2022, by and between the Authority and U.S. Bank Trust Company, National Association, as trustee;

WHEREAS, in order to provide for the repayment of a portion of the Bonds, the District will sell the 2012 Water Project to the Authority and the Authority will sell the 2012 Water Project to the District pursuant to this Water Installment Sale Agreement, under which the District will agree to make Water Installment Payments to the Authority the 2012 Water Project;

WHEREAS, the District is authorized under Section 61060(d) of the Government Code to finance the 2012 Water Project on an installment sale basis as provided in this Water Installment Sale Agreement; and

WHEREAS, the Authority and the District have duly authorized the execution and delivery of this Water Installment Sale Agreement;

NOW, THEREFORE, for and in consideration of the premises and the material covenants hereinafter contained, the parties hereto hereby formally covenant, agree and bind themselves as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms in this Water Installment Sale Agreement shall have the respective meanings specified in the Indenture.

ARTICLE II

COVENANTS AND REPRESENTATIONS

Section 2.1. Covenants and Representations of the District. The District makes the following covenants and representations to the Authority that as of the Closing Date:

(a) The District is a community services district duly organized and validly existing under the laws of the State, has full legal right, power and authority to enter into this Water Installment Sale Agreement and to carry out and consummate all transactions contemplated hereby, and by proper action has duly authorized the execution and delivery of this Water Installment Sale Agreement.

(b) The representatives of the District executing this Water Installment Sale Agreement are fully authorized to execute the same.

(c) This Water Installment Sale Agreement has been duly authorized, executed and delivered by the District, and constitutes the legal, valid and binding agreement of the District, enforceable against the District in accordance with its terms.

(d) The execution and delivery of this Water Installment Sale Agreement, the consummation of the transactions herein contemplated and the fulfillment of or compliance with the terms and conditions hereof, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the District is a party or by which the Water Enterprise or the 2012 Water Project are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the District, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Water Installment Sale Agreement, or the financial condition, assets, improvements or operations of the Water Enterprise.

(e) No consent or approval of any trustee or holder of any indebtedness of the District or of the voters of the District, 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 Water Installment Sale Agreement or the consummation of any transaction herein contemplated, except as have been obtained or made and as are in full force and effect.

(f) There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or threatened against or

affecting the District or the Water Enterprise which, if determined adversely to the District or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Water Installment Sale Agreement or upon the financial condition or operation of the Water Enterprise, and the District is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Water Installment Sale Agreement, or the financial conditions or operations of the Water Enterprise.

(g) The District has heretofore established the Water Fund into which the District deposits and will continue to deposit all Water Gross Revenues, and which the District will maintain throughout the Term of this Water Installment Sale Agreement.

(h) Other than the 2017 Water Installment Sale Agreement and the 2022A Water Installment Sale Agreement, there are no outstanding bonds, notes, loans, leases, installment sale agreements or other obligations which have any security interest in or claim upon the Water Net Revenues, which security interest or claim is superior to or on a parity with the Water Installment Payments.

Section 2.2. Covenants and Representations of the Authority. The Authority makes the following covenants and representations to the District that as of the Closing Date:

(a) The Authority is a joint exercise of powers authority, duly organized and existing under the laws of the State. The Authority has the power to enter into the transactions contemplated by this Water Installment Sale Agreement and to carry out its obligations hereunder. By proper action of its governing body, the Authority has been duly authorized to execute, deliver and duly perform this Water Installment Sale Agreement and the Indenture.

(b) To finance the 2012 Water Project and pay the Costs of Issuance allocable thereto, the Authority will issue its Bonds, which will mature, bear interest and be subject to redemption as set forth in the Indenture.

(c) The Bonds will be issued under and secured by the Indenture, and pursuant thereto, certain of the Authority's interests in this Water Installment Sale Agreement have been assigned to the Trustee as security for payment of the principal of and interest on the Bonds.

(d) The Authority is not in default under any of the provisions of the laws of the State, which default would affect its existence or its powers referred to in subsection (a) of this Section 2.2.

ARTICLE III

ISSUANCE OF BONDS

Section 3.1. The Bonds. The Authority has authorized the issuance of the Bonds pursuant to the Indenture in the aggregate principal amount of Eleven Million Six-Hundred Fifty-Seven Thousand Dollars (\$11,657,000). The Authority agrees that the proceeds of sale of the Bonds shall be paid to the Trustee on the Closing Date for deposit pursuant to the terms and conditions of the Indenture. The District hereby approves the Indenture, the assignment to the Trustee of the rights of the Authority assigned under and pursuant to the Indenture, and the issuance of the Bonds by the Authority under and pursuant to the Indenture.

ARTICLE IV

SALE OF 2012 WATER PROJECT; WATER INSTALLMENT PAYMENTS

Section 4.1. Sale of 2012 Water Project. The parties hereby confirm that the District currently has title to the 2012 Water Project. In consideration for the Authority's assistance in refinancing the 2012 Water Project, the District agrees to sell, and hereby sells, to the Authority, and the Authority agrees to purchase and hereby purchases, from the District, the 2012 Water Project in the manner and in accordance with the provisions of the Installment Sale Agreement.

In consideration for the Water Installment Payments, the Authority agrees to sell, and hereby sells, to the District, and the District agrees to purchase, and hereby purchases, from the Authority, the 2012 Water Project at the purchase price specified in Section 4.4(a) hereof and otherwise in the manner and in accordance with the provisions of the Installment Sale Agreement.

Section 4.2. Term. The Term of this Water Installment Sale Agreement shall commence on the Closing Date, and shall end on the date on which the District shall have paid all of the Water Installment Payments and all other amounts due and payable hereunder. The provisions of this Section 4.2 are subject in all respects to any other provisions of this Water Installment Sale Agreement relating to the termination hereof with respect to the 2012 Water Project or any portion thereof.

Section 4.3. Title. All right, title and interest in each component of the 2012 Water Project shall vest in the District immediately upon execution and delivery of the Installment Sale Agreement. Such vesting shall occur without further action by the Authority or the District, and the Authority shall, if requested by the District or if necessary to assure such automatic vesting, deliver any and all documents required to assure such vesting.

Section 4.4. Water Installment Payments.

(a) **Obligation to Pay.** The District agrees to pay to the Authority, its successors and assigns, but solely from the Water Net Revenues, as the purchase price of the 2012 Water Project the aggregate principal amount of _____ Dollars (\$_____), together with interest on the unpaid principal balance, payable in Water Installment Payments coming due and payable in the respective amounts and on each Installment Payment Date specified in Exhibit A. The Water Installment Payments shall be paid by the District to the Trustee, as assignee of the Authority pursuant to the Indenture, in the amounts and at the times as set forth in Section 4.5(b).

(b) **Rate on Overdue Payments.** In the event the District should fail to make any of the payments required in this Section 4.4 and Section 4.10, the payment in default shall continue as an obligation of the District until the amount in default shall have been fully paid, and the District agrees to pay the same with interest thereon, from the date of default to the date of payment, at the rate of ten percent (10%) per annum.

(c) **Assignment.** The District understands and agrees that all Water Installment Payments have been assigned by the Authority to the Trustee in trust, pursuant to the Indenture, for the benefit of the Owners of the Bonds, and the District hereby assents to such assignment. The Authority hereby directs the District, and the District hereby agrees, to pay to the Trustee at

its Trust Office, all amounts payable by the District pursuant to this Section 4.4 and all amounts payable by the District pursuant to Article IX.

Section 4.5. Application of Water Gross Revenues; Pledge and Application of Water Net Revenues.

(a) ***Deposits Into Water Fund; Transfers to Make Water Installment Payments.*** All of the Water Gross Revenues shall be deposited by the District immediately upon receipt in the Water Fund.

Upon receipt of Water Gross Revenues, the District shall segregate such amounts as shall be estimated to be required to pay all Water Operation and Maintenance Costs for the period beginning on such date and ending on the next anticipated date of receipt of Water Gross Revenues. Amounts remaining on deposit in the Water Fund shall be the Water Net Revenues.

The District covenants and agrees that all Water Net Revenues will be held by the District in the Water Fund in trust for the benefit of the Trustee (as assignee of the rights of the Authority hereunder) and the Bond Owners, and for the benefit of the owners of any Water Parity Obligations.

(b) ***Pledge of Water Net Revenues; Transfers.*** All of the Water Net Revenues are hereby irrevocably pledged, charged and assigned to the punctual payment of the Water Installment Payments and all Water Parity Obligations and, except as otherwise provided herein, the Water Net Revenues shall not be used for any other purpose so long as any of the Water Installment Payments or payments with respect to any Water Parity Obligations remain unpaid. Such pledge, charge and assignment shall constitute a first lien on the Water Net Revenues for the payment of the Water Installment Payments and all Water Parity Obligations in accordance with the terms hereof.

On or before each Installment Payment Date, commencing November 25, 2022, the District shall withdraw from the Water Fund (together with similar withdrawals from the Water Fund with respect to all Water Parity Obligations):

(i) and transfer to the Trustee for deposit in the Bond Fund, an amount (other than amounts required for payment of principal of or interest on any Bonds which have matured but which have not been presented for payment), equal to the interest component of the Water Installment Payment and the interest component of any outstanding Water Parity Obligations coming due and payable on the next succeeding Interest Payment Date, and the principal component of the Water Installment Payment and the principal component of any outstanding Water Parity Obligations coming due and payable on the next succeeding principal payment date, if any, provided that any amounts on deposit in the Bond Fund shall be credited against the District's obligation to make such deposits or transfers therein,

(ii) and transfer to reserve funds with respect to Water Parity Obligations such amounts as are required for the replenishment thereof, the amount, if any, required to increase the amount if any, required to increase the amount on deposit in reserve funds with respect to Water Parity Obligations, the amount, if any, required to increase the amount on deposit therein to the reserve requirement of such funds or account,

(iii) and pay all other amounts, including the payments so designated and required to be paid by the District pursuant to Sections 4.9 and 4.10 of this Water Installment Sale Agreement (the "Additional Payments"), when and as due and payable under this Water Installment Sale Agreement and under any agreements relating to Water Parity Obligations, and

(iv) and pay all amounts when and as due and payable with respect to any Water Subordinate Obligations.

(c) **Release from Lien.** Following the transfers described in paragraph (b) of this Section 4.5, excess Water Net Revenues shall be released from the lien of this Water Installment Sale Agreement and shall be available for any lawful purpose of the District.

Section 4.6. Special Obligation of the District; Obligations Absolute. The District's obligation to pay the Water Installment Payments, the Additional Payments, any other amounts coming due and payable hereunder and payments with respect to Water Parity Obligations shall be a special obligation of the District limited solely to the Water Net Revenues. Under no circumstances shall the District be required to advance moneys derived from any source of income other than the Water Net Revenues and other sources specifically identified herein for the payment of the Water Installment Payments, the Additional Payments or payments with respect to Water Parity Obligations, nor shall any other funds or property of the District be liable for the payment of the Water Installment Payments, the Additional Payments or payments with respect to Water Parity Obligations and any other amounts coming due and payable hereunder.

The obligations of the District to make the Water Installment Payments, the Additional Payments and payments with respect to Water Parity Obligations from the Water Net Revenues and to perform and observe the other agreements contained herein and under agreements with respect to Water Parity Obligations shall be absolute and unconditional and shall not be subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach of the District, the Authority or the Trustee of any obligation to the District or otherwise with respect to the Water Enterprise, whether hereunder or otherwise, or out of indebtedness or liability at any time owing to the District by the Authority or the Trustee. Until such time as all of the Water Installment Payments, all of the Additional Payments and all other amounts coming due and payable hereunder shall have been fully paid or prepaid, the District (a) will not suspend or discontinue payment of any Water Installment Payments, Additional Payments, payments with respect to Water Parity Obligations or such other amounts, (b) will perform and observe all other agreements contained in this Water Installment Sale Agreement, and (c) will not terminate the Term of this Water Installment Sale 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 Water Enterprise, sale of the Water Enterprise, the taking by eminent domain of title to or temporary use of any component of the Water Enterprise, commercial frustration of purpose, any change in the tax law or other laws of the United States of America or the State or any political subdivision of either thereof or any failure of the Authority or the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Indenture or this Water Installment Sale Agreement.

Nothing contained in this Section 4.6 shall be construed to release the Authority or the Trustee from the performance of any of the agreements on its part contained herein or in the Indenture, and in the event the Authority or the Trustee shall fail to perform any such agreements, the District may institute such action against the Authority or the Trustee as the District may deem

necessary to compel performance so long as such action does not abrogate the obligations of the District contained in the preceding paragraph. The District may, however, at the District's own cost and expense and in the District's own name or in the name of the Authority prosecute or defend any action or proceeding or take any other action involving third persons which the District deems reasonably necessary in order to secure or protect the District's rights hereunder, and in such event the Authority hereby agrees to cooperate fully with the District and to take such action necessary to effect the substitution of the District for the Authority in such action or proceeding if the District shall so request.

Section 4.7. Rate Covenant. The District shall fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Water Enterprise during each Fiscal Year which (together with other funds accumulated from Water Gross Revenues and which are lawfully available to the District for payment of any of the following amounts during such Fiscal Year) are at least sufficient, after making allowances for contingencies and error in the estimates, to pay the following amounts:

(a) all Water Operation and Maintenance Costs estimated by the District to become due and payable in such Fiscal Year;

(b) the Water Installment Payments and all payments required with respect to Water Parity Obligations;

(c) all other payments required for compliance with this Water Installment Sale Agreement and the instruments pursuant to which any Water Parity Obligations shall have been issued; and

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

In addition, the District shall, to the extent permitted by law, fix, prescribe, revise and collect rates, fees and charges for the services and commodities furnished by the Water Enterprise during each Fiscal Year which are reasonably fair and nondiscriminatory and which are sufficient to yield Adjusted Annual Water Net Revenues for such Fiscal Year equal to at least the Water Coverage Requirement for such Fiscal Year. The District may make adjustments from time to time in such fees and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates, fees and charges then in effect unless the Adjusted Annual Water Net Revenues from such reduced rates, fees and charges are estimated to be sufficient to meet the requirements of this section.

Section 4.8. Limitations on Future Obligations Secured by Water Net Revenues.

(a) **No Obligations Superior to Water Installment Payments.** In order to protect further the availability of the Water Net Revenues and the security for the Water Installment Payments and any Water Parity Obligations, the District hereby agrees that the District shall not, so long as the Water Installment Payments are not fully paid or any Water Parity Obligations are outstanding, issue or incur any obligations payable from Water Net Revenues superior to the Water Installment Payments or such Water Parity Obligations.

(b) **Water Parity Obligations.** The District shall have the right from time to time to issue or incur additional Water Parity Obligations, upon such terms and conditions as the District

shall deem advisable, but only upon compliance with the following conditions which are hereby made conditions precedent to the issuance of Water Parity Obligations:

(i) There shall be on file with the District either:

(A) A Certificate of the Fiscal Consultant demonstrating that, during the most recent Fiscal Year for which audited financial statements of the District are available or any twelve (12) calendar month period during the immediately preceding eighteen (18) calendar month period, the Adjusted Annual Water Net Revenues were at least equal to the Water Coverage Requirement for all outstanding Water Parity Obligations plus the Water Parity Obligation proposed to be executed; provided, that for the purpose of providing this certificate, the District may adjust the foregoing Adjusted Annual Water Net Revenues to reflect Additional Water Revenues; or

(B) An Engineer's Report that the estimated Adjusted Annual Water Net Revenues for each of the five (5) Fiscal Years next following the earlier of (i) the end of the period during which interest on the Water Parity Obligation proposed to be executed is to be capitalized or, if no interest is capitalized, the Fiscal Year in which the Water Parity Obligation proposed to be executed is executed, or (ii) the date on which substantially all Water Projects financed with the Water Parity Obligation proposed to be executed plus all Water Projects financed with all existing Water Parity Obligations are expected to commence operations, will be at least equal to the Water Coverage Requirement for such period; provided, that for the purpose of providing this Engineer's Report, the Independent Engineer may adjust the foregoing estimated Adjusted Annual Water Net Revenues to reflect Additional Water Revenues;

(ii) A Written Certificate of the District that the water project to be acquired and constructed with the proceeds of such Water Parity Obligation is technically feasible and the estimated cost of the acquisition and construction thereof is reasonable, and (after giving effect to the completion of all uncompleted water projects) the rates, fees and charges estimated to be fixed and prescribed for the water service for each Fiscal Year from the Fiscal Year in which such Water Parity Obligation is executed to and including the first complete Fiscal Year after the latest Date of Operation of any uncompleted water project are economically feasible and reasonably considered necessary based on projected operations for such period;

(iii) At the time of such execution of Water Parity Obligations, no Event of Default shall have occurred and be continuing; and

(iv) Upon the issuance of such Water Parity Obligations a reserve account may, but is not required to, be established for such Water Parity Obligations.

(c) **Water Subordinate Obligations.** The District further covenants that the District shall not issue or incur any Water Subordinate Obligations unless Water Net Revenues, calculated on sound accounting principles, as shown by the books of the District for the latest Fiscal Year or any more recent twelve (12) month period selected by the District ending not more than sixty (60) days prior to the adoption of the resolution pursuant to which instrument such Water Subordinate Obligations are issued or incurred, as shown by the books of the District shall, after deducting all amounts required for the payment of the Bonds and any Water Parity

Obligations, have amounted to at least 1.0 times the sum of the maximum annual debt service on all Water Subordinate Obligations outstanding immediately subsequent to the incurring of such additional obligations. An allowance for earnings arising from any increase in the charges made for service from the Water Enterprise which has become effective prior to the incurring of such additional obligations but which, during all or any part of such Fiscal Year, was not in effect, may be added in an amount equal to 105% of the amount by which the Water Net Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year and any period prior to the incurring of such additional obligations, as shown by the certificate or opinion of a qualified independent consultant employed by the District.

Section 4.9. Additional Payments. In addition to the Water Installment Payments, the District shall pay when due all costs and expenses incurred by the Authority to comply with the provisions of the Indenture, including without limitation all Costs of Issuance allocable to the 2012 Water Project (to the extent not paid from amounts on deposit in the Costs of Issuance Fund), and shall pay to the Trustee upon request therefor all compensation for fees due to the Trustee and all of its costs and expenses payable as a result of the performance of and compliance with its duties hereunder or under the Indenture or any related documents, together with all amounts required to indemnify the Trustee pursuant to Section 6.3 hereof or Section 8.12 of the Indenture, and all costs and expenses of attorneys, auditors, engineers and accountants. The rights of the Trustee and the obligations of the District under this Section 4.9 shall survive the termination of this Water Installment Sale Agreement and the resignation or removal of the Trustee.

Upon the occurrence of a Determination of Taxability with respect to the Bonds, the District shall, with respect to future Water Installment Payments, make Additional Payments resulting from the application of the Taxable Rate thereto directly to the Authority equal to the difference between the interest component of the Water Installment Payments calculated at the interest rate provided in this Water Installment Sale Agreement and the interest component of the Water Installment Payments calculated at the Taxable Rate. In addition, the District shall make immediately upon demand of the Authority an Additional Payment to the Authority sufficient to indemnify the Authority for any prior Water Installment Payments determined to be taxable as a consequence of a Determination of Taxability such that the taxable prior Water Installment Payments will be calculated at the Taxable Rate instead of the interest rate set forth in this Water Installment Sale Agreement.

Section 4.10. Payment of Rebateable Amounts. The District agrees to furnish all information to, and cooperate fully with, the Authority and its officers, employees, agents and attorneys, in order to assure compliance with the provisions of Section 6.07(c) of the Indenture. In the event that the Authority shall determine, pursuant to Section 6.07(c) of the Indenture, that any amounts are due and payable to the United States of America thereunder and that neither the Authority nor the Trustee has on deposit an amount of available moneys (excluding moneys on deposit in the funds and accounts established for the payment of the principal of or interest on the Bonds) to make such payment, the Authority shall promptly notify the District of such fact. Upon receipt of any such notice, the District shall promptly pay to the Trustee from any source of legally available funds, the amounts determined by the Authority to be due and payable to the United States of America under such Section 6.07(c).

Section 4.11. Rate Stabilization Fund. The Rate Stabilization Fund previously established and maintained by the District is hereby continued. The District may at any time withdraw from the Rate Stabilization Fund any money therein for deposit in the Water Fund or Bond Fund; provided, that any such deposits or withdrawals may be made up to and including the date that is one hundred twenty (120) days after the end of the Fiscal Year or twelve (12)

calendar month period for which such deposit or withdrawal will be taken into account in determining Adjusted Annual Water Gross Revenues; and provided further, that no deposit of Water Net Revenues shall be made into the Rate Stabilization Fund to the extent that such deposit would prevent the District from meeting the Water Coverage Requirement in any Fiscal Year or twelve (12) calendar month period.

Section 4.12. Water Contract Resource Obligations. The District may at any time enter into one or more Water Contract Resource Obligations for the acquisition, from facilities to be constructed, of water services or other capacity or service relating to the Water Enterprise. The District may determine that, and may agree under a Water Contract Resource Obligation to provide that, all payments under that Water Contract Resource Obligation (including payments prior to the time that water services or other capacity or service is being provided, or during a suspension or after termination of supply or service) shall be Water Operation and Maintenance Costs if the following requirements are met at the time such a Water Contract Resource Obligation is entered into:

(a) No Event of Default has occurred and is continuing.

(b) There shall be on file with the District an Engineer's Report stating that (i) the payments to be made by the District in connection with the Water Contract Resource Obligation are reasonable for the services or capacity rendered; (ii) the source of any new capacity, and any facilities to be constructed to provide the capacity, are sound from a water or other service planning standpoint, are technically and economically feasible in accordance with prudent utility practice, and are likely to provide capacity or service no later than a date set forth in the Engineer's Report; and (iii) the Adjusted Annual Water Net Revenues (further adjusted by the Independent Engineer's estimate of the payments to be made in accordance with the Contact Resource Obligation) for the five (5) Fiscal Years following the year in which the Water Contract Resource Obligation is incurred, as such Adjusted Annual Water Net Revenues are estimated by the Independent Engineer in accordance with the provisions of and adjustments permitted in Section 4.9, will be at least equal to the Water Coverage Requirement. Payments required to be made under Water Contract Resource Obligations shall not be subject to acceleration. Nothing in this section shall be deemed to prevent the District from entering into other agreements for the acquisition of water or other commodity or service from existing facilities and from treating those payments as Water Operation and Maintenance Costs; and nothing in this section shall be deemed to prevent the District from entering into other agreements for the acquisition of water or other commodity or service from facilities to be constructed and from agreeing to make payments with respect thereto, such payments constituting a lien and charge on Water Net Revenues subordinate to that of the Water Parity Obligations.

ARTICLE V

MAINTENANCE, TAXES, INSURANCE AND OTHER MATTERS

Section 5.1. Maintenance, Utilities, Taxes and Assessments. Throughout the Term of this Water Installment Sale Agreement, all improvement, repair and maintenance of the Water Enterprise shall be the responsibility of the District, and the District shall pay for or otherwise arrange for the payment of all utility services supplied to the Water Enterprise, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Water Enterprise resulting from ordinary wear and tear.

The District shall also pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Authority or the District affecting any Water Enterprise or the respective interests or estates therein; provided, however, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the District shall be obligated to pay only such installments as are required to be paid during the Term of this Water Installment Sale Agreement as and when the same become due.

The District may, at the District's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Authority shall notify the District that, in its opinion, by nonpayment of any such items, the interest of the Authority hereunder or under the Indenture will be materially adversely affected, in which event the District shall promptly pay such taxes, assessments or charges or provide the Authority with full security against any loss which may result from nonpayment, in form satisfactory to the Authority.

Section 5.2. Operation of Water Enterprise. The District covenants and agrees to operate or cause to be operated the Water Enterprise in an efficient and economical manner and to operate, maintain and preserve or caused to be operated, maintained and preserved the Water Enterprise in good repair and working order. The District covenants that, in order to fully preserve and protect the priority and security of the Bonds, the District shall pay from the Water Gross Revenues and discharge all lawful claims for labor, materials and supplies furnished for or in connection with the Water Enterprise which, if unpaid, may become a lien or charge upon the Water Gross Revenues or the Water Net Revenues prior or superior to the lien granted hereunder, or which may otherwise impair the ability of the District to pay the Water Installment Payments in accordance herewith.

Section 5.3. Insurance. The District shall maintain or cause to be maintained, throughout the Term of this Water Installment Sale Agreement, but only if and to the extent available at reasonable cost from reputable insurers, liability and casualty insurance in such amounts and against such risks as shall be appropriate for water systems of like size and with similar facilities as the Water Enterprise. Such insurance may be maintained as part of or in conjunction with any other insurance carried by the District and may be maintained in whole or in part in the form of self-insurance by the District or in the form of the participation by the District in a joint powers agency or other program providing pooled insurance. All amounts collected from insurance against accident to or destruction of any portion of the Water Enterprise shall be used to repair, rebuild or replace such damaged or destroyed portion of the Water Enterprise. The proceeds of liability insurance shall be applied toward the extinguishment or satisfaction of the liability with respect to which such proceeds shall have been paid.

Section 5.4. Eminent Domain. Any amounts received as awards as a result of the taking of all or any part of the Water Enterprise by the lawful exercise of eminent domain, at the election of the District (evidenced by a Written Certificate of the District filed with the Trustee and the Authority) shall either (a) be used for the acquisition or construction of improvements and extension of the Water Enterprise in replacement of the condemned portions thereof, or (b) applied as a credit against the District's obligation to make the Water Installment Payments and payments with respect to any Water Parity Obligations in accordance with written instructions of the District filed with the Trustee.

Section 5.5. Records and Accounts.

(a) The District shall keep proper books of record and accounts of the Water Enterprise, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the Water Enterprise. Said books shall, upon prior written request, be subject to the inspection by the Original Purchaser, or its representatives authorized in writing, upon not less than five (5) Business Days' prior written notice to the District. The District shall cause the books and accounts of the Water Enterprise, which shall include a statement of revenues and expenditures and changes in fund balances, a balance sheet and a statement of cash flow, to be audited annually by an Independent Accountant.

(b) Promptly upon receipt by the District and in no event later than three hundred sixty (360) days after the close of each Fiscal Year (unless otherwise agreed in writing by the Original Purchaser), the District will furnish, or cause to be furnished, to the Original Purchaser an audit report of an Independent Accountant with respect to such Fiscal Year, covering the operations of the Water Enterprise for said Fiscal Year (which delivery shall be deemed to have occurred upon such financial statements becoming available at under the "Continuing Disclosure" tab at <https://emma.msrb.org/IssueView/Details/P1417576>). Such audit report shall include statements of the status of each account pertaining to the Water Enterprise, showing the amount and source of all deposits therein, the amount and purpose of the withdrawals therefrom and the balance therein at the beginning and end of said Fiscal Year, and a debt service coverage calculation for the Water Enterprise and all obligations payable from the Water Net Revenues thereof. In addition, the District shall deliver to the Original Purchaser, promptly after the approval thereof, a copy of the District's adopted budget for the then current Fiscal Year. The District shall also deliver to the Original Purchaser a copy of any update to the District's budget adopted for a Fiscal Year within thirty (30) days of the adoption of such updated budget.

(c) In the event that the audited financial statements are not available within 360 days after the close of each Fiscal Year, the District will furnish unaudited financial statements to the Original Purchaser in the manner described in this paragraph within such period, and will then supply the audited financial statements immediately upon the availability thereof.

Section 5.6. Reserved.

Section 5.7. Against Encumbrances. The District will not make any pledge of or place any lien on Water Gross Revenues or the moneys in the Water Fund except as provided herein. The District may at any time, or from time to time, execute Water Parity Obligations as permitted herein or incur evidences of indebtedness or incur other obligations for any lawful purpose which are payable from and secured by a pledge of lien on Water Net Revenues on any moneys in the Water Fund as may from time to time be deposited therein, provided that such pledge and lien shall be subordinate in all respects to the pledge of and lien thereon provided herein.

Section 5.8. Against Competitive Facilities. To the extent permitted by law, the District covenants that it will not acquire, construct, maintain or operate and will not, to the extent permitted by law and within the scope of its powers, permit any other public or private agency, corporation, city or political subdivision or any person whomsoever to acquire, construct, maintain or operate within the District any water system competitive with the Water Enterprise. Notwithstanding the foregoing, the District may permit competitive systems where it determines that provision of water service is either geographically, technically or economically prohibitive or where provision of such services is more readily obtained from another provider of such services.

Section 5.9. Tax Covenants.

(a) **Private Activity Bond Limitation.** The District will assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

(b) **Federal Guarantee Prohibition.** The District will not take any action or permit or suffer any action to be taken if the result of such action would be to cause any of the Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code.

(c) **Rebate Requirement.** The District will take any and all actions necessary to assure compliance with section 148(f) of the 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 Bonds.

(d) **No Arbitrage.** The District will not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Bonds would have caused the Bonds to be “arbitrage bonds” within the meaning of section 148 of the Code.

(e) **Maintenance of Tax-Exemption.** The District will take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Bonds.

(f) **Record Retention.** The District will retain its records of all accounting and monitoring it carries out with respect to the Bonds for at least 3 years after the Bonds mature or are redeemed (whichever is earlier); however, if the Bonds are redeemed and refunded, the District will retain its records of accounting and monitoring at least 3 years after the earlier of the maturity or redemption of the obligations that refunded the Bonds.

(g) **Compliance with Tax Certificate.** The District will comply with the provisions of the Certificate as to Arbitrage and the Use of Proceeds Certificate with respect to the Bonds, which are incorporated herein as if fully set forth herein. The covenants of this Section will survive payment in full or defeasance of the Bonds.

ARTICLE VI

DISCLAIMER OF WARRANTIES; ACCESS

Section 6.1. Disclaimer of Warranties. The Authority and the Trustee make no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the District of the 2012 Water Project, or any other representation or warranty with respect to the 2012 Water Project. In no event shall the Authority or the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising out of this Water Installment Sale Agreement or the Indenture for the existence, furnishing, functioning or District’s use of the 2012 Water Project.

Section 6.2. Access to the Water Enterprise. The District agrees that the Authority and the Trustee, and any duly authorized representative thereof, shall have the right at all reasonable times to enter upon and to examine and inspect the Water Enterprise. The District further agrees that the Authority and the Trustee, and any duly authorized representative thereof, shall have such rights of access to the Water Enterprise as may be reasonably necessary to cause the proper maintenance of the Water Enterprise in the event of failure by the District to perform its obligations hereunder.

Section 6.3. Release and Indemnification Covenants. The District shall and hereby agrees to indemnify and save the Authority and the Trustee and their respective officers, agents, successors and assigns harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of (a) the use, maintenance, condition or management of, or from any work or thing done on the Water Enterprise by the District, (b) any breach or default on the part of the District in the performance of any of its obligations under this Water Installment Sale Agreement, (c) any negligence or willful misconduct of the District or of any of its agents, contractors, servants, employees or licensees with respect to the Water Enterprise, (d) any act or negligence of any sublessee of the District with respect to the Water Enterprise, (e) the performance by the Trustee of its duties and obligations under the Indenture, including any duties referred to in Section 8.12 of the Indenture, (f) the presence on, under or about, or release from, the Water Enterprise of any substance, material or waste which is, or which becomes, regulated or classified as hazardous or toxic under State, federal or local law, or (g) the offer, sale and issuance of the Bonds. No indemnification is made under this Section 6.3 or elsewhere in this Water Installment Sale Agreement for adjudicated willful misconduct or negligence by the Authority or the Trustee, or their respective officers, employees, successors or assigns. The rights of the Trustee and the obligations of the District under this Section 6.3 shall survive the termination of this Water Installment Sale Agreement and the resignation or removal of the Trustee.

Section 6.4. Non-Liability of Authority for Water Enterprise Obligations. The Authority and its successor and assigns shall have no obligation and shall incur no liabilities or debts whatsoever for the obligations, liabilities and debts of the District incurred in connection with the Water Enterprise.

ARTICLE VII

ASSIGNMENT, SALE AND AMENDMENT

Section 7.1. Assignment by the District. The obligations of the District under this Water Installment Sale Agreement may not be assigned by the District.

Section 7.2. Sale or Other Disposition of Water Enterprise. Except as provided herein, the District covenants that the Water Enterprise shall not be encumbered, sold, leased, pledged, any charge placed thereon, or otherwise disposed of, as a whole or substantially as a whole; provided, however, the District may lease the Water Enterprise to a related public entity that (a) assumes all liabilities of the District with respect to the Water Enterprise, and (b) covenants to maintain Water Gross Revenues sufficient to operate and maintain the Water Enterprise and duly provide for the punctual payment of all obligations assumed by such related public entity in connection with such lease including, but not limited to, the Water Installment Payments hereunder. Neither the Water Net Revenues nor any other funds pledged or otherwise made available to secure payment of the Water Installment Payments shall be mortgaged, encumbered, sold, leased, pledged, any charge placed thereon, or disposed or used except as authorized by the terms of this Water Installment Sale Agreement. The District shall not enter into any

agreement which impairs the operation of the Water Enterprise or any part of it necessary to secure adequate Water Net Revenues to pay the Water Installment Payments, or which otherwise would impair the rights of the Bond Owners and the owners of any Water Parity Obligations with respect to the Water Net Revenues. If any substantial part of the Water Enterprise shall be sold, the payment therefor shall either (a) be used for the acquisition or construction of improvements, extensions or replacements to the Water Enterprise, or (b) to the extent not so used, be applied to prepay any Water Parity Obligations, in accordance with written instructions of the District filed with the Trustee.

Section 7.3. Amendment of Water Installment Sale Agreement. The District and the Authority shall have the right to modify or amend this Water Installment Sale Agreement without the consent of any of the Bond Owners or any of the owners of Water Parity Obligations, but only if such amendment or modification does not cause interest represented by the Bonds to be includable in gross income for federal income tax purposes in the opinion of Bond Counsel, and only if such amendment or modification does not materially adversely affect the interests of the Owners of the Bonds in the opinion of Bond Counsel, and only if such amendment or modification is for any one or more of the following purposes:

- (a) to provide for the issuance of Water Parity Obligations pursuant to Section 4.8;
- (b) to add to the covenants and agreements of the District contained in this Water Installment Sale Agreement, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power herein reserved to or conferred upon the District;
- (c) to cure any ambiguity, or to cure, correct or supplement any defective provision contained herein, or in any other respect whatsoever as the Authority and the District may deem necessary or desirable; or
- (d) to amend any provision thereof for the purpose of complying with the applicable requirements of the Code.

ARTICLE VIII

EVENTS OF DEFAULT

Section 8.1. Events of Default Defined. The following events shall be Events of Default hereunder:

- (a) Failure by the District to pay any Water Installment Payment when and as the same become due and payable hereunder.
- (b) Failure by the District to pay any Additional Payment when due and payable hereunder, and the continuation of such failure for a period of ten (10) days.
- (c) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in the preceding clauses (a) or (b), for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Authority or the Trustee; provided, however, that if the District shall notify the Authority and the Trustee that in its reasonable opinion the failure stated in the notice can be corrected, but not within such thirty (30) day period, such failure shall not constitute an Event of Default hereunder if the District shall

commence to cure such failure within such thirty (30) day period and thereafter diligently and in good faith cure such failure in a reasonable period of time.

(d) The filing by the District of a voluntary petition in bankruptcy, or failure by the District promptly to lift any execution, garnishment or attachment, or adjudication of the District as a bankrupt, or assignment by the District for the benefit of creditors, or the entry by the District into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the District in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar acts which may hereafter be enacted.

(e) The occurrence and continuation of any payment event of default under and as defined in the instruments authorizing the issuance of any Water Parity Obligations or any event that allows the acceleration of Water Parity Obligations.

Section 8.2. Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the Trustee as assignee of the Authority shall have the right, at its option and without any further demand or notice, but subject in all respects to the provisions of Article VII of the Indenture, to:

(a) declare all principal components of the unpaid Water Installment Payments, together with accrued interest thereon at the net effective rate of interest per annum then borne by the Outstanding Bonds from the immediately preceding Interest Payment Date on which payment was made, to be immediately due and payable, whereupon the same shall immediately become due and payable;

(b) take whatever action at law or in equity may appear necessary or desirable to collect the Water Installment Payments then due or thereafter to become due during the Term of this Water Installment Sale Agreement, or enforce performance and observance of any obligation, agreement or covenant of the District under this Water Installment Sale Agreement; and

(c) as a matter of right, in connection with the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and the Bond Owners hereunder, cause the appointment of a receiver or receivers of the Water Gross Revenues and other amounts pledged hereunder, with such powers as the court making such appointment shall confer.

The provisions of the preceding clause (a), however, are subject to the condition that if, at any time after the principal components of the unpaid Water Installment Payments shall have been so declared due and payable pursuant to the preceding clause (a), and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the District shall deposit with the Trustee a sum sufficient to pay all principal components of the Water Installment Payments coming due prior to such declaration and all matured interest components (if any) of the Water Installment Payments, with interest on such overdue principal and interest components calculated at the net effective rate of interest per annum then borne by the Outstanding Bonds, and the reasonable expenses of the Trustee (including any fees and expenses of its attorneys), and any and all other defaults known to the Trustee (other than in the payment of the principal and interest components of the Water Installment Payments due and payable solely by reason of such declaration) shall have been made good, then, and in every such case, with the written consent of the Trustee, shall rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon. As provided

in Section 8.6, the Trustee shall be required to exercise the remedies provided herein in accordance with the Indenture.

Section 8.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Water Installment Sale 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 shall impair any such right or power or shall be construed to be 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 Authority to exercise any remedy reserved to it in this Article VIII it shall not be necessary to give any notice, other than such notice as may be required in this Article VIII or by law.

Section 8.4. Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Water Installment Sale Agreement shall default under any of the provisions hereof and the nondefaulting party, the Trustee or the Owner of any Bonds should employ attorneys or incur 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 agrees that it will on demand therefor pay to the nondefaulting party, the Trustee or such Owner, as the case may be, the reasonable fees of such attorneys and such other expenses so incurred.

Section 8.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Water Installment Sale Agreement shall be 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.

Section 8.6. Trustee and Bond Owners to Exercise Rights. Such rights and remedies as are given to the Authority under this Article VIII have been assigned by the Authority to the Trustee under the Indenture, to which assignment the District hereby consents. Such rights and remedies shall be exercised by Trustee and the Owners of the Bonds as provided in the Indenture.

Section 8.7. Rights of the Owners of Water Parity Obligations. Notwithstanding anything in this Article VIII to the contrary, it is hereby acknowledged and agreed that the rights of the Trustee and the Bond Owners hereunder in and to the Water Net Revenues and the

Water Enterprise shall be exercised on a parity and proportionate basis with the rights of the owners of any Water Parity Obligations and any fiduciary acting for the benefit of such owners. The provisions of this Article VIII, and the provisions of any instruments authorizing the issuance of any Water Parity Obligations, shall be construed in accordance with the foregoing sentence.

ARTICLE IX

PREPAYMENT OF WATER INSTALLMENT PAYMENTS

Section 9.1. Security Deposit. Notwithstanding any other provision of this Water Installment Sale Agreement, the District may on any date secure the payment of Water Installment Payments in whole or in part by irrevocably depositing with the Trustee or any other fiduciary an amount of cash which, together with amounts on deposit in the Bond Fund, the accounts therein, is either (a) sufficient to pay all such Water Installment Payments, including the principal and interest components thereof, in accordance with the schedule set forth in Exhibit A, or (b) invested in whole or in part in Federal Securities in such amount as will, in the written opinion of an Independent Accountant, together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient to pay all such Water Installment Payments when due pursuant to Section 4.4(a) or when due on any optional prepayment date pursuant to Section 9.2, as the District shall instruct at the time of said deposit. In the event of a security deposit pursuant to this Section 9.1 with respect to all of the Water Installment Payments, all obligations of the District under this Water Installment Sale Agreement, and all security provided by this Water Installment Sale Agreement for said obligations, shall cease and terminate, excepting only the obligation of the District to make, or cause to be made, all of such Water Installment Payments from such security deposit, and the obligation of the District to compensate and indemnify the Trustee pursuant to Sections 4.9 and 6.3. Said security deposit shall be deemed to be and shall constitute a special fund for the payment of Water Installment Payments in accordance with the provisions of this Water Installment Sale Agreement.

Section 9.2. Optional Prepayment. The District may exercise its option to prepay the principal components of the Water Installment Payments in whole, on any date, by paying a prepayment price equal to the aggregate principal components of the Water Installment Payments to be prepaid, together with the interest component of the Water Installment Payments required to be paid on or accrued to such date, and together with a prepayment premium equal to the premium (if any) required to be paid on the resulting redemption of the Bonds under Section 4.01(b) of the Indenture. Such prepayment price shall be deposited by the Trustee in the Redemption Fund or in another trustee-held fund to be applied to the redemption of Bonds pursuant to Section 4.01(b) of the Indenture.

Section 9.3. Credit for Amounts on Deposit. Upon payment in full of all Additional Payments and other amounts then due and payable hereunder, all available amounts then on deposit in the funds and accounts established under the Indenture shall be credited towards the amounts then required to be so prepaid.

ARTICLE X

MISCELLANEOUS

Section 10.1. Further Assurances. The District agrees that it will execute and deliver any and all such further agreements, instruments, financing statements or other assurances as may be reasonably necessary or requested by the Authority or the Trustee to carry out the intention or to facilitate the performance of this Water Installment Sale Agreement, including, without limitation, to perfect and continue the security interests herein intended to be created.

Section 10.2. Notices. Any notice, request, complaint, demand or other communication under this Water Installment Sale Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopy, telex or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by telecopy, telex or other form of telecommunication, (b) 48 hours after deposit in

the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt.

If to the Authority: Discovery Bay Public Financing Authority
1800 Willow Lake Road
Discovery Bay, CA 94505
Attention: Executive Director
Phone: (925) 634-1131

If to the District: Town of Discovery Bay Community Services District
1800 Willow Lake Road
Discovery Bay, CA 94505
Attention: General Manager
Phone: (925) 634-1131

If to the Trustee: U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, CA 94111
Attention: Global Corporate Trust
Phone: (415) 677-3599
Fax: (415) 677-3768

If to the Original Purchaser : Webster Bank, National Association
999 Corporate Drive Suite 100
Ladera Ranch, California 92694
Attention: John Riddle
Phone: (949) 373-0568
jriddle@websterbank.com

The Authority, the District, the Trustee or the Original Purchaser may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

Section 10.3. Third Party Beneficiary. The Trustee shall be and is hereby made a third party beneficiary hereunder.

Section 10.4. Governing Law. This Water Installment Sale Agreement shall be construed in accordance with and governed by the laws of the State.

Section 10.5. Binding Effect. This Water Installment Sale Agreement shall inure to the benefit of and shall be binding upon the Authority and the District, and their respective successors and assigns, subject, however, to the limitations contained herein.

Section 10.6. Severability of Invalid Provisions. If any one or more of the provisions contained in this Water Installment Sale Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Water Installment Sale Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Water Installment Sale Agreement, and this Water Installment Sale Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority

and the District each hereby declares that it would have entered into this Water Installment Sale Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Water Installment Sale Agreement may be held illegal, invalid or unenforceable.

Section 10.7. Article and Section Headings and References. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Water Installment Sale Agreement. All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Water Installment Sale Agreement; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Water Installment Sale Agreement as a whole and not to any particular Article, Section or subdivision hereof; and words of the masculine gender shall mean and include words of the feminine and neuter genders.

Section 10.8. Execution of Counterparts. This Water Installment Sale Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

Section 10.9. Waiver of Personal Liability. No member of the Board of Directors, officer, agent or employee of the District shall be individually or personally liable for the payment of Water Installment Payments or Additional Payments or be subject to any personal liability or accountability by reason of this Water Installment Sale Agreement; but nothing herein contained shall relieve any such member of the Board of Directors, officer, agent or employee from the performance of any official duty provided by law or by this Water Installment Sale Agreement.

Section 10.10. Limitation of Rights to Parties and Bond Owners. Nothing in this Water Installment Sale Agreement expressed or implied is intended or shall be construed to give to any person other than the Authority, the Trustee, the District and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Water Installment Sale Agreement or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Trustee, the District and the Owners of the Bonds.

Section 10.11. Captions. The captions or headings in this Water Installment Sale Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Water Installment Sale Agreement.

[Signature Page Follows on Next Page]

IN WITNESS WHEREOF, the Authority and the District have caused this Water Installment Sale Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

**DISCOVERY BAY PUBLIC FINANCING
AUTHORITY,**
as Seller

By _____
Kevin Graves
Chairperson

Attest:

Dina Breitstein
Secretary

**TOWN OF DISCOVERY BAY COMMUNITY
SERVICES DISTRICT,**
as Purchaser

By: _____
Kevin Graves
Board President

Attest:

Dina Breitstein
Secretary

EXHIBIT A

SCHEDULE OF WATER INSTALLMENT PAYMENTS

Installment Payment Date*	Principal Component	Interest Component	Total Installment Payment
12/1/22			
6/1/23			
12/1/23			
6/1/24			
12/1/24			
6/1/25			
12/1/25			
6/1/26			
12/1/26			
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12/1/38			
6/1/39			
12/1/39			
6/1/40			
12/1/40			
6/1/41			
12/1/41			
6/1/42			
12/1/42			
Total			

* Installment Payment Dates are the 25th day of the month immediately preceding each of the dates shown above.

EXHIBIT B

DESCRIPTION OF THE 2012 WATER PROJECT

The 2012 Water Project consists of the acquisition and construction of Well 7, as well as any necessary lands, rights of way and other real or personal property useful in connection therewith, and all additions, extensions, expansions, improvements and betterments thereto and equipments thereof.

WASTEWATER INSTALLMENT SALE AGREEMENT

Dated as of September 1, 2022

by and between

**DISCOVERY BAY PUBLIC FINANCING AUTHORITY,
as Seller**

and the

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT,
as Purchaser**

Relating to:

\$11,657,000

**Discovery Bay Public Financing Authority
(Contra Costa County, California)
Enterprise Revenue Refunding Bonds, Series 2022B
(2012 Water and Wastewater Projects Refinancing)**

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EXHIBIT A SCHEDULE OF WASTEWATER INSTALLMENT PAYMENTS
EXHIBIT B DESCRIPTION OF THE 2012 WASTEWATER PROJECT

WASTEWATER INSTALLMENT SALE AGREEMENT

THIS WASTEWATER INSTALLMENT SALE AGREEMENT, dated as of September 1, 2022, is by and between the **DISCOVERY BAY PUBLIC FINANCING AUTHORITY**, a joint exercise of powers entity duly organized and existing under the laws of the State of California (the "Authority"), and the **TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**, a community services district duly organized and existing under the laws of the State of California (the "District").

WITNESSETH:

WHEREAS, the Authority has the powers, among others, to issue bonds to provide financial assistance its members pursuant to Articles 1, 2 and 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State, including but not limited to Article 4 thereof, known as the "Marks-Roos Local Bond Pooling Act of 1985," Government Code Section 6584 *et seq.* (the "**Act**");

WHEREAS, the District, and a member of the Authority, has determined that, due to prevailing financial market conditions, it is in the best interests of the District to refinance the acquisition and construction of certain improvements and facilities (the "**2012 Wastewater Project**") which constitute part of the District's municipal wastewater enterprise (the "**Wastewater Enterprise**");

WHEREAS, to assist the District to refinance the 2012 Wastewater Project, the Authority proposes to issue its revenue bonds under the provisions of Article 4 of the Act, designated as the "Discovery Bay Public Financing Authority (Contra Costa County, California) Enterprise Revenue Refunding Bonds, Series 2022B (2012 Water and Wastewater Projects Refinancing)" (the "**Bonds**"), all pursuant to and secured by that certain Indenture of Trust, dated as of September 1, 2022, by and between the Authority and U.S. Bank Trust Company, National Association, as trustee;

WHEREAS, in order to provide for the repayment of a portion of the Bonds, the District will sell the 2012 Wastewater Project to the Authority and the Authority will sell the 2012 Wastewater Project to the District pursuant to this Wastewater Installment Sale Agreement, under which the District will agree to make Wastewater Installment Payments to the Authority;

WHEREAS, the District is authorized under Section 61060(d) of the Government Code to finance the 2012 Wastewater Project on an installment sale basis as provided in this Wastewater Installment Sale Agreement; and

WHEREAS, the Authority and the District have duly authorized the execution and delivery of this Wastewater Installment Sale Agreement;

NOW, THEREFORE, for and in consideration of the premises and the material covenants hereinafter contained, the parties hereto hereby formally covenant, agree and bind themselves as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms in this Wastewater Installment Sale Agreement shall have the respective meanings specified in the Indenture.

ARTICLE II

COVENANTS AND REPRESENTATIONS

Section 2.1. Covenants and Representations of the District. The District makes the following covenants and representations to the Authority that as of the Closing Date:

(a) The District is a community services district duly organized and validly existing under the laws of the State, has full legal right, power and authority to enter into this Wastewater Installment Sale Agreement and to carry out and consummate all transactions contemplated hereby, and by proper action has duly authorized the execution and delivery of this Wastewater Installment Sale Agreement.

(b) The representatives of the District executing this Wastewater Installment Sale Agreement are fully authorized to execute the same.

(c) This Wastewater Installment Sale Agreement has been duly authorized, executed and delivered by the District, and constitutes the legal, valid and binding agreement of the District, enforceable against the District in accordance with its terms.

(d) The execution and delivery of this Wastewater Installment Sale Agreement, the consummation of the transactions herein contemplated and the fulfillment of or compliance with the terms and conditions hereof, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the District is a party or by which the Wastewater Enterprise or the 2012 Wastewater Project are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the District, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Wastewater Installment Sale Agreement, or the financial condition, assets, improvements or operations of the Wastewater Enterprise.

(e) No consent or approval of any trustee or holder of any indebtedness of the District or of the voters of the District, 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 Wastewater Installment Sale Agreement or the consummation of any transaction herein contemplated, except as have been obtained or made and as are in full force and effect.

(f) There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or threatened against or

affecting the District or the Wastewater Enterprise which, if determined adversely to the District or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Wastewater Installment Sale Agreement or upon the financial condition or operation of the Wastewater Enterprise, and the District is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Wastewater Installment Sale Agreement, or the financial conditions or operations of the Wastewater Enterprise.

(g) The District has heretofore established the Wastewater Fund into which the District deposits and will continue to deposit all Wastewater Gross Revenues, and which the District will maintain throughout the Term of this Wastewater Installment Sale Agreement.

(h) Other than the 2017 Wastewater Installment Sale Agreement and the 2022A Wastewater Installment Sale Agreement, there are no outstanding bonds, notes, loans, leases, installment sale agreements or other obligations which have any security interest in or claim upon the Wastewater Net Revenues, which security interest or claim is superior to or on a parity with the Wastewater Installment Payments.

Section 2.2. Covenants and Representations of the Authority. The Authority makes the following covenants and representations to the District that as of the Closing Date:

(a) The Authority is a joint exercise of powers authority, duly organized and existing under the laws of the State. The Authority has the power to enter into the transactions contemplated by this Wastewater Installment Sale Agreement and to carry out its obligations hereunder. By proper action of its governing body, the Authority has been duly authorized to execute, deliver and duly perform this Wastewater Installment Sale Agreement and the Indenture.

(b) To refinance the 2012 Wastewater Project and pay the Costs of Issuance allocable thereto, the Authority will issue its Bonds, which will mature, bear interest and be subject to redemption as set forth in the Indenture.

(c) The Bonds will be issued under and secured by the Indenture, and pursuant thereto, certain of the Authority's interests in this Wastewater Installment Sale Agreement have been assigned to the Trustee as security for payment of the principal of and interest on the Bonds.

(d) The Authority is not in default under any of the provisions of the laws of the State, which default would affect its existence or its powers referred to in subsection (a) of this Section 2.2.

ARTICLE III

ISSUANCE OF BONDS

Section 3.1. The Bonds. The Authority has authorized the issuance of the Bonds pursuant to the Indenture in the aggregate principal amount of Eleven Million Six-Hundred Fifty-Seven Thousand Dollars (\$11,657,000). The Authority agrees that the proceeds of sale of the Bonds shall be paid to the Trustee on the Closing Date for deposit pursuant to the terms and conditions of the Indenture. The District hereby approves the Indenture, the assignment to the Trustee of the rights of the Authority assigned under and pursuant to the Indenture, and the issuance of the Bonds by the Authority under and pursuant to the Indenture.

ARTICLE IV

SALE OF 2012 WASTEWATER PROJECT; WASTEWATER INSTALLMENT PAYMENTS

Section 4.1. Sale of 2012 Wastewater Project. The parties hereby confirm that the District currently has title to the 2012 Wastewater Project. In consideration for the Authority's assistance in refinancing the 2012 Wastewater Project, the District agrees to sell, and hereby sells, to the Authority, and the Authority agrees to purchase and hereby purchases, from the District, the 2012 Wastewater Project in the manner and in accordance with the provisions of the Installment Sale Agreement.

In consideration for the Wastewater Installment Payments, the Authority agrees to sell, and hereby sells, to the District, and the District agrees to purchase, and hereby purchases, from the Authority, the 2012 Wastewater Project at the purchase price specified in Section 4.4(a) hereof and otherwise in the manner and in accordance with the provisions of the Installment Sale Agreement.

Section 4.2. Term. The Term of this Wastewater Installment Sale Agreement shall commence on the Closing Date, and shall end on the date on which the District shall have paid all of the Wastewater Installment Payments and all other amounts due and payable hereunder. The provisions of this Section 4.2 are subject in all respects to any other provisions of this Wastewater Installment Sale Agreement relating to the termination hereof with respect to the 2012 Wastewater Project or any portion thereof.

Section 4.3. Title. All right, title and interest in each component of the 2012 Wastewater Project shall vest in the District immediately upon execution and delivery of the Installment Purchase Agreement. Such vesting shall occur without further action by the Authority or the District, and the Authority shall, if requested by the District or if necessary to assure such automatic vesting, deliver any and all documents required to assure such vesting.

Section 4.4. Wastewater Installment Payments.

(a) **Obligation to Pay.** The District agrees to pay to the Authority, its successors and assigns, but solely from the Wastewater Net Revenues, as the purchase price of the 2012 Wastewater Project the aggregate principal amount of _____ Dollars (\$_____), together with interest on the unpaid principal balance, payable in Wastewater Installment Payments coming due and payable in the respective amounts and on each Installment Payment Date specified in Exhibit A. The Wastewater Installment Payments shall be paid by the District to the

Trustee, as assignee of the Authority pursuant to the Indenture, in the amounts and at the times as set forth in Section 4.5(b).

(b) **Rate on Overdue Payments.** In the event the District should fail to make any of the payments required in this Section 4.4 and Section 4.10, the payment in default shall continue as an obligation of the District until the amount in default shall have been fully paid, and the District agrees to pay the same with interest thereon, from the date of default to the date of payment, at the rate of ten percent (10%) per annum.

(c) **Assignment.** The District understands and agrees that all Wastewater Installment Payments have been assigned by the Authority to the Trustee in trust, pursuant to the Indenture, for the benefit of the Owners of the Bonds, and the District hereby assents to such assignment. The Authority hereby directs the District, and the District hereby agrees, to pay to the Trustee at its Trust Office, all amounts payable by the District pursuant to this Section 4.4 and all amounts payable by the District pursuant to Article IX.

Section 4.5. Application of Wastewater Gross Revenues; Pledge and Application of Wastewater Net Revenues.

(a) **Deposits Into Wastewater Fund; Transfers to Make Wastewater Installment Payments.** All of the Wastewater Gross Revenues shall be deposited by the District immediately upon receipt in the Wastewater Fund.

Upon receipt of Wastewater Gross Revenues, the District shall segregate such amounts as shall be estimated to be required to pay all Wastewater Operation and Maintenance Costs for the period beginning on such date and ending on the next anticipated date of receipt of Wastewater Gross Revenues. Amounts remaining on deposit in the Wastewater Fund shall be the Wastewater Net Revenues.

The District covenants and agrees that all Wastewater Net Revenues will be held by the District in the Wastewater Fund in trust for the benefit of the Trustee (as assignee of the rights of the Authority hereunder) and the Bond Owners, and for the benefit of the owners of any Wastewater Parity Obligations.

(b) **Pledge of Wastewater Net Revenues; Transfers.** All of the Wastewater Net Revenues are hereby irrevocably pledged, charged and assigned to the punctual payment of the Wastewater Installment Payments and all Wastewater Parity Obligations and, except as otherwise provided herein, the Wastewater Net Revenues shall not be used for any other purpose so long as any of the Wastewater Installment Payments or payments with respect to any Wastewater Parity Obligations remain unpaid. Such pledge, charge and assignment shall constitute a first lien on the Wastewater Net Revenues for the payment of the Wastewater Installment Payments and all Wastewater Parity Obligations in accordance with the terms hereof.

On or before each Installment Payment Date, commencing November 25, 2022, the District shall withdraw from the Wastewater Fund (together with similar withdrawals from the Wastewater Fund with respect to all Wastewater Parity Obligations):

(i) and transfer to the Trustee for deposit in the Bond Fund, an amount (other than amounts required for payment of principal of or interest on any Bonds which have matured but which have not been presented for payment), equal to the interest component of the Wastewater Installment Payment and the interest component of any outstanding

Wastewater Parity Obligations coming due and payable on the next succeeding Interest Payment Date, and the principal component of the Wastewater Installment Payment and the principal component of any outstanding Wastewater Parity Obligations coming due and payable on the next succeeding principal payment date, if any, provided that any amounts on deposit in the Bond Fund shall be credited against the District's obligation to make such deposits or transfers therein,

(ii) and transfer to reserve funds with respect to Wastewater Parity Obligations such amounts as are required for the replenishment thereof, the amount, if any, required to increase the amount if any, required to increase the amount on deposit in reserve funds with respect to Wastewater Parity Obligations, the amount, if any, required to increase the amount on deposit therein to the reserve requirement of such funds or account,

(iii) and pay all other amounts, including the payments so designated and required to be paid by the District pursuant to Sections 4.9 and 4.10 of this Wastewater Installment Sale Agreement (the "Additional Payments"), when and as due and payable under this Wastewater Installment Sale Agreement and under any agreements relating to Wastewater Parity Obligations, and

(iv) and pay all amounts when and as due and payable with respect to any Wastewater Subordinate Obligations.

(c) **Release from Lien.** Following the transfers described in paragraph (b) of this Section 4.5, excess Wastewater Net Revenues shall be released from the lien of this Wastewater Installment Sale Agreement and shall be available for any lawful purpose of the District.

Section 4.6. Special Obligation of the District; Obligations Absolute. The District's obligation to pay the Wastewater Installment Payments, the Additional Payments, any other amounts coming due and payable hereunder and payments with respect to Wastewater Parity Obligations shall be a special obligation of the District limited solely to the Wastewater Net Revenues. Under no circumstances shall the District be required to advance moneys derived from any source of income other than the Wastewater Net Revenues and other sources specifically identified herein for the payment of the Wastewater Installment Payments, the Additional Payments or payments with respect to Wastewater Parity Obligations, nor shall any other funds or property of the District be liable for the payment of the Wastewater Installment Payments, the Additional Payments or payments with respect to Wastewater Parity Obligations and any other amounts coming due and payable hereunder.

The obligations of the District to make the Wastewater Installment Payments, the Additional Payments and payments with respect to Wastewater Parity Obligations from the Wastewater Net Revenues and to perform and observe the other agreements contained herein and under agreements with respect to Wastewater Parity Obligations shall be absolute and unconditional and shall not be subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach of the District, the Authority or the Trustee of any obligation to the District or otherwise with respect to the Wastewater Enterprise, whether hereunder or otherwise, or out of indebtedness or liability at any time owing to the District by the Authority or the Trustee. Until such time as all of the Wastewater Installment Payments, all of the Additional Payments and all other amounts coming due and payable hereunder shall have been fully paid or prepaid, the District (a) will not suspend or discontinue payment of any Wastewater Installment Payments, Additional Payments, payments with respect to Wastewater Parity Obligations or such other amounts, (b) will perform and observe all other agreements contained in this Wastewater

Installment Sale Agreement, and (c) will not terminate the Term of this Wastewater Installment Sale 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 Wastewater Enterprise, sale of the Wastewater Enterprise, the taking by eminent domain of title to or temporary use of any component of the Wastewater Enterprise, commercial frustration of purpose, any change in the tax law or other laws of the United States of America or the State or any political subdivision of either thereof or any failure of the Authority or the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Indenture or this Wastewater Installment Sale Agreement.

Nothing contained in this Section 4.6 shall be construed to release the Authority or the Trustee from the performance of any of the agreements on its part contained herein or in the Indenture, and in the event the Authority or the Trustee shall fail to perform any such agreements, the District may institute such action against the Authority or the Trustee as the District may deem necessary to compel performance so long as such action does not abrogate the obligations of the District contained in the preceding paragraph. The District may, however, at the District's own cost and expense and in the District's own name or in the name of the Authority prosecute or defend any action or proceeding or take any other action involving third persons which the District deems reasonably necessary in order to secure or protect the District's rights hereunder, and in such event the Authority hereby agrees to cooperate fully with the District and to take such action necessary to effect the substitution of the District for the Authority in such action or proceeding if the District shall so request.

Section 4.7. Rate Covenant. The District shall fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Wastewater Enterprise during each Fiscal Year which (together with other funds accumulated from Wastewater Gross Revenues and which are lawfully available to the District for payment of any of the following amounts during such Fiscal Year) are at least sufficient, after making allowances for contingencies and error in the estimates, to pay the following amounts:

(a) all Wastewater Operation and Maintenance Costs estimated by the District to become due and payable in such Fiscal Year;

(b) the Wastewater Installment Payments and all payments required with respect to Wastewater Parity Obligations;

(c) all other payments required for compliance with this Wastewater Installment Sale Agreement and the instruments pursuant to which any Wastewater Parity Obligations shall have been issued; and

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

In addition, the District shall, to the extent permitted by law, fix, prescribe, revise and collect rates, fees and charges for the services and commodities furnished by the Wastewater Enterprise during each Fiscal Year which are reasonably fair and nondiscriminatory and which are sufficient to yield Adjusted Annual Wastewater Net Revenues for such Fiscal Year equal to at least the Wastewater Coverage Requirement for such Fiscal Year. The District may make adjustments from time to time in such fees and charges and may make such classification thereof

as it deems necessary, but shall not reduce the rates, fees and charges then in effect unless the Adjusted Annual Wastewater Net Revenues from such reduced rates, fees and charges are estimated to be sufficient to meet the requirements of this section.

Section 4.8. Limitations on Future Obligations Secured by Wastewater Net Revenues.

(a) **No Obligations Superior to Wastewater Installment Payments.** In order to protect further the availability of the Wastewater Net Revenues and the security for the Wastewater Installment Payments and any Wastewater Parity Obligations, the District hereby agrees that the District shall not, so long as the Wastewater Installment Payments are not fully paid or any Wastewater Parity Obligations are outstanding, issue or incur any obligations payable from Wastewater Net Revenues superior to the Wastewater Installment Payments or such Wastewater Parity Obligations.

(b) **Wastewater Parity Obligations.** The District shall have the right from time to time to issue or incur additional Wastewater Parity Obligations, upon such terms and conditions as the District shall deem advisable, but only upon compliance with the following conditions which are hereby made conditions precedent to the issuance of Wastewater Parity Obligations:

(i) There shall be on file with the District either:

(A) A Certificate of the Fiscal Consultant demonstrating that, during the most recent Fiscal Year for which audited financial statements of the District are available or any twelve (12) calendar month period during the immediately preceding eighteen (18) calendar month period, the Adjusted Annual Wastewater Net Revenues were at least equal to the Wastewater Coverage Requirement for all outstanding Wastewater Parity Obligations plus the Wastewater Parity Obligation proposed to be executed; provided, that for the purpose of providing this certificate, the District may adjust the foregoing Adjusted Annual Wastewater Net Revenues to reflect Additional Wastewater Revenues; or

(B) An Engineer's Report that the estimated Adjusted Annual Wastewater Net Revenues for each of the five (5) Fiscal Years next following the earlier of (i) the end of the period during which interest on the Wastewater Parity Obligation proposed to be executed is to be capitalized or, if no interest is capitalized, the Fiscal Year in which the Wastewater Parity Obligation proposed to be executed is executed, or (ii) the date on which substantially all Wastewater Projects financed with the Wastewater Parity Obligation proposed to be executed plus all Wastewater Projects financed with all existing Wastewater Parity Obligations are expected to commence operations, will be at least equal to the Wastewater Coverage Requirement for such period; provided, that for the purpose of providing this Engineer's Report, the Independent Engineer may adjust the foregoing estimated Adjusted Annual Wastewater Net Revenues to reflect Additional Wastewater Revenues;

(ii) A Written Certificate of the District that wastewater project to be acquired and constructed with the proceeds of such Wastewater Parity Obligation is technically feasible and the estimated cost of the acquisition and construction thereof is reasonable, and (after giving effect to the completion of all uncompleted wastewater projects) the rates,

fees and charges estimated to be fixed and prescribed for the wastewater service for each Fiscal Year from the Fiscal Year in which such Wastewater Parity Obligation is executed to and including the first complete Fiscal Year after the latest Date of Operation of any uncompleted wastewater project are economically feasible and reasonably considered necessary based on projected operations for such period;

(iii) At the time of such execution of Wastewater Parity Obligations, no Event of Default shall have occurred and be continuing; and

(iv) Upon the issuance of such Wastewater Parity Obligations a reserve account may, but is not required to, be established for such Wastewater Parity Obligations.

(c) **Wastewater Subordinate Obligations.** The District further covenants that the District shall not issue or incur any Wastewater Subordinate Obligations unless Wastewater Net Revenues, calculated on sound accounting principles, as shown by the books of the District for the latest Fiscal Year or any more recent twelve (12) month period selected by the District ending not more than sixty (60) days prior to the adoption of the resolution pursuant to which instrument such Wastewater Subordinate Obligations are issued or incurred, as shown by the books of the District shall, after deducting all amounts required for the payment of the Bonds and any Wastewater Parity Obligations, have amounted to at least 1.0 times the sum of the maximum annual debt service on all Wastewater Subordinate Obligations outstanding immediately subsequent to the incurring of such additional obligations. An allowance for earnings arising from any increase in the charges made for service from the Wastewater Enterprise which has become effective prior to the incurring of such additional obligations but which, during all or any part of such Fiscal Year, was not in effect, may be added in an amount equal to 105% of the amount by which the Wastewater Net Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year and any period prior to the incurring of such additional obligations, as shown by the certificate or opinion of a qualified independent consultant employed by the District.

Section 4.9. Additional Payments. In addition to the Wastewater Installment Payments, the District shall pay when due all costs and expenses incurred by the Authority to comply with the provisions of the Indenture, including without limitation all Costs of Issuance allocable to the 2012 Wastewater Project (to the extent not paid from amounts on deposit in the Costs of Issuance Fund), and shall pay to the Trustee upon request therefor all compensation for fees due to the Trustee and all of its costs and expenses payable as a result of the performance of and compliance with its duties hereunder or under the Indenture or any related documents, together with all amounts required to indemnify the Trustee pursuant to Section 6.3 hereof or Section 8.12 of the Indenture, and all costs and expenses of attorneys, auditors, engineers and accountants. The rights of the Trustee and the obligations of the District under this Section 4.9 shall survive the termination of this Wastewater Installment Sale Agreement and the resignation or removal of the Trustee.

Upon the occurrence of a Determination of Taxability with respect to the Bonds, the District shall, with respect to future Wastewater Installment Payments, make Additional Payments resulting from the application of the Taxable Rate thereto directly to the Authority equal to the difference between the interest component of the Wastewater Installment Payments calculated at the interest rate provided in this Wastewater Installment Sale Agreement and the interest component of the Wastewater Installment Payments calculated at the Taxable Rate. In addition, the District shall make immediately upon demand of the Authority an Additional Payment to the Authority sufficient to indemnify the Authority for any prior Wastewater Installment Payments

determined to be taxable as a consequence of a Determination of Taxability such that the taxable prior Wastewater Installment Payments will be calculated at the Taxable Rate instead of the interest rate set forth in this Wastewater Installment Sale Agreement.

Section 4.10. Payment of Rebatable Amounts. The District agrees to furnish all information to, and cooperate fully with, the Authority and its officers, employees, agents and attorneys, in order to assure compliance with the provisions of Section 6.07(c) of the Indenture. In the event that the Authority shall determine, pursuant to Section 6.07(c) of the Indenture, that any amounts are due and payable to the United States of America thereunder and that neither the Authority nor the Trustee has on deposit an amount of available moneys (excluding moneys on deposit in the funds and accounts established for the payment of the principal of or interest on the Bonds) to make such payment, the Authority shall promptly notify the District of such fact. Upon receipt of any such notice, the District shall promptly pay to the Trustee from any source of legally available funds, the amounts determined by the Authority to be due and payable to the United States of America under such Section 6.07(c).

Section 4.11. Rate Stabilization Fund. The Rate Stabilization Fund previously established and maintained by the District is hereby continued. The District may at any time withdraw from the Rate Stabilization Fund any money therein for deposit in the Wastewater Fund or Bond Fund; provided, that any such deposits or withdrawals may be made up to and including the date that is one hundred twenty (120) days after the end of the Fiscal Year or twelve (12) calendar month period for which such deposit or withdrawal will be taken into account in determining Adjusted Annual Wastewater Gross Revenues; and provided further, that no deposit of Wastewater Net Revenues shall be made into the Rate Stabilization Fund to the extent that such deposit would prevent the District from meeting the Wastewater Coverage Requirement in any Fiscal Year or twelve (12) calendar month period.

Section 4.12. Wastewater Contract Resource Obligations. The District may at any time enter into one or more Wastewater Contract Resource Obligations for the acquisition, from facilities to be constructed, of wastewater services or other capacity or service relating to the Wastewater Enterprise. The District may determine that, and may agree under a Wastewater Contract Resource Obligation to provide that, all payments under that Wastewater Contract Resource Obligation (including payments prior to the time that wastewater services or other capacity or service is being provided, or during a suspension or after termination of supply or service) shall be Wastewater Operation and Maintenance Costs if the following requirements are met at the time such a Wastewater Contract Resource Obligation is entered into:

(a) No Event of Default has occurred and is continuing.

(b) There shall be on file with the District an Engineer's Report stating that (i) the payments to be made by the District in connection with the Wastewater Contract Resource Obligation are reasonable for the services or capacity rendered; (ii) the source of any new capacity, and any facilities to be constructed to provide the capacity, are sound from a wastewater or other service planning standpoint, are technically and economically feasible in accordance with prudent utility practice, and are likely to provide capacity or service no later than a date set forth in the Engineer's Report; and (iii) the Adjusted Annual Wastewater Net Revenues (further adjusted by the Independent Engineer's estimate of the payments to be made in accordance with the Contact Resource Obligation) for the five (5) Fiscal Years following the year in which the Wastewater Contract Resource Obligation is incurred, as such Adjusted Annual Wastewater Net Revenues are estimated by the Independent Engineer in accordance with the provisions of and adjustments permitted in Section 4.9, will be at least equal to the Wastewater Coverage

Requirement. Payments required to be made under Wastewater Contract Resource Obligations shall not be subject to acceleration. Nothing in this section shall be deemed to prevent the District from entering into other agreements for the acquisition of wastewater or other commodity or service from existing facilities and from treating those payments as Wastewater Operation and Maintenance Costs; and nothing in this section shall be deemed to prevent the District from entering into other agreements for the acquisition of wastewater or other commodity or service from facilities to be constructed and from agreeing to make payments with respect thereto, such payments constituting a lien and charge on Wastewater Net Revenues subordinate to that of the Wastewater Parity Obligations.

ARTICLE V

MAINTENANCE, TAXES, INSURANCE AND OTHER MATTERS

Section 5.1. Maintenance, Utilities, Taxes and Assessments. Throughout the Term of this Wastewater Installment Sale Agreement, all improvement, repair and maintenance of the Wastewater Enterprise shall be the responsibility of the District, and the District shall pay for or otherwise arrange for the payment of all utility services supplied to the Wastewater Enterprise, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Wastewater Enterprise resulting from ordinary wear and tear.

The District shall also pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Authority or the District affecting any Wastewater Enterprise or the respective interests or estates therein; provided, however, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the District shall be obligated to pay only such installments as are required to be paid during the Term of this Wastewater Installment Sale Agreement as and when the same become due.

The District may, at the District's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Authority shall notify the District that, in its opinion, by nonpayment of any such items, the interest of the Authority hereunder or under the Indenture will be materially adversely affected, in which event the District shall promptly pay such taxes, assessments or charges or provide the Authority with full security against any loss which may result from nonpayment, in form satisfactory to the Authority.

Section 5.2. Operation of Wastewater Enterprise. The District covenants and agrees to operate or cause to be operated the Wastewater Enterprise in an efficient and economical manner and to operate, maintain and preserve or caused to be operated, maintained and preserved the Wastewater Enterprise in good repair and working order. The District covenants that, in order to fully preserve and protect the priority and security of the Bonds, the District shall pay from the Wastewater Gross Revenues and discharge all lawful claims for labor, materials and supplies furnished for or in connection with the Wastewater Enterprise which, if unpaid, may become a lien or charge upon the Wastewater Gross Revenues or the Wastewater Net Revenues prior or superior to the lien granted hereunder, or which may otherwise impair the ability of the District to pay the Wastewater Installment Payments in accordance herewith.

Section 5.3. Insurance. The District shall maintain or cause to be maintained, throughout the Term of this Wastewater Installment Sale Agreement, but only if and to the extent available at reasonable cost from reputable insurers, liability and casualty insurance in such amounts and against such risks as shall be appropriate for wastewater systems of like size and with similar facilities as the Wastewater Enterprise. Such insurance may be maintained as part of or in conjunction with any other insurance carried by the District and may be maintained in whole or in part in the form of self-insurance by the District or in the form of the participation by the District in a joint powers agency or other program providing pooled insurance. All amounts collected from insurance against accident to or destruction of any portion of the Wastewater Enterprise shall be used to repair, rebuild or replace such damaged or destroyed portion of the Wastewater Enterprise. The proceeds of liability insurance shall be applied toward the extinguishment or satisfaction of the liability with respect to which such proceeds shall have been paid.

Section 5.4. Eminent Domain. Any amounts received as awards as a result of the taking of all or any part of the Wastewater Enterprise by the lawful exercise of eminent domain, at the election of the District (evidenced by a Written Certificate of the District filed with the Trustee and the Authority) shall either (a) be used for the acquisition or construction of improvements and extension of the Wastewater Enterprise in replacement of the condemned portions thereof, or (b) applied as a credit against the District's obligation to make the Wastewater Installment Payments and payments with respect to any Wastewater Parity Obligations in accordance with written instructions of the District filed with the Trustee.

Section 5.5. Records and Accounts.

(a) The District shall keep proper books of record and accounts of the Wastewater Enterprise, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the Wastewater Enterprise. Said books shall, upon prior written request, be subject to the inspection by the Original Purchaser, or its representatives authorized in writing, upon not less than five (5) Business Days' prior written notice to the District. The District shall cause the books and accounts of the Wastewater Enterprise, which shall include a statement of revenues and expenditures and changes in fund balances, a balance sheet and a statement of cash flow, to be audited annually by an Independent Accountant.

(b) Promptly upon receipt by the District and in no event later than three hundred sixty (360) days after the close of each Fiscal Year (unless otherwise agreed in writing by the Original Purchaser), the District will furnish, or cause to be furnished, to the Original Purchaser an audit report of an Independent Accountant with respect to such Fiscal Year, covering the operations of the Wastewater Enterprise for said Fiscal Year (which delivery shall be deemed to have occurred upon such financial statements becoming available at under the "Continuing Disclosure" tab at <https://emma.msrb.org/IssueView/Details/P1417576>). Such audit report shall include statements of the status of each account pertaining to the Wastewater Enterprise, showing the amount and source of all deposits therein, the amount and purpose of the withdrawals therefrom and the balance therein at the beginning and end of said Fiscal Year, and a debt service coverage calculation for the Wastewater Enterprise and all obligations payable from the Wastewater Net Revenues thereof. In addition, the District shall deliver to the Original Purchaser, promptly after the approval thereof, a copy of the District's adopted budget for the then current Fiscal Year. The District shall also deliver to the Original Purchaser a copy of any update to the District's budget adopted for a Fiscal Year within thirty (30) days of the adoption of such updated budget.

(c) In the event that the audited financial statements are not available within 360 days after the close of each Fiscal Year, the District will furnish unaudited financial statements to the Original Purchaser in the manner described in this paragraph within such period, and will then supply the audited financial statements immediately upon the availability thereof.

Section 5.6. Reserved.

Section 5.7. Against Encumbrances. The District will not make any pledge of or place any lien on Wastewater Gross Revenues or the moneys in the Wastewater Fund except as provided herein. The District may at any time, or from time to time, execute Wastewater Parity Obligations as permitted herein or incur evidences of indebtedness or incur other obligations for any lawful purpose which are payable from and secured by a pledge of lien on Wastewater Net Revenues on any moneys in the Wastewater Fund as may from time to time be deposited therein, provided that such pledge and lien shall be subordinate in all respects to the pledge of and lien thereon provided herein.

Section 5.8. Against Competitive Facilities. To the extent permitted by law, the District covenants that it will not acquire, construct, maintain or operate and will not, to the extent permitted by law and within the scope of its powers, permit any other public or private agency, corporation, city or political subdivision or any person whomsoever to acquire, construct, maintain or operate within the District any wastewater system competitive with the Wastewater Enterprise. Notwithstanding the foregoing, the District may permit competitive systems where it determines that provision of wastewater service is either geographically, technically or economically prohibitive or where provision of such services is more readily obtained from another provider of such services.

Section 5.9. Tax Covenants.

(a) **Private Activity Bond Limitation.** The District will assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

(b) **Federal Guarantee Prohibition.** The District will not take any action or permit or suffer any action to be taken if the result of such action would be to cause any of the Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code.

(c) **Rebate Requirement.** The District will take any and all actions necessary to assure compliance with section 148(f) of the 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 Bonds.

(d) **No Arbitrage.** The District will not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Bonds would have caused the Bonds to be “arbitrage bonds” within the meaning of section 148 of the Code.

(e) **Maintenance of Tax-Exemption.** The District will take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Bonds.

(f) **Record Retention.** The District will retain its records of all accounting and monitoring it carries out with respect to the Bonds for at least 3 years after the Bonds mature or are redeemed (whichever is earlier); however, if the Bonds are redeemed and refunded, the District will retain its records of accounting and monitoring at least 3 years after the earlier of the maturity or redemption of the obligations that refunded the Bonds.

(g) **Compliance with Tax Certificate.** The District will comply with the provisions of the Certificate as to Arbitrage and the Use of Proceeds Certificate with respect to the Bonds, which are incorporated herein as if fully set forth herein. The covenants of this Section will survive payment in full or defeasance of the Bonds.

ARTICLE VI

DISCLAIMER OF WARRANTIES; ACCESS

Section 6.1. Disclaimer of Warranties. The Authority and the Trustee make no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the District of the 2012 Wastewater Project, or any other representation or warranty with respect to the 2012 Wastewater Project. In no event shall the Authority or the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising out of this Wastewater Installment Sale Agreement or the Indenture for the existence, furnishing, functioning or District's use of the 2012 Wastewater Project.

Section 6.2. Access to the Wastewater Enterprise. The District agrees that the Authority and the Trustee, and any duly authorized representative thereof, shall have the right at all reasonable times to enter upon and to examine and inspect the Wastewater Enterprise. The District further agrees that the Authority and the Trustee, and any duly authorized representative thereof, shall have such rights of access to the Wastewater Enterprise as may be reasonably necessary to cause the proper maintenance of the Wastewater Enterprise in the event of failure by the District to perform its obligations hereunder.

Section 6.3. Release and Indemnification Covenants. The District shall and hereby agrees to indemnify and save the Authority and the Trustee and their respective officers, agents, successors and assigns harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of (a) the use, maintenance, condition or management of, or from any work or thing done on the Wastewater Enterprise by the District, (b) any breach or default on the part of the District in the performance of any of its obligations under this Wastewater Installment Sale Agreement, (c) any negligence or willful misconduct of the District or of any of its agents, contractors, servants, employees or licensees with respect to the Wastewater Enterprise, (d) any act or negligence of any sublessee of the District with respect to the Wastewater Enterprise, (e) the performance by the Trustee of its duties and obligations under the Indenture, including any duties referred to in Section 8.12 of the Indenture, (f) the presence on, under or about, or release from, the Wastewater Enterprise of any substance, material or waste which is, or which becomes, regulated or classified as hazardous or toxic under State, federal or local law, or (g) the offer, sale and issuance of the Bonds. No indemnification is made under this Section 6.3 or elsewhere in this Wastewater Installment Sale Agreement for adjudicated willful misconduct or negligence by the Authority or the Trustee, or their respective officers, employees, successors or assigns. The rights of the Trustee and the obligations of the District under this Section 6.3 shall survive the termination of this Wastewater Installment Sale Agreement and the resignation or removal of the Trustee.

Section 6.4. Non-Liability of Authority for Wastewater Enterprise Obligations. The Authority and its successor and assigns shall have no obligation and shall incur no liabilities or debts whatsoever for the obligations, liabilities and debts of the District incurred in connection with the Wastewater Enterprise.

ARTICLE VII

ASSIGNMENT, SALE AND AMENDMENT

Section 7.1. Assignment by the District. The obligations of the District under this Wastewater Installment Sale Agreement may not be assigned by the District.

Section 7.2. Sale or Other Disposition of Wastewater Enterprise. Except as provided herein, the District covenants that the Wastewater Enterprise shall not be encumbered, sold, leased, pledged, any charge placed thereon, or otherwise disposed of, as a whole or substantially as a whole; provided, however, the District may lease the Wastewater Enterprise to a related public entity that (a) assumes all liabilities of the District with respect to the Wastewater Enterprise, and (b) covenants to maintain Wastewater Gross Revenues sufficient to operate and maintain the Wastewater Enterprise and duly provide for the punctual payment of all obligations assumed by such related public entity in connection with such lease including, but not limited to, the Wastewater Installment Payments hereunder. Neither the Wastewater Net Revenues nor any other funds pledged or otherwise made available to secure payment of the Wastewater Installment Payments shall be mortgaged, encumbered, sold, leased, pledged, any charge placed thereon, or disposed or used except as authorized by the terms of this Wastewater Installment Sale Agreement. The District shall not enter into any agreement which impairs the operation of the Wastewater Enterprise or any part of it necessary to secure adequate Wastewater Net Revenues to pay the Wastewater Installment Payments, or which otherwise would impair the rights of the Bond Owners and the owners of any Wastewater Parity Obligations with respect to the Wastewater Net Revenues. If any substantial part of the Wastewater Enterprise shall be sold, the payment therefor shall either (a) be used for the acquisition or construction of improvements, extensions or replacements to the Wastewater Enterprise, or (b) to the extent not so used, be applied to prepay any Wastewater Parity Obligations, in accordance with written instructions of the District filed with the Trustee.

Section 7.3. Amendment of Wastewater Installment Sale Agreement. The District and the Authority shall have the right to modify or amend this Wastewater Installment Sale Agreement without the consent of any of the Bond Owners or any of the owners of Wastewater Parity Obligations, but only if such amendment or modification does not cause interest represented by the Bonds to be includable in gross income for federal income tax purposes in the opinion of Bond Counsel, and only if such amendment or modification does not materially adversely affect the interests of the Owners of the Bonds in the opinion of Bond Counsel, and only if such amendment or modification is for any one or more of the following purposes:

(a) to provide for the issuance of Wastewater Parity Obligations pursuant to Section 4.8;

(b) to add to the covenants and agreements of the District contained in this Wastewater Installment Sale Agreement, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power herein reserved to or conferred upon the District;

(c) to cure any ambiguity, or to cure, correct or supplement any defective provision contained herein, or in any other respect whatsoever as the Authority and the District may deem necessary or desirable; or

(d) to amend any provision thereof for the purpose of complying with the applicable requirements of the Code.

ARTICLE VIII

EVENTS OF DEFAULT

Section 8.1. Events of Default Defined. The following events shall be Events of Default hereunder:

(a) Failure by the District to pay any Wastewater Installment Payment when and as the same become due and payable hereunder.

(b) Failure by the District to pay any Additional Payment when due and payable hereunder, and the continuation of such failure for a period of ten (10) days.

(c) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in the preceding clauses (a) or (b), for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Authority or the Trustee; provided, however, that if the District shall notify the Authority and the Trustee that in its reasonable opinion the failure stated in the notice can be corrected, but not within such thirty (30) day period, such failure shall not constitute an Event of Default hereunder if the District shall commence to cure such failure within such thirty (30) day period and thereafter diligently and in good faith cure such failure in a reasonable period of time.

(d) The filing by the District of a voluntary petition in bankruptcy, or failure by the District promptly to lift any execution, garnishment or attachment, or adjudication of the District as a bankrupt, or assignment by the District for the benefit of creditors, or the entry by the District into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the District in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar acts which may hereafter be enacted.

(e) The occurrence and continuation of any payment event of default under and as defined in the instruments authorizing the issuance of any Wastewater Parity Obligations or any event that allows the acceleration of Wastewater Parity Obligations.

Section 8.2. Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the Trustee as assignee of the Authority shall have the right, at its option and without any further demand or notice, but subject in all respects to the provisions of Article VII of the Indenture, to:

(a) declare all principal components of the unpaid Wastewater Installment Payments, together with accrued interest thereon at the net effective rate of interest per annum then borne by the Outstanding Bonds from the immediately preceding Interest Payment Date on which

payment was made, to be immediately due and payable, whereupon the same shall immediately become due and payable;

(b) take whatever action at law or in equity may appear necessary or desirable to collect the Wastewater Installment Payments then due or thereafter to become due during the Term of this Wastewater Installment Sale Agreement, or enforce performance and observance of any obligation, agreement or covenant of the District under this Wastewater Installment Sale Agreement; and

(c) as a matter of right, in connection with the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and the Bond Owners hereunder, cause the appointment of a receiver or receivers of the Wastewater Gross Revenues and other amounts pledged hereunder, with such powers as the court making such appointment shall confer.

The provisions of the preceding clause (a), however, are subject to the condition that if, at any time after the principal components of the unpaid Wastewater Installment Payments shall have been so declared due and payable pursuant to the preceding clause (a), and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the District shall deposit with the Trustee a sum sufficient to pay all principal components of the Wastewater Installment Payments coming due prior to such declaration and all matured interest components (if any) of the Wastewater Installment Payments, with interest on such overdue principal and interest components calculated at the net effective rate of interest per annum then borne by the Outstanding Bonds, and the reasonable expenses of the Trustee (including any fees and expenses of its attorneys), and any and all other defaults known to the Trustee (other than in the payment of the principal and interest components of the Wastewater Installment Payments due and payable solely by reason of such declaration) shall have been made good, then, and in every such case, with the written consent of the Trustee, shall rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon. As provided in Section 8.6, the Trustee shall be required to exercise the remedies provided herein in accordance with the Indenture.

Section 8.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Wastewater Installment Sale 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 shall impair any such right or power or shall be construed to be 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 Authority to exercise any remedy reserved to it in this Article VIII it shall not be necessary to give any notice, other than such notice as may be required in this Article VIII or by law.

Section 8.4. Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Wastewater Installment Sale Agreement shall default under any of the provisions hereof and the nondefaulting party, the Trustee or the Owner of any Bonds should employ attorneys or incur 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 agrees that it will on demand therefor pay to the nondefaulting party, the Trustee or such Owner, as the case may be, the reasonable fees of such attorneys and such other expenses so incurred.

Section 8.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Wastewater Installment Sale Agreement shall be 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.

Section 8.6. Trustee and Bond Owners to Exercise Rights. Such rights and remedies as are given to the Authority under this Article VIII have been assigned by the Authority to the Trustee under the Indenture, to which assignment the District hereby consents. Such rights and remedies shall be exercised by Trustee and the Owners of the Bonds as provided in the Indenture.

Section 8.7. Rights of the Owners of Wastewater Parity Obligations. Notwithstanding anything in this Article VIII to the contrary, it is hereby acknowledged and agreed that the rights of the Trustee and the Bond Owners hereunder in and to the Wastewater Net Revenues and the Wastewater Enterprise shall be exercised on a parity and proportionate basis with the rights of the owners of any Wastewater Parity Obligations and any fiduciary acting for the benefit of such owners. The provisions of this Article VIII, and the provisions of any instruments authorizing the issuance of any Wastewater Parity Obligations, shall be construed in accordance with the foregoing sentence.

ARTICLE IX

PREPAYMENT OF WASTEWATER INSTALLMENT PAYMENTS

Section 9.1. Security Deposit. Notwithstanding any other provision of this Wastewater Installment Sale Agreement, the District may on any date secure the payment of Wastewater Installment Payments in whole or in part by irrevocably depositing with the Trustee or any other fiduciary an amount of cash which, together with amounts on deposit in the Bond Fund, the accounts therein, is either (a) sufficient to pay all such Wastewater Installment Payments, including the principal and interest components thereof, in accordance with the schedule set forth in Exhibit A, or (b) invested in whole or in part in Federal Securities in such amount as will, in the written opinion of an Independent Accountant, together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient to pay all such Wastewater Installment Payments when due pursuant to Section 4.4(a) or when due on any optional prepayment date pursuant to Section 9.2, as the District shall instruct at the time of said deposit. In the event of a security deposit pursuant to this Section 9.1 with respect to all of the Wastewater Installment Payments, all obligations of the District under this Wastewater Installment Sale Agreement, and all security provided by this Wastewater Installment Sale Agreement for said obligations, shall cease and terminate, excepting only the obligation of the District to make, or cause to be made, all of such Wastewater Installment Payments from such security deposit, and the obligation of the District to compensate and indemnify the Trustee pursuant to Sections 4.9 and 6.3. Said security deposit shall be deemed to be and shall constitute a special fund for the payment of Wastewater Installment Payments in accordance with the provisions of this Wastewater Installment Sale Agreement.

Section 9.2. Optional Prepayment. The District may exercise its option to prepay the principal components of the Wastewater Installment Payments in whole on any date, by paying a prepayment price equal to the aggregate principal components of the Wastewater Installment Payments to be prepaid, together with the interest component of the Wastewater Installment Payments required to be paid on or accrued to such date, and together with a prepayment premium equal to the premium (if any) required to be paid on the resulting redemption of the

Bonds under Section 4.01(b) of the Indenture. Such prepayment price shall be deposited by the Trustee in the Redemption Fund or in another trustee-held fund to be applied to the redemption of Bonds pursuant to Section 4.01(b) of the Indenture.

Section 9.3. Credit for Amounts on Deposit. Upon payment in full of all Additional Payments and other amounts then due and payable hereunder, all available amounts then on deposit in the funds and accounts established under the Indenture shall be credited towards the amounts then required to be so prepaid.

ARTICLE X

MISCELLANEOUS

Section 10.1. Further Assurances. The District agrees that it will execute and deliver any and all such further agreements, instruments, financing statements or other assurances as may be reasonably necessary or requested by the Authority or the Trustee to carry out the intention or to facilitate the performance of this Wastewater Installment Sale Agreement, including, without limitation, to perfect and continue the security interests herein intended to be created.

Section 10.2. Notices. Any notice, request, complaint, demand or other communication under this Wastewater Installment Sale Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopy, telex or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by telecopy, telex or other form of telecommunication, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt.

If to the Authority:	Discovery Bay Public Financing Authority 1800 Willow Lake Road Discovery Bay, CA 94505 Attention: Executive Director Phone: (925) 634-1131
If to the District:	Town of Discovery Bay Community Services District 1800 Willow Lake Road Discovery Bay, CA 94505 Attention: General Manager Phone: (925) 634-1131
If to the Trustee:	U.S. Bank Trust Company, National Association One California Street, Suite 1000 San Francisco, CA 94111 Attention: Global Corporate Trust Phone: (415) 677-3599 Fax: (415) 677-3768
If to the Original Purchaser :	Webster Bank, National Association 999 Corporate Drive Suite 100 Ladera Ranch, California 92694

Attention: John Riddle
Phone: (949) 373-0568
jriddle@websterbank.com

The Authority, the District, the Trustee or the Original Purchaser may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

Section 10.3. Third Party Beneficiary. The Trustee shall be and is hereby made a third party beneficiary hereunder.

Section 10.4. Governing Law. This Wastewater Installment Sale Agreement shall be construed in accordance with and governed by the laws of the State.

Section 10.5. Binding Effect. This Wastewater Installment Sale Agreement shall inure to the benefit of and shall be binding upon the Authority and the District, and their respective successors and assigns, subject, however, to the limitations contained herein.

Section 10.6. Severability of Invalid Provisions. If any one or more of the provisions contained in this Wastewater Installment Sale Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Wastewater Installment Sale Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Wastewater Installment Sale Agreement, and this Wastewater Installment Sale Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority and the District each hereby declares that it would have entered into this Wastewater Installment Sale Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Wastewater Installment Sale Agreement may be held illegal, invalid or unenforceable.

Section 10.7. Article and Section Headings and References. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Wastewater Installment Sale Agreement. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Wastewater Installment Sale Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Wastewater Installment Sale Agreement as a whole and not to any particular Article, Section or subdivision hereof; and words of the masculine gender shall mean and include words of the feminine and neuter genders.

Section 10.8. Execution of Counterparts. This Wastewater Installment Sale Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

Section 10.9. Waiver of Personal Liability. No member of the Board of Directors, officer, agent or employee of the District shall be individually or personally liable for the payment of Wastewater Installment Payments or Additional Payments or be subject to any personal liability or accountability by reason of this Wastewater Installment Sale Agreement; but nothing herein contained shall relieve any such member of the Board of Directors, officer, agent or employee from the performance of any official duty provided by law or by this Wastewater Installment Sale Agreement.

Section 10.10. Limitation of Rights to Parties and Bond Owners. Nothing in this Wastewater Installment Sale Agreement expressed or implied is intended or shall be construed to give to any person other than the Authority, the Trustee, the District and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Wastewater Installment Sale Agreement or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Trustee, the District and the Owners of the Bonds.

Section 10.11. Captions. The captions or headings in this Wastewater Installment Sale Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Wastewater Installment Sale Agreement.

[Signature Page Follows on Next Page]

IN WITNESS WHEREOF, the Authority and the District have caused this Wastewater Installment Sale Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

**DISCOVERY BAY PUBLIC FINANCING
AUTHORITY,**
as Seller

By: _____
Kevin Graves
Chairperson

Attest:

By _____
Dina Breitstein
Secretary

**TOWN OF DISCOVERY BAY COMMUNITY
SERVICES DISTRICT,**
as Purchaser

By: _____
Kevin Graves
Board President

Attest:

By: _____
Dina Breitstein
Secretary

EXHIBIT A

SCHEDULE OF WASTEWATER INSTALLMENT PAYMENTS

Installment Payment Date*	Principal Component	Interest Component	Total Installment Payment
12/1/22			
6/1/23			
12/1/23			
6/1/24			
12/1/24			
6/1/25			
12/1/25			
6/1/26			
12/1/26			
6/1/27			
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6/1/38			
12/1/38			
6/1/39			
12/1/39			
6/1/40			
12/1/40			
6/1/41			
12/1/41			
6/1/42			
12/1/42			
Total			

* Installment Payment Dates are the 25th day of the month immediately preceding each of the dates shown above.

EXHIBIT B

DESCRIPTION OF THE 2012 WASTEWATER PROJECT

The 2012 Wastewater Project consists of the acquisition and construction of a UV Bank 4 installation, Lift Station F rehabilitation improvements, certain influent pump station modifications, re-activation of Pump Station W, new emergency storage facilities, a splitter box, OX ditch, clarifier, RAS pumps at Plant 2, standby aerators, a new solar dryer and two new belt presses, as well as any necessary lands, rights of way and other real or personal property useful in connection therewith, and all additions, extensions, expansions, improvements and betterments thereto and equipments thereof.

**ESCROW DEPOSIT AND TRUST AGREEMENT
(2012 Bonds)**

Dated as of September 1, 2022

By and Among

DISCOVERY BAY PUBLIC FINANCING AUTHORITY,

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT,

and

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Escrow Agent and 2012 Trustee**

Relating to

**Discovery Bay Public Financing Authority
(Contra Costa County, California)
Series 2012 Enterprise Revenue Bonds
(Water and Wastewater Financing Projects)**

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SCHEDULE A - Refunded 2012 Bonds

SCHEDULE B - Escrowed Securities for Escrow Fund

SCHEDULE C - Payment and Redemption Schedule for Refunded 2012 Bonds

SCHEDULE D - Form of Notice of Optional Redemption for Refunded 2012 Bonds

SCHEDULE E - Form Notice of Defeasance Redemption for Refunded 2012 Bonds

ESCROW DEPOSIT AND TRUST AGREEMENT

THIS ESCROW DEPOSIT AND TRUST AGREEMENT, dated as of September 1, 2022 (this “**Escrow Agreement**”), by and among the DISCOVERY BAY PUBLIC FINANCING AUTHORITY, a joint exercise of powers entity duly organized and existing under the laws of the State of California (the “**Authority**”), the TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT, a community services district duly organized and existing under the laws of the State of California (the “**District**”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as escrow agent (in such capacity, the “**Escrow Agent**”) and as successor trustee of the hereinafter defined 2012 Bonds (in such capacity, the “**2012 Trustee**”). Capitalized terms used but not defined herein have the meanings given to such terms in the hereinafter defined 2012 Indenture.

BACKGROUND :

WHEREAS, pursuant to the Indenture of Trust dated as of August 1, 2012 (the “**2012 Indenture**”), by and between the Authority and the 2012 Trustee, the Authority previously issued its \$14,150,000 original principal amount of Discovery Bay Public Financing Authority (Contra Costa County, California) Series 2012 Enterprise Revenue Bonds (Water and Wastewater Financing Projects) (the “**2012 Bonds**”);

WHEREAS, the 2012 Bonds are payable from net revenues of the District’s water enterprise and wastewater enterprise;

WHEREAS, the Authority has determined to issue its Discovery Bay Public Financing Authority (Contra Costa County, California) Enterprise Revenue Refunding Bonds, Series 2022B (2012 Water and Wastewater Projects Refinancing) (the “**2022B Bonds**”), a portion of the proceeds of which, together with other moneys as described in Section 1, will be applied to pay on December 1, 2022 (the “**Redemption Date**”) the principal of the 2012 Bonds that are currently outstanding in the aggregate principal amount of \$11,330,000 (such outstanding bonds are hereinafter referred to as the “**Refunded 2012 Bonds**”), plus interest with respect thereto accrued through the Redemption Date, without premium;

WHEREAS, the Refunded 2012 Bonds more fully described on Schedule A hereto and made a part hereof;

WHEREAS, the Authority will irrevocably deposit moneys with the Escrow Agent, which moneys will be used to purchase the securities that are described on Schedule B (the “**Escrowed Securities**”) (as permitted by, in the manner prescribed by and all in accordance with the 2012 Indenture), and such Escrowed Securities satisfy the criteria set forth in Section 10.03(b) of the 2012 Indenture, and the principal of and interest on such Escrowed Securities when paid will provide money which will be fully sufficient to pay and discharge the 2012 Bonds;

WHEREAS, the District intends for the funding of said irrevocable escrow fund to constitute a security deposit for the prepayment of the Water Installment Payments and Wastewater Installment Payments as described in Section 9.1 of each of the Installment Sale Agreements;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

SECTION 1. Creation of Escrow Fund. There is hereby created and established with the Escrow Agent a special and irrevocable escrow fund designated the “Escrow Fund” (the “**Escrow Fund**”). The Escrow Fund shall be held in the name of the Escrow Agent and in the custody of the Escrow Agent in accordance with the 2012 Indenture under this Escrow Agreement for the benefit of the owners of the Refunded 2012 Bonds. Except to the extent of any excess that is to be released as provided in Section 11 hereof, none of the Authority, the District, the Escrow Agent, or the 2012 Trustee shall have any interest in the funds or investments held in the Escrow Fund.

SECTION 2. Deposits to the Escrow Accounts. On or before September 15, 2022 (the “**Closing Date**”), the Authority shall transfer, or caused to be transferred, to the Escrow Agent for deposit into the Escrow Fund the amount of \$_____ in immediately available funds to be derived from a portion of the proceeds of the sale of the 2022B Bonds. In addition, the Authority hereby directs the 2012 Trustee to transfer the amount of \$_____ derived from funds held in the Bond Fund established and held by the 2012 Trustee under the 2012 Indenture and to deposit said amount into the Escrow Fund. After the foregoing deposits into the Escrow Fund, the amount of \$_____ shall remain on deposit in the Escrow Fund.

This Escrow Agreement shall constitute a Certificate of the Authority within the meaning of the 2012 Indenture signifying the Authority’s intention to discharge all of the Refunded 2012 Bonds and the 2012 Indenture.

SECTION 3. Investment of Escrow Fund.

(a) General. On the Closing Date, the Escrow Agent shall use \$_____ of the amounts deposited in the Escrow Fund to purchase certain securities and investments described on Schedule B attached hereto and made a part hereof maturing on the dates and in the amounts necessary to make the transfer described in Section 5, and hold the remaining \$_____ deposited therein in cash, uninvested. The securities and investments described on Schedule B-1 are Defeasance Obligations as defined in the 2012 Indenture and are hereinafter referred to as the “Escrowed Securities.”

The Escrow Agent will purchase the Escrowed Securities in the name of the Escrow Agent as provided above and will hold such Escrowed Securities, and any earnings received thereon and any reinvestment thereof in the Escrow Fund. The Escrow Agent shall collect amounts due and shall sell or otherwise liquidate investments in the Escrow Fund as needed to make the payments and transfers required by this Escrow Agreement and may sell, liquidate or otherwise dispose of the Escrowed Securities in accordance with Section 7, may substitute, upon the written direction of the District, Defeasance Obligations subject to the terms and limitations of Section 7, but otherwise shall have no power or duty to sell, transfer or otherwise dispose of the Escrowed Securities.

(b) Additional Actions. In the event that at any time the District or the Authority is of the opinion that for purposes of Section 12 it is necessary to take certain additional action relating to amounts held in the Escrow Fund, the District and the Authority shall so instruct the Escrow Agent in writing, and the Escrow Agent shall take such action as may be directed in accordance with such instructions.

(c) SLGS Window Closure. If the Escrow Agent learns that the Department of the Treasury or the Bureau of Fiscal Service will not, for any reason, accept a subscription of state and local government series securities (“**SLGS**”) that is to be submitted pursuant to this Escrow

Agreement, the Escrow Agent shall promptly request alternative written investment instructions from the District and the Authority with respect to funds which were to be invested in SLGS. The Escrow Agent shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Agent shall hold such funds uninvested and without liability for interest until receipt of further written instructions from the District and the Authority. In the absence of investment instructions from the District and the Authority, the Escrow Agent shall not be responsible for the investment of such funds or interest thereon. The Escrow Agent may conclusively rely upon the District and the Authority's selection of an alternative investment as a determination of the alternative investment's legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

SECTION 4. Creation of Lien on Escrow Fund. The moneys and securities held in the Escrow Fund are irrevocably pledged as a special fund for the (a) payment and prepayment of the Water Installment Payments and Wastewater Installment Payments and (b) payment of the Refunded 2012 Bonds as provided in Section 5 hereof. The owners of the Refunded 2012 Bonds are hereby granted an express lien on the Escrow and all moneys and any investments from time to time held therein for the payment of amounts described in Section 5 below. The Escrow Agent shall hold such moneys and investments in the Escrow Funds separate and apart from, and not commingled with, any other moneys or investments.

SECTION 5. Use of Escrow Accounts. Not later than 9:00 a.m. California time on the Payment Dates identified in Schedule C, the Escrow Agent is hereby instructed to withdraw from the Escrow Fund and transfer to the 2012 Trustee the amounts required to pay the principal of and interest on, including the redemption price of, the Refunded 2012 Bonds listed in Schedule C hereto and in accordance therewith.

The Authority hereby irrevocably elects to pay and redeem the Refunded 2012 Bonds with this Section 5 in accordance with the provisions of the 2012 Indenture. Such payment and redemption shall constitute a payment and prepayment of the Water Installment Payments and Wastewater Installment Payments.

SECTION 6. Notices of Optional Redemption and Defeasance. The 2012 Trustee is hereby instructed to mail and file:

(a) a notice of optional redemption for the Refunded 2012 Bonds maturing on and after December 1, 2023 with the Municipal Securities Rulemaking Board's EMMA System, in substantially the form set forth on Schedule D hereto, to the recipients set forth in, and otherwise pursuant to the requirements of, the 2012 Indenture by no later than October 31, 2022; and

(b) a notice of defeasance for the Refunded 2012 Bonds with the Municipal Securities Rulemaking Board's EMMA System, in substantially the form set forth on Schedule E hereto, to the recipients set forth in, and otherwise pursuant to the requirements of, the 2012 Indenture promptly upon receipt of the amounts set forth in Section 2 above but in no event later than September 17, 2022; and

The sole remedy for failure to post notices on the EMMA system as described in this Section 6 shall be an action by the holders of the Refunded 2012 Bonds in mandamus for specific performance or similar remedy to compel performance.

The 2012 Trustee hereby acknowledges that this Escrow Agreement constitutes written notice from the District of its intention to redeem the Refunded 2012 Bonds maturity on and after December 1, 2023 as required under Section 9.2 of each Installment Sale Agreement.

SECTION 7. Reinvestment; Substitution; Liquidation. Interest income and other amounts received by the Escrow Agent as payments on the Escrowed Securities shall be held as part of the Escrow Fund to be used for the purposes set forth in Section 5 of this Escrow Agreement and shall be invested by the Escrow Agent in Defeasance Obligations but only at the written direction of the Authority and the District, provided that (a) investments in the Escrow Fund shall have maturities which do not extend beyond the date on which the moneys so invested will be needed to make the transfers required by Section 5 of this Escrow Agreement, and (b) the investments, if any, in the Escrow Fund shall not have a yield in excess of the yield on the Refunded 2012 Bonds.

If the Authority and the District, at any time, deliver to the Escrow Agent written instructions instructing the Escrow Agent to liquidate, sell or otherwise dispose of any or all securities or investments in the Escrow Fund, purchase or otherwise acquire securities or investments, and/or to release any moneys or securities therein to the Authority or the District, and further delivers to the Escrow Agent, each of the following:

(a) a report of a nationally recognized firm of independent certified public accountants (or other independent firm acceptable to the Authority and the District) verifying that the securities or investments described on such Schedule C will provide moneys, available in both time and amount, to enable timely payment of all amounts required in accordance with Section 5; and

(b) an opinion of nationally recognized bond counsel to the effect that the liquidation, sale or other disposition of securities or investments in the Escrow Fund, the purchase or other acquisition of securities or investments and the deposit thereof in the Escrow Fund, or the release of amounts from the Escrow Fund as described in this Section 7 will not result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Refunded 2012 Bonds or the exemption of interest on the Refunded 2012 Bonds from State of California personal income taxes;

Then the Escrow Agent shall liquidate, sell or otherwise dispose of the securities in the Escrow Fund, shall purchase (or retain) the securities or investments described in such revised Schedule C and transfer to the District, free and clear of the lien of this Escrow Agreement, any and all amounts in the Escrow Fund not required for the purchase of the investments described on such Schedule C, all in accordance with such instructions from the Authority and the District referred to above. The Escrow Agent has no duty to confirm the compliance of such direction with the foregoing conditions.

SECTION 8. Liability of Escrow Agent.

(a) The Escrow Agent shall not be liable for any loss resulting from any investment made pursuant to this Escrow Agreement in compliance with the provisions hereof. The Escrow Agent shall have no lien whatsoever on the Escrow Fund or moneys on deposit in the Escrow Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Escrow Agreement or otherwise.

(b) The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of any moneys deposited into the Escrow Fund or Escrowed Securities purchased at

the direction of the Authority and the District to pay the principal and premium, if any, of, and interest on, the Refunded 2012 Bonds.

(c) In the event of the Escrow Agent's failure to account for any of the Escrow Fund therein or moneys received by it, said Escrow Fund or moneys shall, nevertheless, be and remain in trust for the holders of the Refunded 2012 Bonds, as herein provided.

(d) The Escrow Agent undertakes to perform such duties and only such duties as are specifically set forth in this Escrow Agreement, and no implied covenants or obligations shall be read into this Escrow Agreement against the Escrow Agent. Neither the Escrow Agent nor any of its officers, directors, employees or agents shall be liable for any action taken or omitted under this Escrow Agreement or in connection herewith except to the extent caused by the Escrow Agent's negligence or willful misconduct, as determined by the final judgment of a court of competent jurisdiction, no longer subject to appeal or review. Anything in this Escrow Agreement to the contrary notwithstanding, in no event shall the Escrow Agent be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

SECTION 9. Sufficiency of Escrow; Transfer of Remaining Funds.

(a) The Authority and the District agree that if for any reason the investments and moneys and other funds in the Escrow Fund are insufficient or otherwise unavailable to pay timely principal of, and interest on, the Refunded 2012 Bonds, the Authority and the District shall continue to be liable therefor.

(b) On the Redemption Date and after payment of all amounts required to be paid under Section 5 above and payment of any amounts then owed to the Escrow Agent and the U.S. Bank Trust Company, National Association, as trustee of the 2022B Bonds (the "2022B Trustee"), the Escrow Agent shall transfer any amounts in the Escrow Fund to the 2022B Trustee for deposit in the Bond Fund established under the Indenture of Trust, dated as of September 1, 2022, between the Authority and the 2022B Trustee.

SECTION 10. Successor Escrow Agent. Any corporation into which the Escrow Agent may be merged or with which it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or reorganization to which the Escrow Agent shall be a party, or any company to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business, shall, if satisfactory to the District, be the successor Escrow Agent under this Escrow Agreement without the execution or filing of any paper or any other act on the part of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 11. Termination. This Escrow Agreement shall terminate when (i) all transfers and payments required to be made by the Escrow Agent under the provisions of Section 5 hereof shall have been made, (ii) any moneys remaining in the Escrow Fund at the time of such termination shall have been transferred to the District pursuant to Section 9(b) above, and (iii) the Escrow Agent has provided a final statement with respect to the Escrow Fund to the District and the Authority.

SECTION 12. Tax-Exempt Nature of Interest on 2012 Bonds. The Authority and the District covenant and agree for the benefit of the owners of the Refunded 2012 Bonds that they will not perform or permit to be performed any thing or act in such manner as would cause interest

on the Refunded 2012 Bonds to be included in the gross income of the recipients thereof for federal income tax purposes under the Internal Revenue Code of 1986, as amended.

SECTION 13. Severability. If any one or more of the covenants and agreements provided in this Escrow Agreement on the part of the Authority, the District or the Escrow Agent should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

SECTION 14. Successors and Assigns. All of the covenants and agreements in this Escrow Agreement contained by or on behalf of the Authority, the District and the Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 15. Compensation of Escrow Agent. For acting under this Escrow Agreement, the Escrow Agent shall be entitled to payment of fees for its services and reimbursement of advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Escrow Agent in connection with its services under this Escrow Agreement; however, such amount shall never be payable from or become a lien upon the Escrow Fund, which fund shall be held solely for the purposes and subject to the lien set forth in Section 4 of this Escrow Agreement.

SECTION 16. Governing Law. This Escrow Agreement shall be governed by the applicable laws of the State of California.

SECTION 17. Heading. Any headings preceding the text of the several Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Escrow Agreement, nor shall they affect its meaning, construction or effect.

SECTION 18. Counterparts. This Escrow Agreement may be signed in several counterparts, each of which will constitute an original, but all of which shall constitute one and the same instrument.

SECTION 19. Application of Certain Terms of the 2012 Indenture. In acting as Escrow Agent hereunder, the Escrow Agent shall be entitled to the provisions of the 2012 Indenture relating to the indemnifications, limitations from liability and protections afforded the 2012 Trustee, and the provisions for resignation of the 2012 Trustee shall be followed in connection with the resignation of the Escrow Agent hereunder. The foregoing provisions are incorporated in this Escrow Agreement as if set forth herein.

SECTION 20. Effect of Escrow Agreement. As a result of the deposit of funds in accordance with this Escrow Agreement, (a) a security deposit for the prepayment of the Water Installment Payments and Wastewater Installment Payments as described in Section 9.1 of each of the Installment Sale Agreements and (b) the Refunded 2012 Bonds have been discharged and defeased in accordance with the provisions of Section 10.02 of the 2012 Indenture. The District hereby signifies its intention that the deposits made hereunder shall constitute security deposit for the prepayment of the Water Installment Payments and Wastewater Installment Payments as described in Section 9.1 of each of the Installment Sale Agreements.

IN WITNESS WHEREOF, the Discovery Bay Public Financing Authority, the Town of Discovery Bay Community Services District and U.S. Bank Trust Company, National Association, as Escrow Agent and 2012 Trustee, have caused this Escrow Agreement to be acknowledged, by their duly authorized officers as of the date first above written.

**DISCOVERY BAY PUBLIC FINANCING
AUTHORITY**

By: _____
Kevin Graves
Chairperson

**TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT,**

By: _____
Kevin Graves
Board President

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,
as Escrow Agent and 2012 Trustee**

By: _____
Authorized Officer

Accepted with respect to Section 9(b)
**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,**
as 2022B Trustee

By _____
Authorized Officer

SCHEDULE A

REFUNDED 2012 BONDS

Maturity Date (December 1)	Outstanding Principal Amount	Interest Rate	CUSIP Number (Base: 25471T)
2022	\$ 360,000	4.000%	AJ2
2023	370,000	2.750	AK9
2024	385,000	3.000	AL7
2025	395,000	3.000	AM5
2032*	3,205,000	3.750	AN3
2042*	4,000,000	5.000	AP8
2042*	2,615,000	4.000	AQ6

* Term Bond

SCHEDULE B
ESCROWED SECURITIES

[To come]

SCHEDULE C

PAYMENT AND REDEMPTION SCHEDULE

Payment Date	Interest	Maturing Principal	Principal Redeemed	Total Payment
12/1/2022	\$236,381.25	\$360,000.00	\$10,970,000.00	\$11,566,381.25

SCHEDULE D

NOTICE OF OPTIONAL REDEMPTION

**Discovery Bay Public Financing Authority
(Contra Costa County, California)
Series 2012 Enterprise Revenue Bonds
(Water and Wastewater Financing Projects)**

Date of Issuance: August 28, 2012

NOTICE IS HEREBY GIVEN to the owners of the above-captioned obligations (the "Bonds"), which were issued pursuant to the Indenture of Trust dated as of August 1, 2012, by and between the Discovery Bay Public Financing Authority (the "Authority") and U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee"), that the Bonds maturing after December 1, 2022 in the aggregate principal amount of \$10,970,000 (the "Redeemed Bonds") have been called for redemption on December 1, 2022 (the "Redemption Date"). The Redeemed Bonds are described in the following table:

Maturity Date (December 1)	Outstanding Principal Amount	Interest Rate	CUSIP Number (Base: 25471T)
2023	\$ 370,000	2.750%	AK9
2024	385,000	3.000	AL7
2025	395,000	3.000	AM5
2032*	3,205,000	3.750	AN3
2042*	4,000,000	5.000	AP8
2042*	2,615,000	4.000	AQ6

* Denotes term bonds.

The Redeemed Bonds will be payable on the Redemption Date at a redemption price of 100% of the principal amount thereof plus accrued interest thereon to the Redemption Date (the "Redemption Price"). The Redemption Price of the Redeemed Bonds will become due and payable on the Redemption Date. Interest with respect to the Redeemed Bonds will cease to accrue and be payable from and after the Redemption Date, and the Redeemed Bonds will be surrendered to the Trustee.

To receive payment on the Redemption Date, owners of the Redeemed Bonds should present and to surrender the Redeemed Bonds on the Redemption Date at the address of the Trustee set forth below:

Delivery Instructions:
U.S. Bank Trust Company, National Association
Global Corporate Trust
111 Fillmore Ave E
St. Paul, MN 55107

REQUIREMENT INFORMATION

For a list of redemption requirements please visit our website at www.usbank.com/corporatetrust and click on the "Bondholder Information" link for Redemption

instructions. You may also contact our Bondholder Communications team at 1-800-934-6802 Monday through Friday from 8 AM to 6 PM CST.

IMPORTANT NOTICE

Federal law requires the Trustee to withhold taxes at the applicable rate from the payment if an IRS Form W-9 or applicable IRS Form W-8 is not provided. Please visit www.irs.gov for additional information on the tax forms and instructions.

If the owner of any Redeemed Bond being refunded fails to deliver such Redeemed Bond to the Trustee on the Redemption Date, such Redeemed Bond shall nevertheless be deemed redeemed on the Redemption Date and the owner of such Redeemed Bond shall have no rights in respect thereof except to receive payment of the Redemption Price from funds held by the Trustee for such payment.

Note: The Authority and the Trustee shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness in the notice or as printed on any Bond. They are included solely for the convenience of the holders.

Dated: _____, 2022

**U.S. Bank Trust Company, National
Association,
as Trustee**

SCHEDULE E

NOTICE OF DEFEASANCE

**Discovery Bay Public Financing Authority
(Contra Costa County, California)
Series 2012 Enterprise Revenue Bonds
(Water and Wastewater Financing Projects)**

Date of Issuance: August 28, 2012

NOTICE IS HEREBY GIVEN to the owners of the above-captioned obligations (the "Bonds"), which were issued pursuant to the Indenture of Trust dated as of August 1, 2012 (the "Indenture"), by and between the Discovery Bay Public Financing Authority (the "Authority") and U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee"), that the Authority has caused to be deposited with U.S. Bank Trust Company, National Association, as escrow agent (the "Escrow Agent"), cash and federal securities, the principal of and interest on which when paid will provide an amount sufficient to pay on December 1, 2022 (the "Redemption Date"), the principal of the Bonds maturing on and after the Redemption Date (the "Defeased Bonds"), plus interest with respect thereto accrued through the Redemption Date, without premium. The Defeased Bonds are described in the below table.

Maturity Date (December 1)	Outstanding Principal Amount	Interest Rate	CUSIP Number (Base: 25471T)
2022	\$ 360,000	4.000%	AJ2
2023	370,000	2.750	AK9
2024	385,000	3.000	AL7
2025	395,000	3.000	AM5
2032*	3,205,000	3.750	AN3
2042*	4,000,000	5.000	AP8
2042*	2,615,000	4.000	AQ6

* Denotes term bonds.

In accordance with the Indenture, as a result of the deposit of the funds and investments with the Escrow Agent described above, (i) all liability of the Authority in respect to the Defeased Bonds has ceased, terminated and is completely discharged, and the Owners of the Defeased Bonds are entitled only to payment out of such moneys and securities deposited with the Escrow Agent, subject, however to the provisions of the Indenture, and (ii) all obligations of the Town of Discovery Bay Community Services District (the "District") under the Continuing Disclosure Certificate delivered by the District in connection with the Bonds have terminated.

No representation is made as to the correctness of the CUSIP numbers either as printed on the Defeased Bonds or as contained in this notice and an error in CUSIP number as printed on such Defeased Bonds or as contained in this notice shall not affect the validity of the proceedings for redemption.

Dated: _____, 2022

**U.S. Bank Trust Company, National
Association,
as Trustee**



John Riddle
Managing Director-West Region
Webster National Bank
999 Corporate Drive Suite 100
Ladera Ranch, CA 92694
949.373.0568 | Office
949.370.2907 | Cell
Email: jriddle@websterbank.com
Website: www.websterbank.com

July 26, 2022

Discovery Bay Community Services District
1800 Willow Lake Road
Discovery Bay, CA 94505

Project: DISCOVERY BAY COMMUNITY SERVICES DISTRICT 2022 REVENUE REFUNDING BONDS, SERIES 2022B

Webster Bank (“WB”) is pleased to present this financing proposal (the “Term Sheet”) to the Discovery Bay Community Services District, subject to final credit approval, in connection with the above-referenced project. Working with WB has several major advantages, including:

- **Experience and Expertise:** Each member of the WB Public Finance team has significant experience regarding the financing of essential governmental equipment and projects and can help you document your financing in a manner that complies with applicable local laws.
- **Financial Capability:** The WB Public Finance team was formerly Sterling National Bank, a publicly traded commercial bank, which has the capability of funding tax-exempt and taxable financings on a nationwide basis. Combined, Webster now has over \$65 Billion in assets.
- **Reliability:** The WB Public Finance team prides itself on excellent customer service and the prompt closing of awarded transactions. We have worked with many special districts (as Sterling National Bank) so the District will have no worries about certainty of execution with us.
- **Simplified Financing Structure:** WB is proposing to refinance 100% of the District’s 2012 Series Enterprise Revenue Bonds, and costs of issuance of the Loan.

We look forward to working with you and your team on this assignment, and please do not hesitate to contact us with any questions, comments, or concerns. We are positive that you’ll enjoy working with SNB.

Very truly yours,

John Riddle

John Riddle
Managing Director
jriddle@websterbank.com



John Riddle
Managing Director-West Region
Webster National Bank
999 Corporate Drive Suite 100
Ladera Ranch, CA 92694
949.373.0568 | Office
949.370.2907 | Cell
Email: jriddle@websterbank.com
Website: www.websterbank.com

TERM SHEET

TYPE OF FINANCING:	Enterprise Revenue Bond - combination of Water and Wastewater Revenues (the “Bond”) to be directly purchased through a private placement.
ISSUER/BORROWER:	Discovery Bay Public Financing Authority acting on behalf of the Discovery Bay Community Services District, CA (the “District”)
PURCHASER/LENDER:	Webster Bank
PLACEMENT AGENT:	Brandis Tallman, a Division of Oppenheimer and Co. Inc
MUNICIPAL ADVISOR:	Fieldman, Rolapp & Associates
PURCHASER’S COUNSEL:	Gilmore & Bell, P.C.
BOND COUNSEL:	Jones Hall, A Professional Law Corporation
AMOUNT OF BOND:	\$11,678,000- (\$1,240,000 payable from the Water Net Revenues, and \$10,438,000 payable from Wastewater Net Revenues)
FINAL MATURITY:	December 1, 2042
INTEREST RATES:	3.54%- Fixed for the term of the financing
TAX STATUS:	Tax-exempt and NBQ
ANTICIPATED CLOSING DATE:	Expected to be on September 7, 2022
INTEREST RATE LOCK:	The Interest Rates quoted above are locked through the Anticipated Closing Date.
PRINCIPAL PAYMENT STRUCTURE:	Due annually, commencing on 12/01/22 through final maturity and as further outlined in the District’s request for proposal.

INTEREST PAYMENT STRUCTURE: Due semi-annually, commencing on 12/01/2022 through final maturity. Based on a 30/360 calculation.

PURCHASE OPTION: The Issuer shall have the right to pre-pay the Bond in whole, but not in part, on any payment date by paying the Redemption Price, provided that Issuer gives Lender at least thirty (30) days prior written notice of its intent to do so. The Redemption Price, as a percentage of the then-outstanding Loan balance, shall be equal to:

Year	Percentage
1 – 2	No call
3 – 5	102%
6 - 9	101%
Thereafter	100%

FEES OF THE PURCHASER: None. Webster National Bank does not charge any fees.

Any costs of issuance incurred by the District such as financial advisory, placement agent and bond counsel shall be the responsibility of the District and can be included in the borrowed amount.

DOCUMENTATION: This financing is subject to the execution of mutually acceptable documentation to be prepared by Bond Counsel at the District’s expense. Documents, including validity and tax opinions, will include those that are normal and customary for a transaction of this type and size.

IRS CIRCULAR 230 DISCLOSURE: The Purchaser and its affiliates do not provide tax advice. Accordingly, any discussion of U.S. tax matters contained herein (including any attachments) is not written or intended to be used, and cannot be used, in connection with the promotion, marketing or recommendation by anyone unaffiliated with the Purchaser of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties.

ADVISORY DISCLOSURE: The Purchaser is not a registered municipal advisor as defined under the Dodd-Frank Wall Street Reform and Consumer Protection Act and its related rules and regulations. In providing this Term Sheet, the Purchaser is not providing any advice, advisory services, or recommendations with respect to the structure, timing, terms, or similar matters concerning an issuance of municipal securities. This Term Sheet is a commercial, arms-length proposal that does not create a fiduciary duty by the Purchaser to the District. The District may

engage, separately and at its own cost, an advisor to review this Term Sheet and the proposed transaction on the District's behalf.

DIRECT BANK LOAN:

The Purchaser intends to classify the financing as a privately placed loan. As such, the financing will feature (but will not be limited to) the following restrictions:

- The financing will not be assigned a CUSIP
- The financing will not be registered with the DTC;
- The financing will feature transfer restrictions such that transfer is restricted to Bank affiliates, or to Qualified Institutional Buyers, each of which is a commercial bank with minimum capital, etc.;
- The financing cannot be marketed pursuant to an offering document.

CREDIT APPROVAL:

This Term Sheet is subject to formal credit approval by the Purchaser and the negotiation of mutually acceptable documentation.

PROPOSAL EXPIRATION:

Unless accepted by the District or extended in writing by the Purchaser at its sole discretion, this Term Sheet shall expire on August 15, 2022. Once accepted, this Term Sheet shall expire if the Bond is not issued and purchased by September 15, 2022.

Upon receipt of the signed Term Sheet, we will endeavor to provide you with a timely commitment and we will use good faith efforts to negotiate and purchase the Bond based on the terms herein. It is a pleasure to offer this financing proposal to the District, and we look forward to your favorable response.

Respectfully –
Webster National Bank

John Riddle

John Riddle
Managing Director

Agreed to and Accepted by:

Discovery Bay Community Services District, CA

_____ (Name)

_____ (Title)

_____ (Date)



TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

ENTERPRISE REVENUE REFUNDING BONDS, SERIES 2022B

\$11,658,000*



**BOARD OF DIRECTORS
PRESENTATION**

August 17, 2022

*Preliminary; subject to change

Financing Team



Team Role	Organization	Contact
Issuer	Town of Discovery Bay Community Services District	Dina Breitstein, <i>General Manager</i> Julie Carter, <i>Finance Manager</i> Mike Davies, <i>Assistant General Manager</i> Aaron Goldsworthy, <i>Water and Wastewater Manager</i>
District Counsel	Neumiller & Beardslee	Rod Attebery, <i>Attorney</i> Andy Pinasco, <i>Attorney</i>
Bond Counsel	Jones Hall	Juan Galvan, <i>Shareholder</i>
Municipal Advisor	Fieldman, Rolapp & Associates, Inc.	Jim Fabian, <i>Principal</i> Un Chu Reardon, <i>Senior Vice President</i> Mindy Kays, <i>Associate</i>
Placement Agent	Brandis Tallman, a Division of Oppenheimer & Co. Inc.	Nicki Tallman, <i>Managing Director</i> Dan Shaw, <i>Director</i> Nolan Blair, <i>Analyst</i>



Financing Overview

The purpose of issuing the 2022B Bonds is to provide annual debt service savings to the District

- ▲ Issue approximately \$11.658 million* in tax-exempt Enterprise Revenue Refunding Bonds (“2022B Bonds”)
 - \$1.238 million* Series 2022B (Water Project)
 - \$10.420 million* Series 2022B (Wastewater Project)
- ▲ The 2022B Bonds are secured by Installment Payments made by the District from Water System and Wastewater System Net Revenues
 - Net Revenues are not cross-collateralized between the two Systems
- ▲ Bond proceeds will refinance the District’s 2012 Enterprise Revenue Bonds currently outstanding in the amount of \$11.330 million and can be called at par on December 1, 2022
- ▲ Parity with the 2017 and 2022 Enterprise Revenue Bonds, current S&P rating is “AA”

*Preliminary, subject to change



Private Placement Solicitation Process

- ▲ RFP was sent out to 16 Banks asking for a term sheet specifying an interest rate and terms to refund the District's Outstanding 2012 Lease Revenue Bonds
- ▲ Proposals were received from 7 Banks
- ▲ These proposals were reviewed by the District's Finance team
- ▲ Webster Bank, National Association's bid was deemed to be the best bid based on the interest rate (3.54%) and terms



Estimated Sources and Uses and Debt Service Profile*

SOURCES AND USES

Sources	Water	Wastewater	Total
Par Amount	\$1,238,000	\$10,420,000	\$11,658,000

Uses	Water	Wastewater	Total
Refunding Escrow	\$1,222,221	\$10,288,794	\$11,511,015
Issuance Expenses	\$15,779	\$131,206	\$146,985
	\$1,238,000	\$10,420,000	\$11,658,000

ANNUAL DEBT SERVICE

FY	Principal	Interest	Total
2023	\$494,000	\$284,727	\$778,727
2024	\$389,000	\$388,320	\$777,320
2025	\$406,000	\$374,249	\$780,249
2026	\$420,000	\$359,629	\$779,629
2027	\$436,000	\$344,477	\$780,477
2028	\$451,000	\$328,778	\$779,778
2029	\$467,000	\$312,529	\$779,529
2030	\$482,000	\$295,732	\$777,732
2031	\$501,000	\$278,333	\$779,333
2032	\$517,000	\$260,314	\$777,314
2033	\$536,000	\$241,676	\$777,676
2034	\$558,000	\$222,312	\$780,312
2035	\$578,000	\$202,205	\$780,205
2036	\$598,000	\$181,390	\$779,390
2037	\$617,000	\$159,884	\$776,884
2038	\$640,000	\$137,635	\$777,635
2039	\$663,000	\$114,572	\$777,572
2040	\$690,000	\$90,624	\$780,624
2041	\$713,000	\$65,791	\$778,791
2042	\$739,000	\$40,091	\$779,091
2043	\$763,000	\$13,505	\$776,505
Total	\$11,658,000	\$4,696,771	\$16,354,771

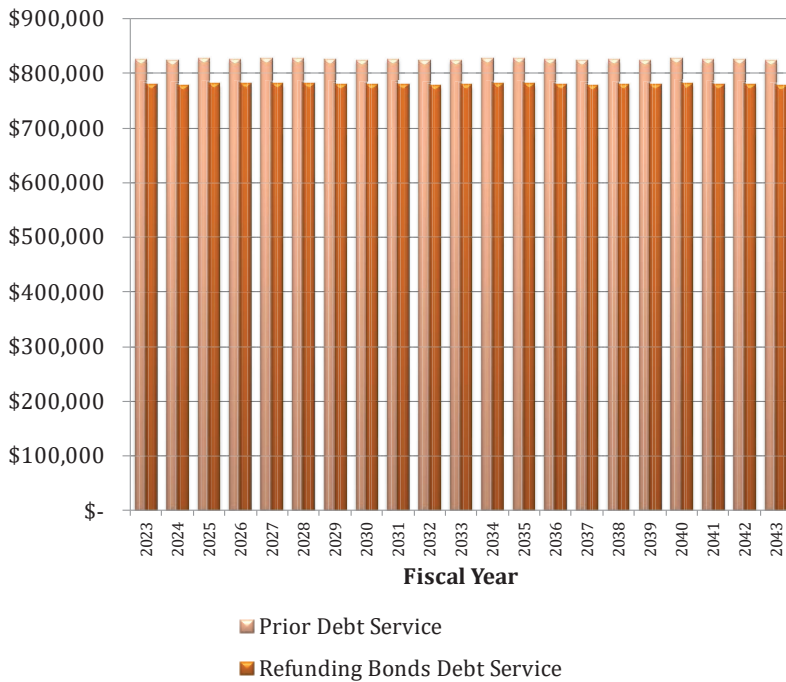
- ▲ Bond Payment Dates: 6/1 and 12/1 (principal)
- ▲ Final Maturity 12/1/2042, FY 2042/43
- ▲ Redemption Features: Years 1-2 No Call; Years 3-5 Call @ 102%; Years 6-9 Call @ 101%; Year 10 @ 100%

*Preliminary; subject to change



Estimated Savings*

Estimated Savings



Total Net Gross Savings:	\$974,536
Total PV Savings (\$):	\$689,373
Total PV Savings (%):	6.08%
Average Annual Gross Savings:	\$46,406

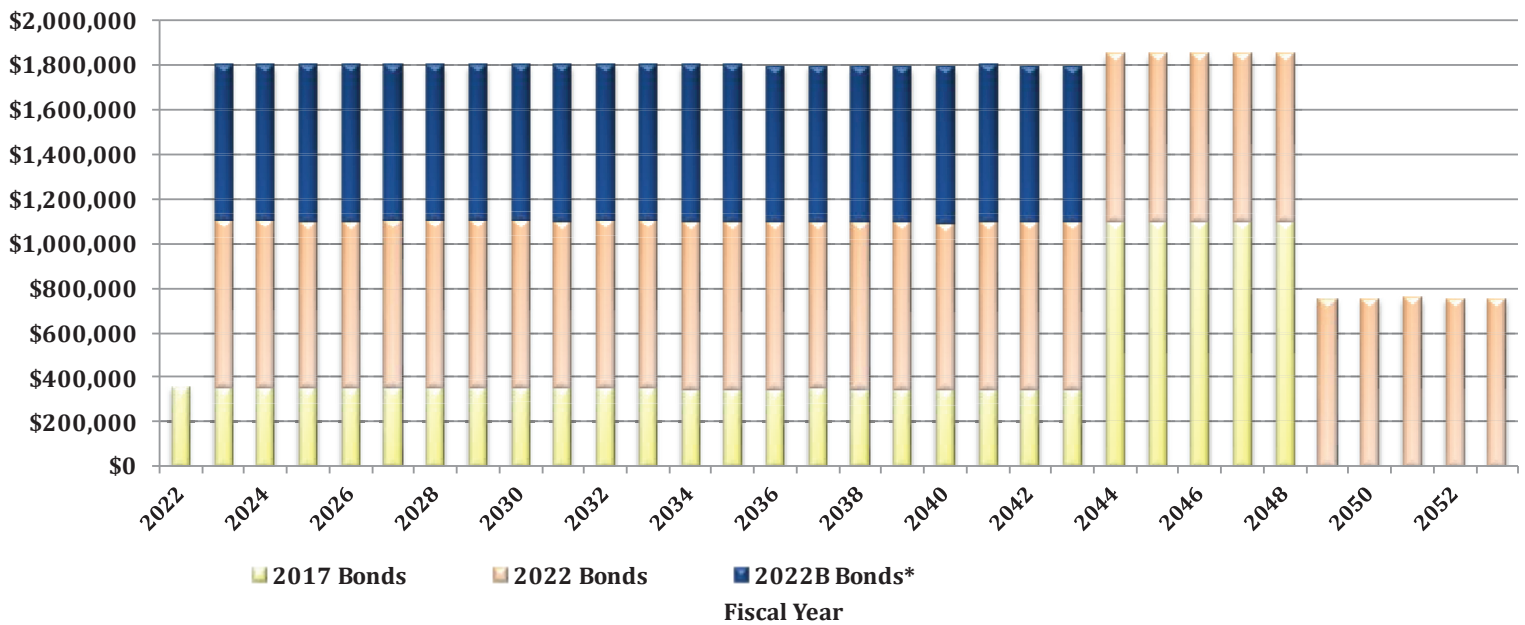
- ▲ Net present value savings of \$689,373 or 6.08% of refunded par amount
- ▲ No extension of final maturity

*Preliminary; subject to change

Wastewater System Aggregate Debt Service



Wastewater System Aggregate Fiscal Year Debt Service

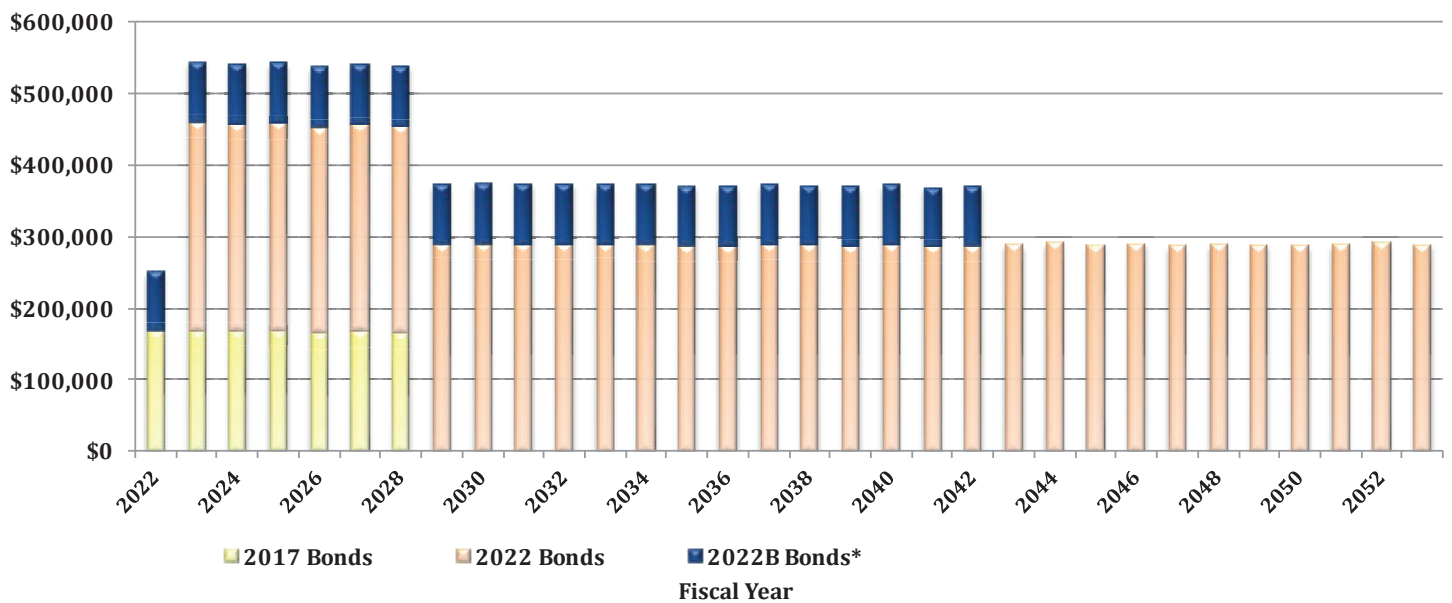


*Preliminary; subject to change



Water System Aggregate Debt Service

Water System Aggregate Fiscal Year Debt Service



*Preliminary; subject to change

Legal Structure and Key Covenants



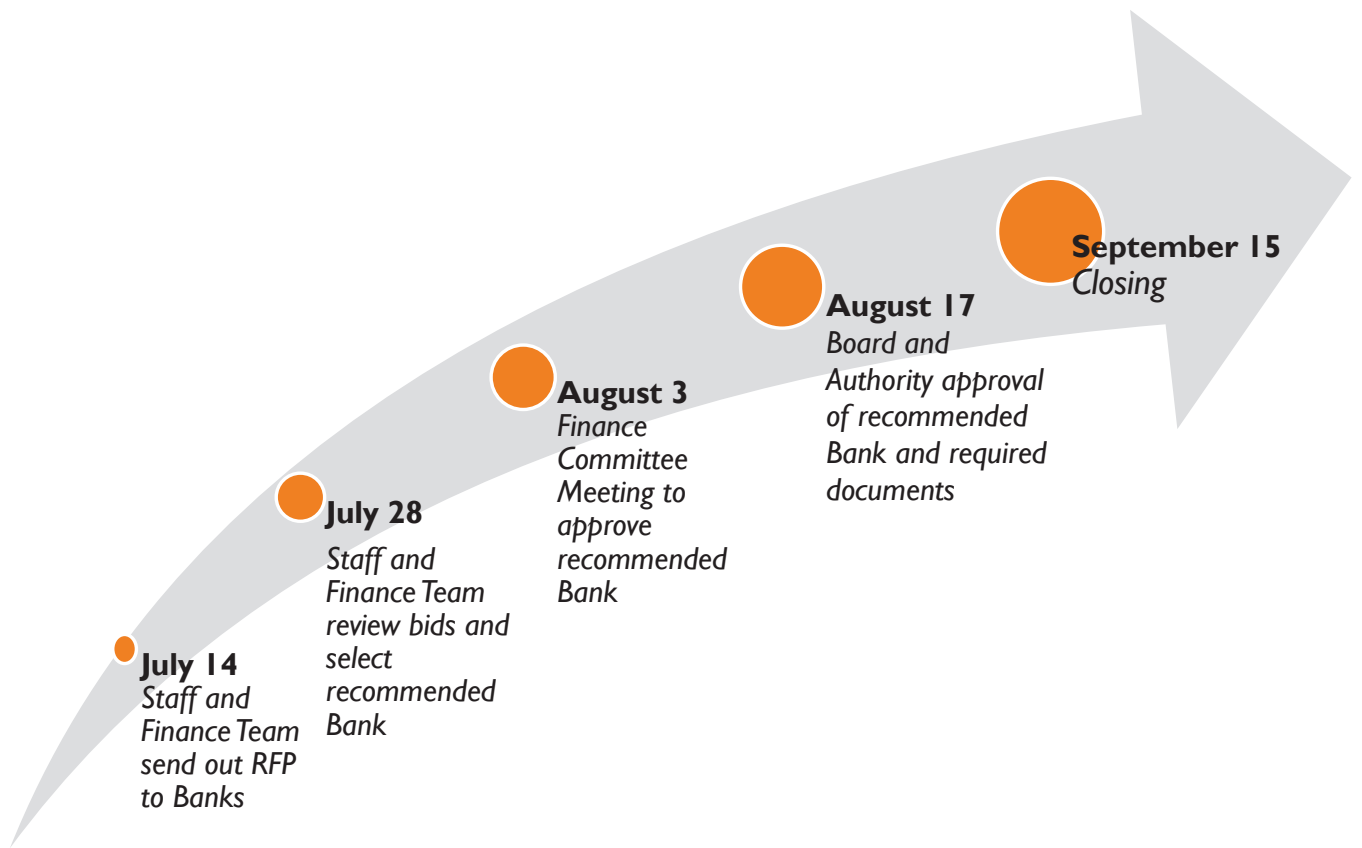
- ▲ Bonds secured by Installment Payments made by the District from Net Revenues of the respective Water System and Wastewater System pursuant to two separate Installment Sale Agreements
 - Net Revenues, and funds established under the Trust Agreement, are not cross-collateralized between the two systems
- ▲ Structure for Water Series and Wastewater Series
 - Fixed rate
 - Level debt service
 - Rate Covenant of 125%
- ▲ Additional obligations
 - Parity obligations may be issued only if at least 125% of maximum annual debt service of Net Revenues is maintained



Required Board Actions

- ▲ Adopt a Board and Authority Resolution approving the Issuance of Enterprise Revenue Refunding Bonds under the following Not To Exceed Parameters of \$11.725M, final Maturity date of 12/1/2042, and a not to exceed interest rate of 3.85%. The Resolutions also approve the following documents:
 - Escrow Agreement
 - Indenture
 - Wastewater Installment Sale Agreement
 - Water Installment Sale Agreement
 - Term Sheet from Webster Bank, National Association

Financing Schedule





Town of Discovery Bay

"A Community Services District"

STAFF REPORT

Meeting Date

August 17, 2022

Prepared By: Bill Engelman, Parks and Landscape Manager
Submitted By: Dina Breitstein, General Manager

Agenda Title

Discussion and Possible Action to Approve a Contract with the California Conservation Corps for Maintenance of Town Streetscapes and Landscape Areas as Assigned.

Recommended Action

Authorize the General Manager to contract with the California Conservation Corps for maintenance of Town streetscapes and landscape areas as assigned.

Executive Summary

The California Conservation Corps is a statewide program that allows the Corps to hire 18–25-year-old young adults to be engaged in Community beautification and Natural Resource projects. There are many branches throughout the State and our region houses the Greater Valley Conservation Corps. They are exempt from prevailing wage requirements. In fiscal year 2021-22, the Town supplemented our current landscape operations by contracting with Conservation Corps to provide mowing and maintenance of our parks. That contract totaled \$60,270, which was one 4-man crew, 4 days per week, for 16 weeks.

In reviewing our operations, and the various landscape tasks our in-house crew performs, we would like to continue working with the Conservation Corps. It allows us to have a crew "on-call" for meeting the needs of our community. However, in lieu of using the Corps for park maintenance, we would like to use them for streetscape maintenance. The reasons are three-fold:

- With a small in-house crew, it is difficult to maintain the larger sections of streetscape such as Bixler, Newport, Clipper, and Discovery Bay Boulevard. Having a larger contracted crew work on the more labor-intensive sites, makes most sense.
- Our parks do not need mowing on a regimented weekly schedule that a contracted crew likes to use. Our in-house crew will have the flexibility to mow our parks on an as-needed basis, while continuing to maintain smaller sections of streetscape and working on enhancement projects.
- Using the Conservation Corps on various maintenance and landscape projects creates continuity in the level of service we receive. They begin to understand our community expectations and what the Town Parks and Landscape Department is striving to accomplish through various maintenance and enhancement activities.

To get as much out of our limited resources as possible, and to provide the level of service we all feel is necessary, we would again like to contract with the Corps. They will provide one 4-man crew, 5 days per week, for 12 weeks. This contract totals \$75,900. The attached contract runs from Sept 1, 2022, through June 30, 2023. The sample schedule, also attached, approximates the weeks we would use them.

Tonight, Staff requests the Board to approve the contract to Greater Valley Conservation Corps, in the amount of \$75,900, for the maintenance of Town streetscapes.

Attachments

1. Contract
2. Sample Schedule

AGENDA ITEM: F2



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Date: July 21, 2022
To: Bill Engelman (Parks and landscape Manager)
Agency: Town of Discovery Bay
RE: Bi-Weekly Landscape Service to Street Scape's
From: Michael Totten – Greater Valley Conservation Corps LIC # 1075473

Exhibit A, Attachment 1

NOTICE OF PROPOSAL

San Joaquin County Office of Education (DBA- Greater Valley Conservation Corps)
Agrees to provide all labor,

Scope of work Greater Valley Conservation Corps agrees to provide to Town of Discovery Bay services as described herein:

Below is the proposal for GVCC to provide Bi-weekly service to the following sites and areas.

Note: GVCC will complete all sites Monday – Friday work week 7:00am – 3:30pm

- **Town of Discovery Bay Street Scape's**

Site location will be provided by Landscape Manager

SPECIFICATIONS
LANDSCAPING MAINTENANCE SERVICES

1. Apply necessary and appropriate fertilizer to provide proper growth and color. **Materials purchased By GVCC will be billed back to Sponsor.**
2. Control weeds by use of pre and post emergent herbicides in early spring and early fall. Control weeds in sidewalks and driveway seams adjacent to landscaped areas. Control weeds in flower beds by chemical and manual methods. Beds will be raked as necessary to provide a manicured appearance. Control weeds in non-landscaped areas. All application of chemical herbicides and pesticides will be in compliance with the California Healthy Schools Act of 2000. **Materials purchased By GVCC will be billed back to Sponsor.**
3. Keep shrubs trimmed to generally accepted sizes and shapes. Apply fertilizer as necessary.
4. Maintain ground cover. Provide necessary trimming, feeding, and weed control.
5. Provide control of insects and mildew on ornamentals. Serious outbreaks that may require unusual attention may be charged extra **(only with prior consent by purchase order).**
6. Remove all debris generated by landscaping work, including grass clippings. Remove incidental litter when serviced. Blow off sidewalks after each visit. **All debris will be dumped on site. At Discovery Bay Parks and Landscape yard in green waste pile.**
7. Installation of new plants at extra charge **(only with prior consent by purchase order or proposal).**
8. Prune lower branches of trees up to height of eight (8-10) feet. Trim branches and ornamentals away from walkways and parking areas.

EXHIBIT B
COMPENSATION

Sponsor is to compensate Contractor for the Services in Exhibit A of the Agreement pursuant to the following schedule:

- GVCC will provide a Bi-weekly Landscape service to the Town of Discovery Bay Parks and Landscape Division.
- Weekly rate: \$6,325 x 12 weeks = \$75,900

The contract agreed upon will not exceed the lump sum price of SEVENTY-FIVE THOUSAND NINE HUNDRED DOLLARS AND ZERO CENTS.

San Joaquin County Office of Education (DBA-Greater Valley Conservation Corps) will invoice The Town of Discovery Bay Parks and Landscape Division on the first of each month. Any questions concerning billing should be brought to the attention of San Joaquin County Office of Education (DBA-Greater Valley Conservation Corps)

P.O Box 213030

Stockton, CA 95213-9030

Attention: Nicholas Mueller

Office: (209) 292-2700

