

RESOLUTION NO. SCV-138

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY:
(1) REQUESTING THE ISSUANCE BY THE UPPER SANTA CLARA VALLEY
JOINT POWERS AUTHORITY OF REVENUE BONDS;
(2) AUTHORIZING AN INSTALLMENT PURCHASE AGREEMENT,
A CONTINUING DISCLOSURE CERTIFICATE, AN ESCROW AGREEMENT
AND A PURCHASE CONTRACT; AND
(3) AUTHORIZING CERTAIN OTHER ACTIONS**

WHEREAS, the Board of Directors (the "Board") of the Santa Clarita Valley Water Agency (the "Agency") has determined that it may be in the best interest of the Agency to authorize the acquisition of certain capital improvements for the water system, to refinance the acquisition of certain capital improvements and to take certain actions with respect to other outstanding bonds and certificates of participation; and

WHEREAS, the Board has determined to request the Upper Santa Clara Valley Joint Powers Authority (the "Authority") to issue one or more series of revenue bonds to effect such financing and refinancing and to pay the costs of issuance in connection therewith;

NOW, THEREFORE, the Board of Directors of the Santa Clarita Valley Water Agency hereby finds, determines, declares and resolves as follows:

SECTION 1. The issuance by the Authority of one or more series of revenue bonds ("Bonds") in the principal amount not to exceed \$275,000,000 to finance the acquisition of capital improvements, to refinance the acquisition of capital improvements and to pay the costs of issuance in connection therewith is hereby requested.

SECTION 2. The Installment Purchase Agreement, in substantially the form on file with the Secretary of the Board, is hereby approved, subject to final approval as to form by General Counsel and the law firm of Stradling Yocca Carlson & Rauth, a Professional Corporation ("Bond Counsel"). The President, Vice President, General Manager, Assistant General Manager and Secretary (the "Authorized Officers"), each acting singly, are hereby authorized and directed to execute and deliver such Installment Purchase Agreement with such changes, insertions and omissions as may be approved by Bond Counsel, said execution by an Authorized Officer being conclusive evidence of such approval.

SECTION 3. The Continuing Disclosure Certificate, in substantially the form on file with the Secretary of the Board, is hereby approved, subject to final approval as to form by General Counsel and Bond Counsel. Each Authorized Officer, acting singly, is hereby authorized and directed to execute and deliver the Continuing Disclosure Certificate with such changes, insertions and omissions as may be approved by Bond Counsel, said execution by an Authorized Officer being conclusive evidence of such approval.

SECTION 4. The Escrow Agreement (2010A), in substantially the form on file with the Secretary of the Board, is hereby approved, subject to final approval as to form by General Counsel and Bond Counsel. Each Authorized Officer, acting singly, is hereby authorized and directed to execute and deliver such Escrow Agreement (2010A) with such changes, insertions and omissions as may be approved by Bond Counsel, said execution by an Authorized Officer being conclusive evidence of such approval.

SECTION 5. The Depository Agreement, in substantially the form on file with the Secretary of the Board, is hereby approved, subject to final approval as to form by General Counsel and Bond Counsel. Each Authorized Officer, acting singly, is hereby authorized and directed to execute and deliver the Depository Agreement with such changes, insertions and omissions as may be approved by Bond Counsel, said execution by an Authorized Officer being conclusive evidence of such approval.

SECTION 6. The Chief Financial and Administrative Officer is hereby directed to send a letter to each of the County of Los Angeles and the County of Ventura (the "Instruction Letter") directing that all amounts allocated by the respective County from the 1% ad valorem tax to the Agency after the date hereof shall be deposited by each County directly into the 1% Property Tax Account created pursuant to the Depository Agreement.

SECTION 7. Amendment No. 1 to Trust Agreement (1999A), in substantially the form on file with the Secretary of the Board, is hereby approved, subject to final approval as to form by General Counsel and Bond Counsel. Each Authorized Officer, acting singly, is hereby authorized and directed to execute and deliver such Amendment with such changes, insertions and omissions as may be approved by Bond Counsel, said execution by an Authorized Officer being conclusive evidence of such approval.

SECTION 8. Amendment No. 1 to Indenture (2018A), in substantially the form on file with the Secretary of the Board, is hereby approved, subject to final approval as to form by General Counsel and Bond Counsel. Each Authorized Officer, acting singly, is hereby authorized and directed to execute and deliver such Amendment with such changes, insertions and omissions as may be approved by Bond Counsel, said execution by an Authorized Officer being conclusive evidence of such approval.

SECTION 9. Amendment No. 1 to Installment Purchase Agreement (2018A), in substantially the form on file with the Secretary of the Board, is hereby approved, subject to final approval as to form by General Counsel and Bond Counsel. Each Authorized Officer, acting singly, is hereby authorized and directed to execute and deliver such Amendment with such changes, insertions and omissions as may be approved by Bond Counsel, said execution by an Authorized Officer being conclusive evidence of such approval.

SECTION 10. The Purchase Contract with Citigroup Global Markets Inc., as representative, in substantially the form on file with the Secretary of the Board, is hereby approved. Each Authorized Officer, acting singly, or the designee thereof are hereby authorized and directed to execute and deliver the Purchase Contract with such changes, insertions and omissions as may be approved by the person executing the same, said execution by such Authorized Officer being conclusive evidence of such approval; provided, however, that in no event shall the principal amount of the Bonds exceed \$275,000,000, nor shall the underwriter's discount exceed 0.20% of the principal amount of the Bonds, nor shall the true interest cost of the Bonds exceed 4.00%.

SECTION 11. The Board acknowledges that the good faith estimates required by Section 5852.1 of the California Government Code are disclosed in the staff report and are available to the public at the meeting at which this resolution is approved.

SECTION 12. Each Authorized Officer is authorized and directed to apply amounts on deposit in the Newhall County Water Division reserve account to the prepayment of the two outstanding loans to which the Agency is a party as successor to the Newhall County Water District, such prepayment to occur prior to or in connection with the issuance of the Bonds.

SECTION 13. Each Authorized Officer is authorized and directed to apply amounts on deposit in the Santa Clarita Water Division reserve account to fund a portion of the cost of refunding the Upper Santa Clara Valley Joint Powers Authority Refunding Revenue Bonds, Series 2017A (Santa Clarita Water Division), such application of funds to occur prior to or in connection with the issuance of the Bonds.

SECTION 14. Each Authorized Officer is authorized and directed to fund the final payment of principal and interest on the Castaic Lake Water Agency Refunding Revenue Bonds, Series 2014A due on August 1, 2020, prior to or in connection with the issuance of the Bonds.

SECTION 15. Each Authorized Officer is authorized and directed to fund the final payment of principal and interest with respect to the Castaic Lake Water Agency Adjustable Rate Refunding Revenue Certificates of Participation, Series 2008A (1994 Refunding Project) (the "2008 COPs") due on August 1, 2020, prior to or in connection with the issuance of the Bonds or to fund the early tender of the 2008 COPs prior to or in connection with the issuance of the Bonds.

SECTION 16. Each Authorized Officer and such other officers of the Agency are authorized and directed to do any and all things and to execute and deliver any and all documents, including an insurance agreement with a municipal bond insurer, which they may deem necessary or advisable in order to consummate the sale and delivery of the Bonds, and otherwise effectuate the purposes of this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed. Bond Counsel is hereby directed to revise the series designations and document dates with respect to the Installment Purchase Agreement, the Continuing Disclosure Certificate, the Escrow Agreement, the referenced Amendments and the Purchase Contract based on when the Bonds are actually issued. Such revisions shall be deemed to be ministerial and shall not constitute an amendment to any of the documents so revised.

SECTION 17. Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given such terms in the Installment Purchase Agreement unless the context otherwise clearly requires.


SECTION 18. This resolution shall take effect immediately.



President

I, the undersigned, hereby certify: That I am the duly appointed and acting Secretary of the Santa Clarita Valley Water Agency, and that at a regular meeting of the Board of Directors of said Agency held on February 4, 2020, the foregoing Resolution No. SCV-138 was duly and regularly adopted by said Board, and that said resolution has not been rescinded or amended since the date of its adoption, and that it is now in full force and effect.

DATED: February 4, 2020



Secretary





ITEM NO.
7.1

BOARD MEMORANDUM

DATE: January 14, 2020
TO: Board of Directors
FROM: Eric Campbell *EC*
Chief Financial and Administrative Officer
SUBJECT: Approve a Resolution Authorizing (1) the Issuance of One or More Series of Revenue Bonds by the Upper Santa Clara Valley Joint Powers Authority; (2) the Execution of Certain Documents; and (3) Certain Other Actions

SUMMARY

As the finance team continues to prepare for the upcoming bond issuance, staff recommends the Finance and Administration Committee recommend to the Board approval of the attached resolution (Attachment 1) approving various legal documents and authorizing the sale of one or more series of revenue bonds. The proposed transaction is estimated to price in June 2020 and would close in July 2020. The attached proposed resolution does not represent a final commitment to the issuance of bonds. There are several steps remaining to be taken prior to Staff seeking approval to go forward with the bond issuance, including presentation of the Offering Document (Official Statement) to the Board in May 2020 for approval, along with seeking final approval of going forward with the bond issuance.

DISCUSSION

Proposed Resolution

The proposed resolution does the following:

- 1 Authorizes the issuance of one or more series of revenue bonds to provide funding for refinancing Series 2010A, 2015A, 2016A and 2017A and provide funding for Agency capital projects over the next three years that may include:

- Castaic Conduit
- Distribution System - RV-2 Modifications
- ESFP Clearwell/CT Improvements
- ESFP Sludge Collection System
- ESIPS Pipeline Improvements
- Foothill Feeder Connection
- Honby Parallel
- Magic Mountain Pipeline No. 4
- Magic Mountain Pipeline No. 5
- Magic Mountain Pipeline No. 6
- Magic Mountain Reservoir
- Recycled Water Program Phase II, 2A - Central Park
- Recycled Water Program Phase II, 2B - Vista Canyon

Recycled Water Program Phase II, 2C - South End
Recycled Water Program Phase II, 2D - West Ranch
Rosedale Rio Bravo Extraction
Solar Panel Acquisition Price
PFAS treatment

The Santa Clarita Valley Water Agency (Agency) Resolution (Attachment 1) authorizes the following:

- 1 Approves the Installment Purchase Agreement (Attachment 2), which contains the financial covenants (such as a rate covenant, an additional debt test, etc.), these covenants are the same as prior transactions, except that the covenants now apply to the Agency as a whole, rather than as individual divisions.
- 2 Approves the Continuing Disclosure Certificate (Attachment 3) which is substantially similar to other Continuing Disclosure Certificates entered into by the Agency, (most recently in 2018).
- 3 Approves the Purchase Contract (Attachment 4) with the underwriting team of Citigroup, Goldman Sachs and Morgan Stanley.
- 4 Approves Escrow Agreement for Series 2010A (Attachment 5).
- 5 Approves the Depository Agreement (Attachment 6) which contains the "intercept" provision used to directly deposit the Agency's share of the 1% Property Tax moneys from Los Angeles and Ventura Counties into a special bank account.
- 6 Approves Amendments to the 1999A Trust Agreement (Attachment 7) and 2018A Indenture of Trust (Attachment 8) and Installment Purchase Agreement (Attachment 9) to implement the intercept provision as described in 5 above.
- 7 Authorizes the Agency to take the required steps to execute and deliver all documents necessary to consummate the sale and delivery of bonds.

Refunding Overview

The proposed refinancing of Series 2010A, 2015A, 2016A and 2017A is a critical step in the post-merger integration as it eliminates the need to maintain four separate sets of accounting records. Streamlining the accounting requirements by consolidating financial reporting will result in increased efficiency of accounting and administrative staff. By eliminating the four separate sets of accounting records, it will be possible to create a path to eliminate the wholesale rate and provide uniformity among retail rates for all Agency retail customers. No immediate rate action would be required to support the finance plan.

The refunding plan assumes the pricing of the tax-exempt refunding of Series 2010A in July of 2020, and taxable refunding of Series 2015A, 2016A and 2017A. Taxable refunding bonds are needed since the call dates of these Series are more than 90 days after the expected closing in July 2020. Under tax code restrictions, tax-exempt proceeds cannot be issued to refund outstanding tax-exempt bonds more than 90 days from the call date of the refunded bonds. Based on current market conditions, the aggregate refunding is estimated to generate over 3% in net present value savings (over \$6 million).

Legal Documents

The proposed Installment Purchase Agreement (Attachment 2) is between the Agency and the USCJVPA and governs how the Agency would make installment payments to the USCJVPA. It requires revenues to be maintained at 120% of annual debt service and operating and maintenance costs. The proposed Continuing Disclosure Certificate (Attachment 3) provides that the Agency would provide information on any issues that may affect its debt financing transactions on annual basis. The proposed Purchase Contract (Attachment 4) governs the purchase of the Revenue Bonds by the Underwriter. The proposed Escrow Agreement (Attachment 5) govern the use of proceeds to pay and retire Series 2010A, 2015A, 2016A and 2017A.

Set forth below are **good faith estimates** of Fieldman, Rolapp & Associates, Inc., the municipal advisor, as required under Section 5852.1 of the California Government Code (the "Code"). **The following estimates have no bearing on, and should not be misconstrued as, any not-to-exceed financial parameters authorized by resolution.**

- (a) The true interest cost of the bonds is estimated at 3.04%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.
- (b) The finance charge of the Bonds, including all fees and charges paid to third parties, is estimated at \$1,205,520.
- (c) Proceeds of the Bonds received by the Agency for the sale of the Bonds, including the estimated principal amount of the proposed Bonds of \$252,760,000, plus the proposed premium of \$17,565,648 and the proposed cash contribution of \$2,000,000 and the prior debt service reserve fund amount of \$5,349,556, less the finance charges set forth in (b) above, is equal to \$276,469,684.
- (d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$361,911,913.

The foregoing are estimates and the final costs will depend on market conditions and can be expected to vary from the estimated amounts set forth above.

Next Actions

The Preliminary Official Statement (POS) will be prepared by the end of April 2020. In late April 2020, the POS and legal documents will be distributed to the rating agency analysts. In May 2020, the Board and the USCJVPA will be asked to approve the POS and authorize staff to complete the transaction. The proposed transaction is estimated to price in June 2020 and close in July 2020.

On January 13, 2020, the Finance and Administration Committee considered staff's recommendation to approve a resolution authorizing (1) the issuance of one or more series of revenue bonds by the Upper Santa Clara Valley Joint Powers Authority; (2) the execution of certain documents; and (3) certain other actions.

FINANCIAL CONSIDERATIONS

There are no financial obligations or commitments incurred by approving the proposed documents.

RECOMMENDATION

The Finance and Administration Committee recommends that the Board of Directors approve a resolution authorizing (1) the Issuance of One or More Series of Revenue Bonds by the Upper Santa Clara Valley Joint Powers Authority, (2) the Execution of Certain Documents; and (3) Certain Other Actions.

EC

Attachments

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ATTACHMENT 2

INSTALLMENT PURCHASE AGREEMENT

by and between

SANTA CLARITA VALLEY WATER AGENCY

and

UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY

Dated as of February 1, 2020

Relating to

\$ _____
**UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY
REVENUE BONDS, SERIES 2020A**

\$ _____
**UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY
REVENUE BONDS, TAXABLE SERIES 2020B**

INSTALLMENT PURCHASE AGREEMENT

This INSTALLMENT PURCHASE AGREEMENT, made and entered into and dated as of February 1, 2020, by and between SANTA CLARITA VALLEY WATER AGENCY, an agency duly organized and existing under and by virtue of the laws of the State of California (the "Agency"), and UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY, a joint exercise of powers authority duly organized and existing under and by virtue of the laws of the State of California (the "Authority").

WITNESSETH:

WHEREAS, the Agency proposes to undertake the acquisition of certain capital improvements to the Water System, as more particularly described in Exhibit A hereto (the "Project");

WHEREAS, the Agency is authorized under the Santa Clarita Valley Water Agency Act, Chapter 833 of Statutes of 2017, and all laws amendatory thereof or supplemental thereto, to acquire property for the Water System;

WHEREAS, the Agency is authorized pursuant to Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code to refinance the acquisition of property for the Water System (the "Refunding Project");

WHEREAS, the Authority has agreed to assist the Agency by financing the 2020 Project and refinancing the Refunding Project;

WHEREAS, the Authority is authorized under the Joint Exercise of Powers Act, as amended, constituting Chapter 5, Division 7, Title 1 of the Government Code of the State of California, to assist its members in the financing and refinancing of the acquisition of capital improvements;

WHEREAS, the Agency and the Authority have duly authorized the execution of this Installment Purchase Agreement; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Installment Purchase Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Installment Purchase Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THESE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 1.1. **Definitions.** Unless the context otherwise requires, the terms defined in this section shall for all purposes hereof and of any amendment hereof or supplement hereto and of any report or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein. All capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Indenture.

Acquisition Fund. The term “Acquisition Fund” means the Agency account designated by the Agency as account number _____, together with other accounts created in the future and designated by action of the Board of Directors of the Agency as a part of the Acquisition Fund created pursuant to Section 3.6 hereof.

Agency. The term “Agency” means Santa Clarita Valley Water Agency, an agency duly organized and existing under and by virtue of the laws of the State of California, including the Law including as the successor to the Castaic Lake Water Agency and the Newhall County Water District.

Authority. The term “Authority” means Upper Santa Clara Valley Joint Powers Authority, a joint exercise of powers authority created pursuant to a Joint Exercise of Powers Agreement, dated as of June 1, 2011, as amended and restated pursuant to the Amended and Restated Joint Exercise of Powers Agreement, dated as of April 1, 2018, each by and between the Agency and the Devil’s Den Water District.

Bonds. The term “Bonds” means all revenue bonds or notes of the Agency authorized, executed, issued and delivered by the Agency, the payments of which are on a parity with the 2020 Installment Payments and which are secured by a pledge of and lien on the Revenues, and payable from Net Revenues, subordinate to the Senior Obligations.

Continuing Disclosure Certificate. The term “Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate, dated the date of issuance of the 2020A Bonds, of the Agency, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

Contracts. The term “Contracts” means this Installment Purchase Agreement and any amendments and supplements hereto, and all contracts of the Agency previously or hereafter authorized and executed by the Agency which are payable on a parity with the 2020 Installment Payments and which are secured by a pledge and lien on the Revenues as described in Section 5.1 hereof, including but not limited to the 2018A Installment Purchase Agreement, and any credit facility agreement that may be entered into by the Agency in connection with the issuance of tax revenue anticipation notes issued by the Agency outstanding from time to time, and which are payable from Net Revenues subordinate to the Senior Obligations.

Corporation. The term “Corporation” means Santa Clarita Valley Water Agency Financing Corporation, a nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California.

Debt Service. The term “Debt Service” means, for any Fiscal Year, the sum of:

(i) the interest payable during such Fiscal Year on all outstanding Bonds, assuming that all outstanding serial Bonds are retired as scheduled and that all outstanding term Bonds are prepaid or paid from sinking fund payments as scheduled (except to the extent that such interest is capitalized or is reasonably anticipated to be reimbursed to the Agency by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program);

(ii) that portion of the principal amount of all outstanding serial Bonds maturing in such Fiscal Year (but excluding Excluded Principal);

(iii) that portion of the principal amounts of all outstanding term Bonds required to be prepaid or paid in such Fiscal Year (but excluding Excluded Principal); and

(iv) that portion of the Installment Payments required to be made during such Fiscal Year (except to the extent that the interest portion of such Installment Payments is capitalized or is reasonably anticipated to be reimbursed to the Agency by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program and excluding Excluded Principal);

provided that, as to any such Bonds or Installment Payments bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Debt Service shall be assumed to bear interest at a fixed rate equivalent to the higher of: (i) the then current variable interest rate borne by such Bonds or Contracts plus 1%; and (ii) the highest average variable rate borne over a 6 month period during the preceding 24 months by outstanding variable rate debt issued by the Agency or, if no such variable rate debt is at the time outstanding, by variable rate debt of which the interest rate is computed by reference to an index comparable to that to be utilized in determining the interest rate for the debt then proposed to be issued;

provided further that if any series or issue of such Bonds or Installment Payments have twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one year (and such principal is not Excluded Principal), Debt Service shall be determined for the Fiscal Year of determination as if the principal of and interest on such series or issue of such Bonds or Installment Payments were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of thirty (30) years from the date of calculation;

provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Bonds and Contracts for which such debt service reserve fund was established and in each preceding year until such amount is exhausted;

provided further that Debt Service shall be reduced by the amount of investment earnings credited to any debt service reserve fund created with respect to Contracts or Bonds; and

provided further that if the Bonds or Contracts constitute Paired Obligations, the interest rate on such Bonds or Contracts shall be the resulting linked rate or the effective fixed interest rate to be paid by the Agency with respect to such Paired Obligations.

Depository Agreement. The term “Depository Agreement” means the Depository Agreement, dated as of February 1, 2020, by and between the Agency and U.S. Bank National Association, as depository agent, as such Depository Agreement may be supplemented or amended in accordance with the terms thereof.

Event of Default. The term “Event of Default” means an event described in Section 8.1.

Excluded Principal. The term “Excluded Principal” means each payment of principal of any Bond or Contract for which there is on file with the Trustee (i) a certificate of an Independent Municipal Advisor to the effect that such Bond or Contract is commercial paper or otherwise of a revolving or short-term nature and has a maturity of less than 42 months and (ii) a certificate of an Authorized Representative to the effect that the Agency intends to pay such principal from the proceeds of Bonds or Contracts or other bonds, notes or other obligations of the Agency. No such determination shall affect the security for such Bonds or Contracts or the obligation of the Agency to pay such Bonds or Contracts from Net Revenues.

Fiscal Year. The term “Fiscal Year” means the period beginning on July 1 of each year and ending on the last day of June of the succeeding year, or any other twelve-month period selected and designated as the official Fiscal Year of the Agency.

Generally Accepted Accounting Principles. The term “Generally Accepted Accounting Principles” means the uniform accounting and reporting procedures prescribed by the California State Controller or his successor for public agencies in the State of California, or failing the prescription of such procedures means generally accepted accounting principles as presented and recommended by the American Institute of Certified Public Accountants or its successor, or by the National Council on Governmental Accounting or its successor, or by any other generally accepted authority on such principles.

Indenture. The term “Indenture” means the Indenture of Trust, dated as of February 1, 2020, by and between the Authority and the Trustee, as originally executed and as it may from time to time be amended or supplemented in accordance with its terms.

Independent Certified Public Accountant. The term “Independent Certified Public Accountant” means any firm of certified public accountants appointed by the Agency, and each of whom is independent pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

Independent Municipal Advisor. The term “Independent Municipal Advisor” means a financial consultant or firm of such consultants appointed by the Agency, and who, or each of whom: (1) is in fact independent and not under domination of the Agency; (2) does not have any substantial interest, direct or indirect, with the Agency; (3) is registered as a “municipal advisor,” as defined in Section 15B of the Securities Exchange Act of 1934, as amended; and (4) is not connected with the Agency as an officer or employee of the Agency, but who may be regularly retained to make reports to the Agency.

Initial Rating Requirement. The term “Initial Rating Requirement” means a long term debt rating of A3 or better by Moody’s and A- or better by S&P.

Installment Payment Date. The term “Installment Payment Date” means any date on which Installment Payments are scheduled to be paid by the Agency under and pursuant to any Contract.

Installment Payments. The term “Installment Payments” means the installment payments of interest and principal scheduled to be paid by the Agency under and pursuant to the Contracts.

Installment Purchase Agreement. The term “Installment Purchase Agreement” means this Installment Purchase Agreement, dated as of February 1, 2020, by and between the Agency and the Authority, as originally executed and as it may from time to time be amended or supplemented in accordance herewith.

Law. The term “Law” means Santa Clarita Valley Water Agency Act, Chapter 833 of Statutes of 2017, and all laws amendatory thereof or supplemental thereto and Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code.

Manager. The term “Manager” means the General Manager of the Agency, or any other person designated by the General Manager to act on behalf of the General Manager.

Minimum Rating Requirement. The term “Minimum Rating Requirement” means a long term debt rating of Baa2 by Moody’s or BBB by S&P.

Net Proceeds. The term “Net Proceeds” means, when used with respect to any casualty insurance or condemnation award, the proceeds from such insurance or condemnation award remaining after payment of all expenses (including attorneys’ fees) incurred in the collection of such proceeds.

Net Revenues. The term “Net Revenues” means, for any Fiscal Year, the Revenues for such Fiscal Year less Senior Debt Service, Operation and Maintenance Costs for such Fiscal Year and 1% Property Tax Receipts applied to pay amounts with respect to the 2018A Installment Purchase Agreement for such Fiscal Year.

1999 Installment Purchase Agreement. The term “1999 Installment Purchase Agreement” means the Installment Purchase Agreement, by and between the Agency and the Corporation, dated as of June 1, 1999.

1% Property Tax Account. The term “1% Property Tax Account” means account in the Revenue Fund contained pursuant to Section 5.2 hereof.

1% Property Tax Receipts. The term “1% Property Tax Receipts” means amounts received by the Agency from the counties of Los Angeles and Ventura from the levy by such counties of the 1% *ad valorem* property tax.

Operation and Maintenance Costs. The term “Operation and Maintenance Costs” means: (i) costs spent or incurred for maintenance and operation of the Water System calculated in accordance with Generally Accepted Accounting Principles, including (among other things) the reasonable expenses of management and repair and other expenses necessary to maintain and preserve the Water System in good repair and working order, and including administrative costs of

the Agency that are charged directly or apportioned to the Water System, including but not limited to salaries and wages of employees, payments to the Public Employees Retirement System, overhead, insurance, taxes (if any), fees of auditors, accountants, consultants, attorneys or engineers and insurance premiums, and including all other reasonable and necessary costs of the Agency or charges (other than debt service payments) required to be paid by it to comply with the terms of the 2020A Bonds or of this Installment Purchase Agreement or any Contract or of any resolution or indenture authorizing the issuance of any Bonds or of such Bonds, or payments, if any, required in connection with the Water Contract; and (ii) all payments with respect to Operation and Maintenance Obligations; but excluding in all cases (i) depreciation, replacement and obsolescence charges or reserves therefor, amortization of intangibles, including amortization of water rights, unrealized losses in investments, write offs of the value of any impaired assets or other bookkeeping entries of a similar nature and (ii) all payments with respect to Operation and Maintenance Obligation, but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature, and any amounts transferred to the Rate Stabilization Fund.

Operation and Maintenance Obligation. The term “Operation and Maintenance Obligation” means any contractual obligation with respect to any facilities, properties, structures, works, services, water or rights to receive water, or any loan of credit to or guaranty of debts, claims or liabilities of any other person (including a joint powers agency of which the Agency is a member) with respect to any facilities, properties, structures, works, services, water or rights to receive water, so long as in each case the payments thereunder are designated as Operation and Maintenance Costs by the Board of Directors of the Agency. Bonds and Contracts shall not constitute Operation and Maintenance Obligations.

Paired Obligation Provider. The term “Paired Obligation Provider” means a party to a Paired Obligation other than the Agency.

Paired Obligations. The term “Paired Obligations” means any Bond or Contract (or portion thereof) designated as Paired Obligations in the resolution, indenture or other document authorizing the issuance or execution and delivery thereof, which are issued or executed and delivered: (i) the principal of which, at the time of adoption or execution of the resolution, indenture or other document authorizing the issuance or execution thereof, is of equal amount maturing and to be redeemed or prepaid (or cancelled after acquisition thereof) on the same dates and in the same amounts; and (ii) the interest rates with respect to which, taken together, are reasonably expected, at the time of adoption or execution of the resolution, indenture or other document authorizing the issuance or execution thereof, to result in a fixed interest rate obligation of the Agency for the term of such Bond or Contract, as certified by an Independent Municipal Advisor in writing, and which comply with the provisions of Section 10.15 hereof.

Parity Project. The term “Parity Project” means any additions, betterments, extensions or improvements to the Water System designated by the Board of Directors of the Agency as a Parity Project, the acquisition and construction of which has been or will be paid for with the proceeds of any Contracts or Bonds.

Purchase Price. The term “Purchase Price” means the principal amount plus interest thereon owed by the Agency to the Authority under the terms hereof as provided in Section 4.1.

Rate Stabilization Fund. The term “Rate Stabilization Fund” means the fund by that name continued pursuant to Section 5.5 hereof.

Refunding Project. The term “Refunding Project” means the additions, betterments, extensions and improvements to the Water System described as the Refunding Project in Exhibit B hereto.

Revenue Fund. The term “Revenue Fund” means the fund previously established by the Agency and continued by the terms of Section 5.2 hereof.

Revenues. The term “Revenues” means all income, rents, rates, fees, charges and other moneys derived from the ownership or operation of the Water System on or after the date hereof, including, without limiting the generality of the foregoing:

(i) all income, rents, rates, fees, charges, business interruption insurance proceeds or other moneys derived by the Agency from the sale, furnishing and supplying of the water or other services, facilities, and commodities sold, furnished or supplied through the facilities of or in the conduct or operation of the business of the Water System;

(ii) the earnings on and income derived from the investment of such income, rents, rates, fees, charges, or other moneys, including Agency reserves and the Rate Stabilization Fund;

(iii) the proceeds of any facility capacity fees or any other connection fees collected by the Agency in connection with the Water System;

(iv) the proceeds of any stand-by or water availability charges collected by the Agency in connection with the Water System;

(v) amounts received by the Agency from the counties of Los Angeles and Ventura from the levy by such counties of the 1% *ad valorem* property tax;

but excluding in all cases (w) all taxes and assessments, *ad valorem* or otherwise (including investment earnings thereon), levied and received by the Agency and restricted by law to be applied to the payment of the Water Contract and related costs, (x) customers’ deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the Agency, (y) excluding any proceeds of taxes or assessments restricted by law to be used by the Agency to pay bonds hereafter issued and (z) any and all revenues derived from the ownership or operation of or a connection with Separate Facilities.

“Revenues” shall also include all amounts transferred from the Rate Stabilization Fund to the Revenue Fund with respect to any Fiscal Year in accordance with Section 5.5 hereof and shall not include any amounts transferred from the Revenue Fund to the Rate Stabilization Fund with respect to any Fiscal Year in accordance with Section 5.2(d) hereof.

Senior Debt Service. The term “Senior Debt Service” means Debt Service as such term is defined in the 1999 Installment Purchase Agreement, which definition is incorporated herein by reference.

Senior Obligations. The term “Senior Obligations” means the 1999 Installment Purchase Agreement, which contract is payable from Revenues prior to the Installment Payments, the Bonds and the Contracts.

Separate Facilities. The term “Separate Facilities” means any facilities acquired or financed by the Agency on or after the date hereof and which were not financed from the proceeds of Bonds or Contracts of the Agency and which facilities are determined by the Board of Directors of the Agency to be Separate Facilities.

Subordinate Obligations. The term “Subordinate Obligations” means all revenue bonds, notes or other obligations of the Agency and all contracts of the Agency, which are secured by a pledge and lien on the Revenues subordinate to the pledge of and lien on the Revenues securing the Installment Payments described in Section 5.1 hereof and which are payable from Net Revenues subordinate to the Installment Payments.

Trustee. The term “Trustee” means U.S. Bank National Association, Los Angeles, California, acting in its capacity as Trustee under and pursuant to the Indenture, and its successors and assigns.

2018A Installment Purchase Agreement. The term “2018A Installment Purchase Agreement” means the Installment Purchase Agreement, dated as of January 1, 2018, by and between the Agency and the Authority, as supplemented by Supplement No. 1 to the Installment Purchase Agreement, dated as of February 1, 2020, by and between the Agency and the Corporation.

2020 Installment Payment Date. The term “2020 Installment Payment Date” means the second Business Day preceding each Interest Payment Date pursuant to the Indenture.

2020 Installment Payments. The term “2020 Installment Payments” means the Installment Payments scheduled to be paid by the Agency under and pursuant hereto.

2020 Project. The term “2020 Project” means the additions, betterments, extensions and improvements to the Water System described as the 2020 Project in Exhibit A hereto.

Water Contract. The term “Water Contract” means the Contract between the State of California Department of Water Resources and the Agency, as successor to the Castaic Lake Water Agency, dated April 30, 1963, and any renewal, amendment or supplement thereof from time to time.

Water Service. The term “Water Service” means the water distribution service made available or provided by the Water System.

Water System. The term “Water System” means the whole and each and every part of the water system of the Agency, including the portion thereof existing on the date hereof and all additions, betterments, extensions and improvements to such water system or any part thereof hereafter acquired or constructed, and including any retail water distribution facilities acquired after the date hereof unless the Board of Directors of the Agency determines by resolution that such facilities shall not be included in the Water System, but in either event not including Separate Facilities.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations by the Agency. The Agency makes the following representations:

(a) The Agency is an agency duly organized and existing under and pursuant to the laws of the State of California.

(b) The Agency has full legal right, power and authority to enter into this Installment Purchase Agreement and carry out its obligations hereunder, to carry out and consummate all other transactions contemplated by this Installment Purchase Agreement, and the Agency has complied with the provisions of the Law in all matters relating to such transactions.

(c) By proper action, the Agency has duly authorized the execution, delivery and due performance of this Installment Purchase Agreement.

(d) The Agency will not take or, to the extent within its power, permit any action to be taken which results in the interest paid for the installment purchase of the 2020 Project and the portion of the Refunding Project financed from the proceeds of the 2020A Bonds under the terms of this Installment Purchase Agreement included in the gross income of the Authority or its assigns for purposes of federal or State of California personal income taxation.

(e) The Agency has determined that it is necessary and proper for Agency uses and purposes within the terms of the Law that the Agency acquire the 2020 Project and refinance the Refunding Project in the manner provided for in this Installment Purchase Agreement.

Section 2.2. Representations and Warranties by the Authority. The Authority makes the following representations and warranties:

(a) The Authority is a joint exercise of powers authority duly organized and in good standing under the laws of the State of California, has full legal right, power and authority to enter into this Installment Purchase Agreement and to carry out and consummate all transactions contemplated by this Installment Purchase Agreement and by proper action has duly authorized the execution and delivery and due performance of this Installment Purchase Agreement.

(b) The execution and delivery of this Installment Purchase Agreement and the consummation of the transactions herein contemplated will not violate any provision of law, any order of any court or other agency of government, or any indenture, material agreement or other instrument to which the Authority is now a party or by which it or any of its properties or assets is bound, or be in conflict with, result in a breach of or constitute a default (with due notice or the passage of time or both) under any such indenture, agreement or other instrument, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Authority.

(c) The Authority will not take or permit any action to be taken which results in interest paid for the installment purchase of the 2020 Project and the portion of the Refunding Project financed from the proceeds of the 2020A Bonds under the terms of this Installment Purchase

Agreement being included in the gross income of the Authority for purposes of federal or State of California personal income taxation.

ARTICLE III

ACQUISITION OF THE PROJECT

Section 3.1. Sale of the Refunding Project to Authority. In consideration for the Authority's assistance in refinancing the Refunding Project, the Agency agrees to sell, and hereby sells, to the Authority and the Authority agrees to purchase, and hereby purchases from the Agency, the Refunding Project.

Section 3.2. Purchase and Sale of the 2020 Project and the Refunding Project. In consideration for the 2020 Installment Payments as set forth in Section 4.2, the Authority agrees to sell, and hereby sells, to the Agency, and the Agency agrees to purchase, and hereby purchases, from the Authority, the 2020 Project and the Refunding Project at the purchase price specified in Section 4.1 hereof and otherwise in the manner and in accordance with the provisions of this Installment Purchase Agreement.

Section 3.3. Title. All right, title and interest in the Refunding Project shall vest in the Agency immediately upon execution and delivery of this Installment Purchase Agreement. Each component of the 2020 Project shall vest in the Agency immediately upon acquisition or construction thereof. Such vesting shall occur without further action by the Authority or the Agency and the Authority shall, if requested by the Agency or, if necessary to assure such automatic vesting, deliver any and all documents required to assume such vesting.

Section 3.4. Acquisition and Construction of the 2020 Project. The Authority hereby agrees to cause the 2020 Project, and any additions or modifications thereto to be constructed, acquired or installed by the Agency as its agent, and the Agency shall enter into contracts and provide for, as agent of the Authority, the complete construction, acquisition and installation of the 2020 Project. The Agency hereby agrees that the Agency will cause the construction, acquisition and installation of the 2020 Project to be diligently performed after the deposit of funds with the Trustee pursuant to Section 3.02 of the Indenture, upon satisfactory completion of design work and compliance with the California Environmental Quality Act and approval by the Board of Directors of the Agency, unforeseeable delays beyond the reasonable control of the Agency only excepted. It is hereby expressly understood and agreed that the Authority shall be under no liability of any kind or character whatsoever for the payment of any cost of the 2020 Project and that all such costs and expenses shall be paid by the Agency, regardless of whether the funds deposited in the Acquisition Fund are sufficient to cover all such costs and expenses.

Section 3.5. Changes to the 2020 Project. The Agency may substitute other improvements for those listed as components of the 2020 Project in Exhibit A hereto, but only if the Agency first files with the Authority and the Trustee a statement of the Agency: (a) identifying the improvements to be deleted from such Exhibit and the improvements to replace such deleted improvements; and (b) stating that the estimated costs of construction, acquisition and installation of the substituted improvements are not less than such costs for the improvements previously planned to be paid from the proceeds of the 2020A Bonds.

Section 3.6. Acquisition Fund. There is hereby created with the Agency a fund to be known as the "Acquisition Fund," which the Agency shall maintain and hold in trust separate and apart from other funds held by it. The moneys in the Acquisition Fund shall be applied to the payment of the costs of acquisition of the 2020 Project and of expenses incidental thereto. Before any payment is made from the Acquisition Fund, the Manager shall cause to be filed with the Chief Financial and Administrative Officer of the Agency a Written Requisition in the form set forth in Exhibit C hereto. Upon receipt of such Written Requisition, the Chief Financial and Administrative Officer of the Agency will pay the amount set forth therein. The Chief Financial and Administrative Officer of the Agency need not make any such payment if he or she has received notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys so to be paid, which has not been released and will not be released simultaneously with such payment.

When the 2020 Project shall have been constructed and acquired in accordance with this Installment Purchase Agreement, a statement of the Agency stating the fact and date of such acquisition, construction and acceptance and stating that all of such costs of acquisition and incidental expenses have been determined and paid (or that all of such costs and expenses have been paid less specified claims which are subject to dispute and for which a retention in the Acquisition Fund is to be maintained in the full amount of such claims until such dispute is resolved), shall be delivered to the Chief Financial and Administrative Officer of the Agency and the Trustee by the Manager. Upon the receipt of such statement, the Chief Financial and Administrative Officer of the Agency shall transfer any remaining balance in the Acquisition Fund not needed for Acquisition Fund purposes (but less the amount of any such retention which shall be certified to the Chief Financial and Administrative Officer of the Agency by the Manager) to the Revenue Fund.

ARTICLE IV

SERIES 2020A INSTALLMENT PAYMENTS

Section 4.1. Purchase Price.

(a) The Purchase Price to be paid by the Agency hereunder to the Authority is the sum of the principal amount of the Agency's obligations hereunder plus the interest to accrue on the unpaid balance of such principal amount from the date hereof over the term hereof, subject to prepayment as provided in Article VII.

(b) The principal amount of the payments to be made by the Agency hereunder is set forth in a certificate of the Manager to be attached hereto as Exhibit B.

(c) The interest to accrue on the unpaid balance of such principal amount to be made by the Agency hereunder is set forth in a certificate of the Manager to be attached hereto as Exhibit B, and shall be paid by the Agency as and constitute interest paid on the principal amount of the Agency's obligations hereunder.

Section 4.2. 2020 Installment Payments. The Agency shall, subject to its rights of prepayment provided in Article VII, pay the Authority the Purchase Price in installment payments of interest and principal in the amounts and on the 2020 Installment Payment Dates as set forth in a certificate of the Manager, a copy of which shall be delivered to the Trustee by the Agency and is attached hereto as Exhibit B.

Each 2020 Installment Payment shall be paid to the Authority in lawful money of the United States of America. In the event that the Agency fails to make any of the payments required to be made by it under this section, such payment shall continue as an obligation of the Agency until such amount shall have been fully paid and the Agency agrees to pay the same with interest accruing thereon at the rate or rates of interest then applicable to the remaining unpaid principal balance of the 2020 Installment Payments if paid in accordance with their terms.

The obligation of the Agency to make the 2020 Installment Payments is absolute and unconditional, and until such time as the Purchase Price shall have been paid in full (or provision for the payment thereof shall have been made pursuant to Article IX), the Agency will not discontinue or suspend any 2020 Installment Payments required to be made by it under this section when due, whether or not the 2020 Project or any part thereof is operating or operable or has been completed, or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and such payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

ARTICLE V

SECURITY

Section 5.1. Pledge of Revenues. All Revenues, the Revenue Fund, the Rate Stabilization Fund and all amounts on deposit in such funds are hereby irrevocably pledged to the payment of the 2020 Installment Payments as provided herein, subject however to the pledge thereon securing Senior Obligations now in existence, and the Revenues shall not be used for any other purpose while any of the 2020 Installment Payments remain unpaid; provided that out of the Revenues and amounts on deposit in the Revenue Fund and the Rate Stabilization Fund, there may be apportioned such sums for such purposes as are expressly permitted herein. This pledge, together with the pledge created by all other Contracts and Bonds, shall constitute a second lien on Revenues, the Revenue Fund and the Rate Stabilization Fund and all amounts on deposit therein as permitted herein subordinate to the pledge securing Senior Obligations and, subject to the application of Revenues, in accordance with the terms hereof.

Section 5.2. Allocation of Revenues. In order to carry out and effectuate the pledge and lien contained herein, the Agency agrees and covenants that all Revenues shall be received by the Agency in trust hereunder and shall be deposited when and as received in a special fund designated as the "Revenue Fund," which fund was previously established by the Agency and is hereby continued by the terms of this Section 5.2, and which fund the Agency agrees and covenants to maintain and to hold separate and apart from other funds so long as any Contracts or Bonds remain unpaid. The Revenue Fund includes the 1% Property Tax Account described in Section 5.1(a) below and which is contained hereunder. All 1% Property Tax Receipts shall be deposited in the 1% Property Tax Account and applied in accordance with the Depository Agreement. Moneys in the Revenue Fund shall be used and applied by the Agency as provided in this Installment Purchase Agreement.

To the extent the Agency receives any 1% Property Tax Receipts from the County of Los Angeles or the County of Ventura, the Agency shall immediately transfer such amounts to the Depository Agent for deposit by the Depository Agent in the 1% Property Tax Payment Account.

The Agency shall, from the moneys in the Revenue Fund, pay all Operation and Maintenance Costs (including amounts reasonably required to be set aside in contingency reserves for Operation and Maintenance Costs, the payment of which is not then immediately required) as such Operation and Maintenance Costs become due and payable. All remaining moneys in the Revenue Fund shall be used to make payments with respect to Senior Debt Service on Senior Obligations if 1% Property Tax Receipts are insufficient therefor, and thereafter shall be set aside by the Agency at the following times in the following respective special funds in the following order of priority and all moneys in each of such funds shall be held in trust and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this section:

(a) Bond Payment Fund. On or before each 2020 Installment Payment Date, the Agency shall, from the moneys in the Revenue Fund, transfer to the Trustee for deposit in the Bond Payment Fund a sum equal to the 2020 Installment Payment coming due on such 2020 Installment Payment Date. The Agency shall also, from the moneys in the Revenue Fund, transfer to the applicable trustee or payee for deposit in the applicable payment fund, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, any other Debt Service in accordance with the provisions of the Contract, resolution or indenture relating thereto, including but not limited to the 2018A Installment Purchase Agreement to the extent not paid from 1% Property Tax Receipts.

No deposit need be made in the Bond Payment Fund as 2020 Installment Payments if the amount in the Bond Payment Fund is at least equal to the amount of the 2020 Installment Payment due and payable on the next succeeding 2020 Installment Payment Date. All money in the Bond Payment Fund shall be used and withdrawn by the Trustee in accordance with the Indenture.

(b) Reserve Fund. On or before each 2020 Installment Payment Date, the Agency shall, from the remaining moneys in the Revenue Fund, thereafter, without preference or priority, transfer to the applicable trustee for reserve funds and/or accounts, if any, as may have been established in connection with Senior Obligations, Bonds or Contracts, that sum, if any, necessary to restore such funds or accounts to an amount equal to the reserve requirement with respect thereto.

(c) Subordinate Obligations. On or before any date that the payment of principal and interest is due with respect to any Subordinate Obligations, the Agency shall, from moneys in the Revenue Fund, transfer to the applicable trustee or payee for deposit in the applicable payment fund, without preference or priority, and in the event of any insufficiency of such moneys ratably without discrimination or preference, payment on such Subordinate Obligations in accordance with the provisions of such Subordinate Obligation.

(d) Surplus. Moneys on deposit in the Revenue Fund on any date when the Agency reasonably expects such moneys will not be needed for the payment of Operation and Maintenance Costs or for any of the purposes described in clauses (a) through (c) above may be expended by the Agency at any time for any purpose permitted by law, including but not limited to payment of any amounts due and payable under the Water Contract or to deposit amounts in the Rate Stabilization Fund in accordance with Section 5.5 hereof.

Section 5.3. Additional Contracts and Bonds. The Agency may at any time execute any Contract or issue any Bonds, as the case may be, in accordance herewith; provided:

(a) The Net Revenues for the most recent audited Fiscal Year preceding the date of adoption by the Board of Directors of the Agency of the resolution authorizing the issuance of such Bonds or the date of the execution of such Contract, as the case may be, as evidenced by both a calculation prepared by the Agency and a special report prepared by an Independent Certified Public Accountant or an Independent Municipal Advisor on such calculation on file with the Agency, shall have produced a sum equal to at least one hundred twenty percent (120%) of the Debt Service for such Fiscal Year; and

(b) The Net Revenues for the most recent audited Fiscal Year preceding the date of the execution of such Contract or the date of adoption by the Board of Directors of the Agency of the resolution authorizing the issuance of such Bonds, as the case may be, including adjustments to give effect as of the first day of such Fiscal Year to increases or decreases in income, rents, fees, rates and charges for the Water Service approved and in effect as of the date of calculation, as evidenced by both a calculation prepared by the Agency and a special report prepared by an Independent Certified Public Accountant or an Independent Municipal Advisor on such calculation on file with the Agency, shall demonstrate a sum equal to at least one hundred twenty percent (120%) of the Debt Service for such Fiscal Year plus the Debt Service which would have accrued on any Contracts executed or Bonds issued since the end of such Fiscal Year assuming such Contracts had been executed or Bonds had been issued at the beginning of such Fiscal Year plus the Debt Service which would have accrued had such Contract been executed or Bonds been issued at the beginning of such Fiscal Year; and

(c) The estimated Net Revenues for the then current Fiscal Year and for each Fiscal Year thereafter to and including the first complete Fiscal Year after the latest date of operation of any uncompleted Parity Project financed from proceeds of such Contract or Bonds, as evidenced by a certificate on file with the Agency, including (after giving effect to the completion of all such uncompleted Parity Projects) an allowance for estimated Net Revenues for each of such Fiscal Years arising from any increase in the income, rents, fees, rates and charges estimated to be fixed and prescribed for the Water Service and which are economically feasible and reasonably considered necessary based on projected operations for such period, as evidenced by a certificate of the Manager on file with the Agency, shall produce a sum equal to at least one hundred twenty percent (120%) of the estimated Debt Service for each of such Fiscal Years, after giving effect to the execution of all Contracts and the issuance of all Bonds estimated to be required to be executed or issued to pay the costs of completing all uncompleted Parity Projects within such Fiscal Years, assuming that all such Contracts and Bonds have maturities, interest rates and proportionate principal repayment provisions similar to the Contract last executed or then being executed or the Bonds last issued or then being issued for the purpose of acquiring and constructing any of such uncompleted Parity Projects.

Notwithstanding the foregoing: (i) Bonds issued or Contracts executed to refund Bonds or Contracts may be delivered without satisfying the conditions set forth above if Debt Service in each Fiscal Year after the Fiscal Year in which such Bonds are issued or Contracts executed is not greater than 105% of Debt Service which would have been payable in each such Fiscal Year prior to the issuance of such Bonds or execution of such Contracts; and (ii) Bonds issued or Contracts executed to refund Senior Obligations may be delivered without satisfying the conditions set forth above if total Debt Service and Senior Debt Service in each Fiscal Year after the Fiscal Year in which such Bonds are issued or Contracts executed is not greater than 105% of total Debt Service and Senior

Debt Service which would have been payable in each such Fiscal Year prior to the issuance of such Bonds or execution of such Contracts.

Notwithstanding satisfaction of the other conditions to the execution of any Contract or the issuance of Bonds set forth in this Section 5.3, no such execution or issuance may occur if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such Event of Default shall be cured upon such execution or issuance.

Section 5.4. Investments. All moneys held by the Agency in the Revenue Fund, including the 1% Property Tax Account, shall be invested in Permitted Investments and the investment earnings thereon shall remain on deposit in such fund, except as otherwise provided herein. All moneys held by the Agency in the Rate Stabilization Fund shall be invested in Permitted Investments and the investment earnings thereon shall be transferred to the Revenue Fund upon receipt thereof.

Section 5.5. Rate Stabilization Fund. There is hereby continued a special fund designated as the "Rate Stabilization Fund" to be held by the Agency in trust hereunder, which fund the Agency agrees and covenants to maintain and to hold separate and apart from other funds so long as any Installment Payments or Bonds remain unpaid. Money transferred by the Agency from the Revenue Fund to the Rate Stabilization Fund in accordance with Section 5.2(d) shall be held in the Rate Stabilization Fund and applied in accordance with this Installment Purchase Agreement.

The Agency may withdraw all or any portion of the amounts on deposit in the Rate Stabilization Fund and transfer such amounts to the Revenue Fund for application in accordance with Section 5.2 hereof or, in the event that all or a portion of the 2020 Installment Payments are discharged in accordance with Section 9.1(b) or (c) hereof, transfer all or any portion of such amounts for application in accordance with said section.

ARTICLE VI

COVENANTS OF THE AGENCY

Section 6.1. Compliance with Installment Purchase Agreement and Ancillary Agreements. The Agency will punctually pay the 2020 Installment Payments in strict conformity with the terms hereof, and will faithfully observe and perform all the agreements, conditions, covenants and terms contained herein required to be observed and performed by it, and will not terminate this Installment Purchase Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the 2020 Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of California or any political subdivision of either or any failure of the Authority to observe or perform any agreement, condition, covenant or term contained herein required to be observed and performed by it, whether express or implied, or any duty, liability or obligation arising out of or connected herewith or the insolvency, or deemed insolvency, or bankruptcy or liquidation of the Authority or any force majeure, including acts of God, tempest, storm, earthquake, war, rebellion, riot, civil disorder, acts of public enemies, blockade or embargo, strikes, industrial disputes, lockouts, lack of transportation facilities, fire, explosion, or acts or regulations of governmental authorities.

The Agency will faithfully observe and perform all the agreements, conditions, covenants and terms contained in the Indenture required to be observed and performed by it, and it is expressly

understood and agreed by and among the parties to this Installment Purchase Agreement and the Indenture that, subject to Section 10.6 hereunder, each of the agreements, conditions, covenants and terms contained in each such agreement is an essential and material term of the purchase of and payment for the 2020 Project by the Agency pursuant to, and in accordance with, and as authorized under the Law.

The Agency will faithfully observe and perform all the agreements, conditions, covenants and terms required to be observed and performed by it pursuant to all outstanding Contracts and Bonds as such may from time to time be executed or issued, as the case may be.

Section 6.2. Against Encumbrances. The Agency will not make any pledge of or place any lien on Revenues or the moneys in the Revenue Fund or the Rate Stabilization Fund except as provided herein. The Agency may at any time, or from time to time, issue evidences of indebtedness or incur other obligations for any lawful purpose which are payable from and secured by a pledge of and lien on Revenues or any moneys in the Revenue Fund as may from time to time be deposited therein or the Rate Stabilization Fund, provided that such pledge and lien shall be subordinate in all respects to the pledge of and lien thereon provided herein.

Section 6.3. Against Sale or Other Disposition of Property. The Agency will not enter into any agreement or lease which impairs the operation of the Water System or any part thereof necessary to secure adequate Revenues for the payment of the 2020 Installment Payments, or which would otherwise impair the rights of the Authority hereunder or the operation of the Water System. Any real or personal property which has become nonoperative or which is not needed for the efficient and proper operation of the Water System, or any material or equipment which has become worn out, may be sold if such sale will not impair the ability of the Agency to pay the 2020 Installment Payments and if the proceeds of such sale are deposited in the Revenue Fund.

Nothing herein shall restrict the ability of the Agency to sell any portion of the Water System if such portion is immediately repurchased by the Agency and if such arrangement cannot by its terms result in the purchaser of such portion of the Water System exercising any remedy which would deprive the Agency of or otherwise interfere with its right to own and operate such portion of the Water System.

Section 6.4. Against Competitive System. The Agency and the Authority hereby acknowledge that Los Angeles County Waterworks District No. 36 Val Verde currently operates a retail water supply and distribution system within the boundaries of the Agency and that nothing contained in this Installment Purchase Agreement is intended to alter or affect such activities. The Agency will not, to the extent permitted by law: (a) acquire, construct, maintain or operate; or (b) within the scope of its powers, permit any other public or private agency, corporation, district or political subdivision or any person whomsoever to acquire, construct, maintain or operate within the Agency any water importation, treatment and distribution facilities competitive with the Water System.

Section 6.5. Tax Covenants. Notwithstanding any other provision of this Installment Purchase Agreement, absent a Favorable Opinion of Special Counsel that the exclusion from gross income of interest on the 2020A Bonds will not be adversely affected for federal income tax purposes, the Agency and the Authority covenant to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and specifically covenant, without limiting the generality of the foregoing, as follows:

(a) Private Activity. The Agency and the Authority will not take or omit to take any action or make any use of the proceeds of the 2020A Bonds or of any other moneys or property which would cause the 2020A Bonds to be “private activity bonds” within the meaning of Section 141 of the Code.

(b) Arbitrage. The Agency and the Authority will make no use of the proceeds of the 2020A or of any other amounts or property, regardless of the source, or take or omit to take any action which would cause the 2020A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code.

(c) Federal Guarantee. The Agency and the Authority will make no use of the proceeds of the 2020A Bonds or take or omit to take any action that would cause the 2020A Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(d) Information Reporting. The Agency and the Authority will take or cause to be taken all necessary action to comply with the informational reporting requirements of Section 149(e) of the Code.

(e) Hedge Bonds. The Agency and the Authority will make no use of the proceeds of the 2020A Bonds or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause the 2020A Bonds to be considered “hedge bonds” within the meaning of Section 149(g) of the Code unless the Agency and the Authority take all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of interest on the 2020A Bonds for federal income tax purposes.

(f) Miscellaneous. The Agency and the Authority will take no action, or omit to take any action, inconsistent with the expectations stated in any Tax Certificate executed with respect to the 2020A Bonds and will comply with the covenants and requirements stated therein and incorporated by reference herein.

(g) Compliance with Tax Certificate. In furtherance of the foregoing tax covenants of this Section 6.5, the Agency covenants that it will comply with the provisions of the Tax Certificate, which is incorporated herein as if fully set forth herein. These covenants shall survive payment in full or defeasance of the 2020A Bonds.

This section shall not be applicable to, and nothing contained herein shall be deemed to prevent the Agency and the Authority from issuing bonds, the interest with respect to which has been determined by Special Counsel to be subject to federal income taxation, including, but not limited to the 2020B Bonds.

Section 6.6. Maintenance and Operation of the Water System. The Agency will maintain and preserve the Water System in good repair and working order at all times and will operate the Water System in an efficient and economical manner and will pay all Operation and Maintenance Costs as they become due and payable.

Section 6.7. Payment of Claims. The Agency will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien on the Revenues or the funds or accounts created hereunder or under the Indenture or on any funds in the hands of the Agency pledged to pay the 2020 Installment Payments or to the Owners prior or superior to the lien of the 2020 Installment Payments or which might impair the security of the 2020 Installment Payments.

Section 6.8. Compliance with Contracts. The Agency will comply with, keep, observe and perform all agreements, conditions, covenants and terms, express or implied, required to be performed by it contained in the Water Contract and all contracts for the use of the Water System and all other contracts affecting or involving the Water System, to the extent that the Agency is a party thereto.

Section 6.9. Insurance.

(a) The Agency will procure and maintain or cause to be procured and maintained insurance on the Water System with responsible insurers in such amounts and against such risks (including accident to or destruction of the Water System) as are usually covered in connection with facilities similar to the Water System so long as such insurance is available from reputable insurance companies.

In the event of any damage to or destruction of the Water System caused by the perils covered by such insurance, the Net Proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the Water System. The Agency shall begin such reconstruction, repair or replacement promptly after such damage or destruction shall occur, and shall continue and properly complete such reconstruction, repair or replacement as expeditiously as possible, and shall pay out of such Net Proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same shall be completed and the Water System shall be free and clear of all claims and liens.

If such Net Proceeds exceed the costs of such reconstruction, repair or replacement, then the excess Net Proceeds shall be applied in part to the prepayment of 2020 Installment Payments as provided in Article VII and in part to such other fund or account as may be appropriate and used for the retirement of Bonds and Contracts in the same proportion which the aggregate unpaid principal balance of 2020 Installment Payments then bears to the aggregate unpaid principal amount of such Bonds and Contracts. If such Net Proceeds are sufficient to enable the Agency to retire the entire obligation evidenced hereby prior to the final due date of the 2020 Installment Payments as well as the entire obligations evidenced by Bonds and Contracts then remaining unpaid prior to their final respective due dates, the Agency may elect not to reconstruct, repair or replace the damaged or destroyed portion of the Water System, and thereupon such Net Proceeds shall be applied to the prepayment of 2020 Installment Payments as provided in Article VII and to the retirement of such Bonds and Contracts.

(b) The Agency will procure and maintain such other insurance which it shall deem advisable or necessary to protect its interests and the interests of the Authority, which insurance shall afford protection in such amounts and against such risks as are usually covered in connection with municipal water systems similar to the Water System.

(c) Any insurance required to be maintained by paragraph (a) above and, if the Agency determines to procure and maintain insurance pursuant to paragraph (b) above, such insurance, may be maintained under a self-insurance program so long as such self-insurance is maintained in the amounts and manner usually maintained in connection with water systems similar to the Water System and is, in the opinion of an accredited actuary, actuarially sound.

Section 6.10. Accounting Records; Financial Statements and Other Reports. The Agency will keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the Water System, which records shall be available for inspection by the Authority and the Trustee at reasonable hours and under reasonable conditions. The Trustee shall have no duties to inspect such records.

Section 6.11. Protection of Security and Rights of the Authority. The Agency will preserve and protect the security hereof and the rights of the Authority to the 2020 Installment Payments hereunder and will warrant and defend such rights against all claims and demands of all persons.

Section 6.12. Payment of Taxes and Compliance with Governmental Regulations. The Agency will pay and discharge all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the Water System, or any part thereof or upon the Revenues when the same shall become due. The Agency will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Water System, or any part thereof, but the Agency shall not be required to comply with any regulations or requirements so long as the validity or application thereof shall be contested in good faith.

Section 6.13. Amount of Rates and Charges.

(a) In any Fiscal Year in which the amount on deposit in the Rate Stabilization Fund on the first day of such Fiscal Year is less than Debt Service payable in such Fiscal Year, the Agency shall fix and prescribe rates and charges for Water Service which are reasonably expected to be sufficient to yield during such Fiscal Year Net Revenues which will equal one hundred twenty percent (120%) of the Debt Service for such Fiscal Year.

(b) In any Fiscal Year in which the amount on deposit in the Rate Stabilization Fund on the first day of such Fiscal Year is at least equal to Debt Service payable in such Fiscal Year, the Agency shall fix and prescribe Revenues, other than described in clause (iii) of the definition thereof, that are reasonably expected to be sufficient to yield during such Fiscal Year such Revenues equal to one hundred twenty percent (120%) of Operation and Maintenance Costs during such Fiscal Year.

(c) The Agency may make adjustments from time to time in such rates and charges and may make such classifications thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Net Revenues or Revenues, as the case may be, from such reduced rates and charges will at all times be sufficient to meet the requirements of this section.

(d) So long as the Agency has complied with its obligations set forth in clause (a) and (b) above, the failure of Net Revenues to equal one hundred twenty percent (120%) of Debt Service at the end of a Fiscal Year shall not constitute a default or an Event of Default hereunder.

Section 6.14. Collection of Rates and Charges. The Agency will have in effect at all times by-laws, rules and regulations requiring each customer who purchases water from the Agency to pay the rates and charges applicable to the Water Service and providing for the billing thereof and for a due date and a delinquency date for each bill. In each case where such bill remains unpaid in whole or in part after it becomes delinquent, the Agency may disconnect such purchaser from the Water System, and such purchaser shall not thereafter be reconnected to the Water System except in accordance with Agency by-laws or rules and regulations governing such situations of delinquency.

Section 6.15. Eminent Domain Proceeds. If all or any part of the Water System shall be taken by eminent domain proceedings, the Net Proceeds thereof shall be applied as follows:

(a) If: (i) the Agency files with the Authority and the Trustee a certificate showing: (1) the estimated loss of annual Net Revenues, if any, suffered or to be suffered by the Agency by reason of such eminent domain proceedings; (2) a general description of the additions, betterments, extensions or improvements to the Water System proposed to be acquired and constructed by the Agency from such Net Proceeds; and (3) an estimate of the additional annual Net Revenues to be derived from such additions, betterments, extensions or improvements; and (ii) the Agency, on the basis of such certificate filed with the Authority and the Trustee, determines that the estimated additional annual Net Revenues will sufficiently offset the estimated loss of annual Net Revenues resulting from such eminent domain proceedings so that the ability of the Agency to meet its obligations hereunder will not be substantially impaired (which determination shall be final and conclusive), then the Agency shall promptly proceed with the acquisition and construction of such additions, betterments, extensions or improvements substantially in accordance with such certificate and such Net Proceeds shall be applied for the payment of the costs of such acquisition and construction, and any balance of such Net Proceeds not required by the Agency for such purpose shall be deposited in the Revenue Fund.

(b) If the foregoing conditions are not met, then such Net Proceeds shall be applied in part to the prepayment of 2020 Installment Payments as provided in Article VII and in part to such other fund or account as may be appropriate and used for the retirement of Bonds and Contracts in the same proportion which the aggregate unpaid principal balance of 2020 Installment Payments then bears to the aggregate unpaid principal amount of such Bonds and Contracts.

Section 6.16. Further Assurances. The Agency will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and to better assure and confirm unto the Authority the rights and benefits provided to it herein.

Section 6.17. Enforcement of Contracts. So long as any of the 2020A Bonds are outstanding, the Agency will not voluntarily consent to or permit any rescission of, nor will it consent to any amendment to or otherwise take any action under or in connection with the Water Contract or any other contracts previously or hereafter entered into which contracts provide for water to be supplied to the Agency which will reduce the supply of water thereunder (except as provided therein) if such rescission or amendment would in any manner impair or adversely affect the rights of the owners from time to time of the 2020A Bonds.

Section 6.18. Compliance with Water Contract. To the fullest extent permitted by law, the Agency will comply with Section 34(a) of the Water Contract.

Section 6.19. Continuing Disclosure. The Agency will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Installment Purchase Agreement, failure of the Agency to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, any Owners of 2020A Bonds or Beneficial Owners of at least 50% aggregate principal amount of the 2020A Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Agency to comply with its obligations under this section. For purposes of this section, "Beneficial Owner" means any person which: (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2020A Bonds (including persons holding 2020A Bonds through nominees, depositories or other intermediaries); or (b) is treated as the owner of any 2020A Bonds for federal income tax purposes.

Section 6.20. No Additional Senior Obligations. The Agency hereby covenants to not issue or enter into any additional Senior Obligations.

ARTICLE VII

PREPAYMENT OF SERIES 2020A INSTALLMENT PAYMENTS

Section 7.1. Prepayment.

(a) The Agency may or shall, as the case may be, prepay from the Net Proceeds as provided herein the 2020 Installment Payments in whole or in part in the order of payment date as directed by the Agency, at a prepayment price equal to the sum of the principal amount prepaid plus accrued interest thereon to the date of prepayment.

(b) The Agency may prepay the 2020 Installment Payments, as a whole or in part, in the order of payment date as directed by the Agency, on the date and at the prepayment price (expressed as a percentage of the principal amount of the 2020A Bonds to be prepaid) plus accrued interest thereon to the date of prepayment, as set forth in Section 4.01 of the Indenture.

Notwithstanding any such prepayment, the Agency shall not be relieved of its obligations hereunder, including its obligations under Article IV, until the Purchase Price shall have been fully paid (or provision for payment thereof shall have been provided to the written satisfaction of the Authority and the Trustee).

Section 7.2. Method of Prepayment. Before making any prepayment pursuant to Section 7.1, the Agency shall, within five (5) days following the event permitting the exercise of such right to prepay or creating such obligation to prepay, give written notice to the Authority and the Trustee describing such event and specifying the date on which the prepayment will be paid, which date shall be not less than sixty (60) nor more than seventy-five (75) days from the date such notice is given.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF THE AUTHORITY

Section 8.1. Events of Default and Acceleration of Maturities. If one or more of the following Events of Default shall happen:

(a) if default shall be made by the Agency in the due and punctual payment of any 2020 Installment Payment or any Contract or Bond when and as the same shall become due and payable;

(b) if default shall be made by the Agency in the performance of any of the agreements or covenants required herein or in connection with any Contract or Bond to be performed by it, and such default shall have continued for a period of thirty (30) days after the Agency shall have been given notice in writing of such default by the Authority or, if such default is not reasonably susceptible to cure within thirty (30) days after notice thereof, such default shall have continued for a period of sixty (60) days;

(c) if the Agency shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the Agency seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the Agency or of the whole or any substantial part of its property; or

(d) if payment of the principal of any Contract or Bond is accelerated in accordance with its terms;

then and in each and every such case during the continuance of such Event of Default specified in clause (c) and (d) above, the Authority shall, and for any other such Event of Default the Authority may, by notice in writing to the Agency, declare the entire principal amount of the unpaid 2020 Installment Payments and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything contained herein to the contrary notwithstanding. This section, however, is subject to the condition that if at any time after the entire principal amount of the unpaid 2020 Installment Payments and the accrued interest thereon shall have been so declared due and payable and before any judgment or decree for the payment of the moneys due shall have been obtained or entered the Agency shall deposit with the Authority a sum sufficient to pay the unpaid principal amount of the 2020 Installment Payments or the unpaid payment of any other Contract or Bond referred to in clause (a) above due prior to such declaration and the accrued interest thereon, with interest on such overdue installments, at the rate or rates applicable to the remaining unpaid principal balance of the 2020 Installment Payments or such Contract or Bond if paid in accordance with their terms, and the reasonable expenses of the Authority, and any and all other defaults known to the Authority (other than in the payment of the entire principal amount of the unpaid 2020 Installment Payments and the accrued interest thereon due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Authority, or provision deemed by the Authority to be adequate shall have been made therefor, then and in every such case the Authority, by written notice to the Agency, may

rescind and annul such declaration and its consequences; but 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.

Section 8.2. Application of Funds Upon Acceleration. Upon the date of the declaration of acceleration as provided in Section 8.1, all Revenues thereafter received by the Agency and all amounts on deposit in the Rate Stabilization Fund shall be applied in the following order:

First, to the payment, without preference or priority, and in the event of any insufficiency ratably without any discrimination or preference, of the fees, costs and expenses, if any of the Authority and the Trustee in carrying out the provisions of this article, including reasonable compensation to their respective accountants and counsel;

Second, to the payment of the Operation and Maintenance Costs;

Third, to the payment of Senior Obligations in accordance with the terms thereof;

Fourth, to the payment of the entire principal amount of the unpaid 2020 Installment Payments and the unpaid principal amount of all Bonds and Contracts and the accrued interest thereon, with interest on the overdue installments at the rate or rates of interest applicable to the 2020 Installment Payments and such Bonds and Contracts if paid in accordance with their respective terms; and

Fifth, to the payment of Subordinate Obligations in accordance with the terms thereof.

Section 8.3. Other Remedies of the Authority. The Authority shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the Agency or any director, officer or employee thereof, and to compel the Agency or any such director, officer or employee to perform and carry out its or his duties under the Law and the agreements and covenants required to be performed by it or him contained herein;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Authority; or

(c) by suit in equity upon the happening of an Event of Default to require the Agency and its directors, officers and employees to account as the trustee of an express trust.

Notwithstanding anything contained herein, Authority shall have no security interest in or mortgage on the 2020 Project, the Water System or other assets of the Agency and no default hereunder shall result in the loss of the 2020 Project, the Water System, or other assets of the Agency.

Section 8.4. Non-Waiver. Nothing in this article or in any other provision hereof shall affect or impair the obligation of the Agency, which is absolute and unconditional, to pay the 2020 Installment Payments to the Authority at the respective due dates or upon prepayment from the Net Revenues, the Revenue Fund and the other funds herein pledged for such payment, or shall affect or impair the right of the Authority, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein.

A waiver of any default or breach of duty or contract by the Authority shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Authority to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Authority by the Law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Authority.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely to the Authority, the Agency and the Authority shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 8.5. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

ARTICLE IX

DISCHARGE OF OBLIGATIONS

Section 9.1. Discharge of Obligations. When:

(a) all or any portion of the 2020 Installment Payments shall have become due and payable in accordance herewith or a written notice of the Agency to prepay all or any portion of the 2020 Installment Payments shall have been filed with the Trustee; and

(b) there shall have been deposited with the Trustee at or prior to the 2020 Installment Payment Dates or date (or dates) specified for prepayment, in trust for the benefit of the Authority or its assigns and irrevocably appropriated and set aside to the payment of all or any portion of the 2020 Installment Payments, sufficient moneys and non-callable Permitted Investments, issued by the United States of America and described in clauses (a) or (b) of the definition thereof, the principal of and interest on which when due will provide money sufficient to pay all principal, prepayment premium, if any, and interest of such 2020 Installment Payments to their respective 2020 Installment Payment Dates or prepayment date or dates as the case may be; and

(c) provision shall have been made for paying all fees and expenses of the Trustee;

then and in that event, the right, title and interest of the Authority herein and the obligations of the Agency hereunder shall, with respect to all or such portion of the 2020 Installment Payments as have been so provided for, thereupon cease, terminate, become void and be completely discharged and satisfied (except for the right of the Trustee and the obligation of the Agency to have such moneys and such Permitted Investments applied to the payment of such 2020 Installment Payments).

In such event, upon request of the Agency, the Trustee shall cause an accounting for such period or periods as may be requested by the Agency to be prepared and filed with the Agency and shall execute and deliver to the Agency all such instruments as may be necessary or desirable to evidence such total or partial discharge and satisfaction, as the case may be, and, in the event of a total discharge and satisfaction, the Trustee shall pay over to the Agency, after payment of all amounts due the Trustee pursuant to the Indenture, as an overpayment of 2020 Installment Payments, all such moneys or such Permitted Investments held by it pursuant hereto other than such moneys and such Permitted Investments, as are required for the payment or prepayment of the 2020 Installment Payments, which moneys and Permitted Investments shall continue to be held by the Trustee in trust for the payment of the 2020 Installment Payments and shall be applied by the Trustee to the payment of the 2020 Installment Payments of the Agency.

ARTICLE X

MISCELLANEOUS

Section 10.1. Liability of Agency Limited. Notwithstanding anything contained herein, the Agency shall not be required to advance any moneys derived from any source of income other than the Net Revenues and the other funds provided herein and in the Indenture for the payment of the 2020 Installment Payments or for the performance of any agreements or covenants required to be performed by it contained herein. The Agency may, however, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the Agency for such purpose.

The obligation of the Agency to make the 2020 Installment Payments is a special obligation of the Agency payable solely from such Net Revenues and other funds described herein, and does not constitute a debt of the Agency or of the State of California or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

Section 10.2. Benefits of Installment Purchase Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the Agency or the Authority any right, remedy or claim under or pursuant hereto, and any agreement or covenant required herein to be performed by or on behalf of the Agency or the Authority shall be for the sole and exclusive benefit of the other party.

Section 10.3. Successor Is Deemed Included in all References to Predecessor. Whenever either the Agency or the Authority is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the Agency or the Authority, and all agreements and covenants required hereby to be performed by or on behalf of the Agency or the Authority shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 10.4. Waiver of Personal Liability. No director, officer or employee of the Agency shall be individually or personally liable for the payment of the 2020 Installment Payments, but nothing contained herein shall relieve any director, officer or employee of the Agency from the performance of any official duty provided by any applicable provisions of law or hereby.

Section 10.5. Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for

convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith" and other words of similar import refer to the Installment Purchase Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

Section 10.6. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the Agency or the Authority shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof. The Agency and the Authority hereby declare that they would have executed the Installment Purchase Agreement, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 10.7. Assignment. The Installment Purchase Agreement and any rights hereunder may be assigned by the Authority, as a whole or in part, without the necessity of obtaining the prior consent of the Agency.

Section 10.8. Net Contract. The Installment Purchase Agreement shall be deemed and construed to be a net contract, and the Agency shall pay absolutely net during the term hereof the 2020 Installment Payments and all other payments required hereunder, free of any deductions and without abatement, diminution or set-off whatsoever.

Section 10.9. California Law. THE INSTALLMENT PURCHASE AGREEMENT SHALL BE CONSTRUED AND GOVERNED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

Section 10.10. Notices. All written notices to be given hereunder shall be given by mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

If to the Agency: Santa Clarita Valley Water Agency
27234 Bouquet Canyon Road
Santa Clarita, California 91350
Attention: General Manager

If to the Authority: Upper Santa Clara Valley Joint Powers Authority
27234 Bouquet Canyon Road
Santa Clarita, California 91350
Attention: Executive Director

If to the Trustee: U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Global Corporate Trust
Reference: Santa Clarita Valley Water Agency, Series
2020A/B

Section 10.11. Effective Date. The Installment Purchase Agreement shall become effective upon its execution and delivery, and shall terminate when the Purchase Price shall have been fully paid (or provision for the payment thereof shall have been made to the written satisfaction of the Authority and the Trustee).

Section 10.12. Execution in Counterparts. The Installment Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 10.13. Indemnification of Authority. The Agency hereby agrees to indemnify and hold harmless the Authority and its directors, offices and employees if and to the extent permitted by law, from and against all claims, advances, damages and losses, including legal fees and expenses, arising out of or in connection with the acceptance or the performance of its duties hereunder and under the Indenture; provided that no indemnification will be made for willful misconduct, negligence or breach of an obligation hereunder or under the Indenture by the Authority.

Section 10.14. Amendments Permitted.

(a) This Installment Purchase Agreement and the rights and obligations of the Authority, the Agency, the 2020A Bond Owners and the 2020B Bond Owners, and the Trustee hereunder may be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding when the written consents of the Owners of a majority in aggregate principal amount of the 2020A Bonds and 2020B Bonds then Outstanding, exclusive of 2020A Bonds and 2020B Bonds disqualified as provided in Section 9.02 of the Indenture, are filed with the Trustee. No such amendment or supplement shall: (i) reduce the rate of interest on any 2020A Bond or 2020B Bond or extend the time of payment thereof or reduce the amount of principal or redemption premium, if any, of any 2020A Bond or 2020B Bond or extend the maturity thereof or otherwise alter or impair the obligation of the Authority to pay the interest and principal and redemption premium, if any, thereon at the time and place and at the rate and in the currency and from the funds provided therein without the prior written consent of the Owner of the 2020A Bond or 2020B Bond so affected; or (ii) modify any of the rights or obligations of the Trustee without its prior written consent thereto.

(b) This Installment Purchase Agreement and the rights and obligations of the Authority, the Agency, the 2020A Bond Owners, the 2020B Bond Owners and the Trustee hereunder may also be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding upon execution without the written consents of any Owners, but only to the extent permitted by law:

(1) to add to the agreements, conditions, covenants and terms contained herein required to be observed or performed by the Authority or the Agency other agreements, conditions, covenants and terms thereafter to be observed or performed by the Authority or the

Agency, or to surrender any right reserved herein to or conferred herein on the Authority or the Agency, and which in either case shall not adversely affect the interests of the Owners;

(2) to modify, amend or supplement this Installment Purchase Agreement in such a manner as to preserve the exemption of the 2020A Bonds or 2020B Bonds from the registration requirements of the Securities Act of 1933 or any similar federal statute hereafter in effect or to permit the qualification of the Indenture under the Trust Indenture Act of 1939 or any similar federal statute hereinafter in effect;

(3) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which the Authority or the Agency may deem desirable or necessary, and which shall not adversely affect the interests of the Owners;

(4) to the extent required to conform the procedures under this Installment Purchase Agreement to the procedures of the Depository, as such procedures may be in effect from time to time; and

(5) to make any modifications or changes necessary or appropriate in the opinion of Special Counsel to preserve or protect the exclusion from gross income for federal income tax purposes of interest on the 2020A Bonds.

The Agency shall give written notice of any amendment to the Installment Purchase Agreement and the rights and obligations of the Authority and the Agency and the Owners and the Trustee hereunder to Moody's, S&P and Fitch not less than fifteen (15) days prior to the execution thereof.

Section 10.15. Paired Obligation Provider Guidelines. For purposes of Section 5.3 and Section 6.13, Paired Obligations shall comply with the following conditions:

(a) A Paired Obligation Provider shall initially have a long-term rating equal to or better than the Initial Rating Requirement.

(b) So long as the long-term rating of the Paired Obligation Provider is not reduced below the Minimum Rating Requirement, the interest rate evidenced by such Paired Obligation shall be deemed to be equal to the irrevocable fixed interest rate attributable thereto for purposes of Section 5.3 and Section 6.13.

(c) In the event that a Paired Obligation Provider does not maintain the Minimum Rating Requirement and the Agency does not replace such Paired Obligation Provider with another Paired Obligation Provider which maintains the Initial Rating Requirement within ten (10) Business Days of notice that the Paired Obligation Provider has not maintained the Minimum Rating Requirement, interest with respect to such Paired Obligations shall be computed for purposes of Section 5.3 and Section 6.13 without regard to payments to be received from the Paired Obligation Provider.

IN WITNESS WHEREOF, the parties hereto have executed and attested this Installment Purchase Agreement by their officers thereunto duly authorized as of the day and year first written above.

SANTA CLARITA VALLEY WATER AGENCY

By: _____
President of the Board of Directors

(SEAL)

Attest:

Secretary of the Board of Directors

UPPER SANTA CLARA VALLEY JOINT
POWERS AUTHORITY

By: _____
President

Attest:

Secretary

EXHIBIT A

DESCRIPTION OF THE 2020 PROJECT

The Project comprises the following described components:

Castaic Conduit
Distribution System - RV-2 Modifications
ESFP Clearwell/CT Improvements
ESFP Sludge Collection System
ESIPS Pipeline Improvements
Foothill Feeder Connection
Honby Parallel
Magic Mountain Pipeline No. 4
Magic Mountain Pipeline No. 5
Magic Mountain Pipeline No. 6
Magic Mountain Reservoir
Recycled Water Program Phase II, 2A - Central Park
Recycled Water Program Phase II, 2B - Vista Canyon
Recycled Water Program Phase II, 2C - South End
Recycled Water Program Phase II, 2D - West Ranch
Rosedale Rio Bravo Extraction
Solar Panel Termination Price
PFAS Treatment

DESCRIPTION OF THE REFUNDING PROJECT

[TO COME]

EXHIBIT B

CERTIFICATE OF GENERAL MANAGER

I, Matthew Stone, am the duly authorized General Manager of the Santa Clarita Valley Water Agency (the "Agency") and, pursuant to Sections 4.1(b) and (c) and 4.2 of the Installment Purchase Agreement, dated as of February 1, 2020 (the "Agreement"), by and between the Agency and the Upper Santa Clara Valley Joint Powers Authority, set forth the following:

1. The principal amount of payments to be made by the Agency under the Agreement is \$_____.

2. The installment payments are payable in the amounts and on the 2020 Installment Payment Dates with respect to the 2020A Bonds as follows:

<i>2020 Installment Payment Date (Second Business Day Prior To)</i>	<i>Amount Attributable to Principal</i>	<i>Amount Attributable to Interest</i>	<i>Total</i>
	\$	\$	\$

2. The installment payments are payable in the amounts and on the 2020 Installment Payment Dates with respect to the 2020B Bonds as follows:

<i>2020 Installment Payment Date (Second Business Day Prior To)</i>	<i>Amount Attributable to Principal</i>	<i>Amount Attributable to Interest</i>	<i>Total</i>
	\$	\$	\$

Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

Dated: _____, 2020

SANTA CLARITA VALLEY WATER
AGENCY

By: _____
Matthew Stone
General Manager

EXHIBIT C

FORM OF REQUISITION NO. _____ FOR
DISBURSEMENT FROM ACQUISITION FUND

UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY
\$ _____
REVENUE BONDS, SERIES 2020A

The undersigned hereby states and certifies:

(i) that the undersigned is the duly appointed, qualified and acting General Manager of the Santa Clarita Valley Water Agency, an agency duly organized and existing under and by virtue of the laws of the State of California (the "Agency"), and as such, is familiar with the facts herein certified and is authorized to certify the same;

(ii) that, pursuant to Section 3.6 of that certain Installment Purchase Agreement, dated as of February 1, 2020 (the "Installment Purchase Agreement"), by and between the Agency and the Upper Santa Clara Valley Joint Powers Authority, a joint exercise of powers authority duly organized and existing under and by virtue of the laws of the State of California, the undersigned hereby requests the Chief Financial and Administrative Officer of the Agency to disburse this date the following amounts from the Acquisition Fund established under the Installment Purchase Agreement, to the payees designated on the attached Exhibit 1;

(iii) that each obligation mentioned herein has been incurred by the Agency and is a proper charge against the Acquisition Fund;

(iv) that any approval required under the California Environmental Quality Act, as amended (Division 13 of the California Public Resources Code), prior to the expenditure of such amount for the purpose set forth on the attached Exhibit 1 has been received and is final;

(v) that there has not been filed with or served upon the Agency notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the payees named on the attached Exhibit 1, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen's or mechanics' liens accruing by mere operation of law.

SANTA CLARITA VALLEY WATER AGENCY

General Manager

EXHIBIT 1

ACQUISITION FUND DISBURSEMENTS

<i>Item Number</i>	<i>Payee Name and Address</i>	<i>Purpose of Obligation</i>	<i>Amount</i>
_____			_____
_____			_____
_____			_____
_____			_____
_____			_____

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Santa Clarita Valley Water Agency (the "Agency") in connection with the issuance by the Upper Santa Clara Valley Joint Powers Authority (the "Authority") of its \$_____ Upper Santa Clara Valley Joint Powers Authority Revenue Bonds, Series 2020A and Taxable Series 2020B (Federally Taxable) (collectively, the "Bonds"). The Bonds are being issued pursuant to an Indenture of Trust, dated as of February 1, 2020 (the "Indenture of Trust"), by and between U.S. Bank National Association, as trustee (the "Trustee") and the Authority. The Agency covenants and agrees as follows:

1. **Purpose of this Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the Agency for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

2. **Definitions.** In addition to the definitions set forth in the Indenture of Trust, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

Annual Report. The term "Annual Report" means any Annual Report provided by the Agency pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

Beneficial Owner. The term "Beneficial Owner" means any person which: (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Bonds for federal income tax purposes.

EMMA. The term "EMMA" means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures, maintained on the Internet at <http://emma.msrb.org/>.

Fiscal Year. The term "Fiscal Year" means the one-year period ending on the last day of June of each year.

Holder. The term "Holder" means a registered owner of the Bonds.

Installment Purchase Agreement. "Installment Purchase Agreement" means that certain Installment Purchase Agreement executed and entered into as of February 1, 2020, by and between the Agency and the Authority.

Listed Events. The term "Listed Events" means any of the events listed in Sections 5(a) and (b) of this Disclosure Certificate.

Official Statement. The term "Official Statement" means the Official Statement dated _____, 2020 relating to the Bonds.

Participating Underwriter. The term "Participating Underwriter" means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

Rule. The term “Rule” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

3. Provision of Annual Reports.

(a) The Agency shall provide not later than 270 days following the end of its Fiscal Year (commencing with Fiscal Year 2020) to EMMA an Annual Report relating to the immediately preceding Fiscal Year which is consistent with the requirements of Section 4 of this Disclosure Certificate, which Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the Agency is unable to provide to EMMA an Annual Report by the date required in subsection (a), the Agency shall send to EMMA a notice in the manner prescribed by the Municipal Securities Rulemaking Board.

4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) The audited financial statements of the Agency for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Agency’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they come available.

(b) Principal amount of the Bonds outstanding.

(c) An update, for the prior Fiscal Year only, of the information in the following tables or paragraphs under the caption entitled “WATER SUPPLY” in Appendix A of the Official Statement:

[TO COME]

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Agency or related public entities, which have been submitted to EMMA; provided, that if any document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board; and provided further, that the Agency shall clearly identify each such document so included by reference.

5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Agency shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not more than ten (10) Business Days after the event:

1. principal and interest payment delinquencies;

- difficulties;
- 2. unscheduled draws on debt service reserves reflecting financial difficulties;
- 3. unscheduled draws on credit enhancements reflecting financial difficulties;
- 4. substitution of credit or liquidity providers, or their failure to perform;
- 5. adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701-TEB);
- 6. tender offers;
- 7. defeasances;
- 8. ratings changes;
- 9. bankruptcy, insolvency, receivership or similar proceedings; and

Note: For the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

10. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section 5, the Agency shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

- 1. unless described in Section 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
- 2. modifications to the rights of Bond holders;
- 3. optional, unscheduled or contingent Bond redemptions;
- 4. release, substitution or sale of property securing repayment of the Bonds;
- 5. non-payment related defaults;

6. the consummation of a merger, consolidation, or acquisition involving the Agency or the sale of all or substantially all of the assets of the Agency, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

7. appointment of a successor or additional trustee or the change of the name of a trustee;

8. incurrence of a financial obligation, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect Bond holders.

(c) If the Agency determines that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the Agency shall file a notice of such occurrence with EMMA in a timely manner not more than ten (10) Business Days after the event.

(d) For purposes of the events identified in subparagraphs (a)(10) and (b)(8) under this Section 5, the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

6. Termination of Obligation. The Agency’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Agency shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Agency may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that, in the opinion of nationally recognized bond counsel, such amendment or waiver is permitted by the Rule.

8. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Agency chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Agency shall not thereby have any obligation under this Disclosure Certificate to update such information or include it in any future notice of occurrence of a Listed Event.

9. Default. In the event of a failure of the Agency to file an annual report under Section 4 hereof or to file a report of significant event under Section 5 hereof, any Holders or Beneficial Owners of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Agency to comply with its obligations under this Disclosure Certificate to make such filing. Notwithstanding the foregoing, no action may be undertaken by Holders or Beneficial Owners of the Bonds with respect to the adequacy of the

information contained in any such filing or otherwise without the approval in writing of Holders or Beneficial Owners of at least 50% of the aggregate principal amount of the Bonds. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Agency to comply with this Disclosure Certificate shall be an action to compel performance.

No Holder or Beneficial Owner of the Bonds may institute such action, suit or proceeding to compel performance unless they shall have first delivered to the Agency satisfactory written evidence of their status as such, and a written notice of and request to cure such failure, and the Agency shall have refused to comply therewith within a reasonable time.

10. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Agency, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: _____, 2020

SANTA CLARITA VALLEY WATER AGENCY

By: _____
Its: President of the Board of Directors

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ATTACHMENT 4

PURCHASE CONTRACT

\$ _____
UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY
REVENUE BONDS, SERIES 2020A

\$ _____
UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY
REVENUE BONDS, TAXABLE SERIES 2020B

_____, 2020

Upper Santa Clara Valley Joint Powers Authority
27234 Bouquet Canyon Road
Santa Clarita, California 91350-2173

Santa Clarita Water Agency
27234 Bouquet Canyon Road
Santa Clarita, California 91350-2173

Ladies and Gentlemen:

Citigroup Global Markets Inc., as representative (the "Representative") of itself, Goldman Sachs & Co., LLC and Morgan Stanley & Co. LLC (together, the "Underwriters") acting on behalf of themselves and not as an agent or representative of you, offers to enter into this purchase contract (the "Purchase Contract") with the Santa Clarita Valley Water Agency (the "Agency") and the Upper Santa Clara Valley Joint Powers Authority (the "Authority"), which will be binding upon the Agency, the Authority and the Underwriters upon the acceptance hereof by the Agency and the Authority. This offer is made subject to its acceptance by the Agency and the Authority by execution of this Purchase Contract and its delivery to the Representative, on or before 8:00 p.m., California time, on the date hereof. All terms used herein and not otherwise defined shall have the meanings given to such terms in the Official Statement (as hereafter defined).

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriters hereby agree to purchase, and the Authority hereby agrees to cause to be delivered to the Underwriters, all (but not less than all) of \$ _____ aggregate principal amount of the Upper Santa Clara Valley Joint Powers Authority Revenue Bonds, Series 2020A (the "Series 2020A Bonds") and \$ _____ aggregate principal amount of the Upper Santa Clara Valley Joint Powers Authority Revenue Bonds, Taxable Series 2020B (the "Series 2020B Bonds" and, together with the Series 2020A Bonds, the "Bonds"). The Bonds will mature in the amounts and on the dates and bear interest at the rates set forth on Appendix A hereto. The Underwriters will purchase the Series 2020A Bonds for the aggregate purchase price of \$ _____ (representing the

aggregate principal amount of the Series 2020A Bonds [less/plus] a [net] reoffering [discount/premium] of \$_____ and less an underwriting discount of \$_____. The Underwriters will purchase the Series 2020B Bonds for the aggregate purchase price of \$_____ (representing the aggregate principal amount of the Series 2020B Bonds less an underwriting discount of \$_____).

2. Description and Purpose of the Bonds. The Bonds shall be executed and delivered pursuant to an Indenture of Trust dated as of February 1, 2020 (the "Indenture") by and between the Authority and U.S. Bank National Association, as trustee ("U.S. Bank"). The Series Bonds are special limited obligations of the Authority and are payable solely from Revenues and from certain other amounts on deposit in funds and accounts under the Indenture. Revenues will consist primarily of amounts received by the Authority (the "Series 2020 Installment Payments") pursuant to the Installment Purchase Agreement dated as of February 1, 2020 (the "Installment Purchase Agreement"), between the Authority and the Agency and all interest or gain derived from the investment of amounts in any of the funds or accounts established under the Indenture. The obligation of the Agency to make the Series 2020 Installment Payments is a special obligation of the Agency payable solely from the Net Revenues of the Water System (as such terms are defined in the Installment Purchase Agreement) of the Agency. The Bonds shall be as described in the Indenture and the Official Statement dated _____, 2020, relating to the Bonds (which, together with all exhibits and appendices included therein or attached thereto and such amendments or supplements thereto which shall be approved by the Representative, is hereinafter called the "Official Statement").

The Bonds are being issued to (i) finance the acquisition of certain capital improvements to the Agency's Water System, (ii) refund the certain outstanding obligations, and (iii) pay the costs of issuing the Bonds, all as more particularly described in the Official Statement.

3. Public Offering. The Underwriters agree to make an initial bona fide public offering of all the Bonds at the public offering prices set forth on the inside cover page of the Official Statement. Subsequent to the initial public offering, the Underwriters reserve the right to change the initial public offering prices as they deem necessary in connection with the marketing of the Bonds, provided that the Underwriters shall not change the interest rates set forth on Appendix A hereto. The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than initial public offering prices. The Underwriters also reserve the right (i) to engage in transactions that stabilize, maintain or otherwise affect the market price of the Bonds at a level above that which might otherwise prevail in the open market and (ii) to discontinue such transactions, if commenced, at any time.

4. Establishment of Issue Price.

(a) The Representative, on behalf of the Underwriters, agrees to assist the Authority in establishing the issue price of the Series 2020A Bonds and shall execute and deliver to the Authority at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the

Representative, the Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2020A Bonds.

(b) [Except for the Hold-the-Price Maturities described in subsection (c) below and Schedule A attached hereto,] the Authority will treat the first price at which 10% of each maturity of the Series 2020A Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). Schedule I attached hereto sets forth the maturities of the Series 2020A Bonds for which the 10% test has been satisfied as of the date of this Purchase Contract (the “10% Test Maturities”) and the prices at which the Underwriters have sold such 10% Test Maturities to the public.

(c) [With respect to the maturities of the Series 2020A Bonds that are not 10% Test Maturities, as described in Schedule A attached hereto (the “Hold-the-Price Maturities”), the Representative confirms that the Underwriters have offered such maturities of the Series 2020A Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Schedule A attached hereto. The Authority and the Representative, on behalf of the Underwriters, agree that the (i) the Representative shall retain the unsold bonds of each Hold-the-Price Maturity and shall not allocate any such bonds to any other Underwriter and (ii) the restrictions set forth in the next sentence shall apply to the Hold-the-Price Maturities, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Hold-the-Price Maturities, the Representative will neither offer nor sell unsold bonds of such maturity of the Hold-the-Price Maturities to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the Representative has sold at least 10% of that maturity of the Hold-the-Price Maturities to the public at a price that is no higher than the initial offering price to the public.

The Representative shall advise the Authority promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Hold-the-Price Maturities to the public at a price that is no higher than the initial offering price to the public]

(d) The Representative confirms that:

- (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Series 2020A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Series 2020A Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2020A Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% test has been satisfied as to the Series 2020A Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires,

(B) to promptly notify the Representative of any sales of Series 2020A Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2020A Bonds to the public (each such term being used as defined below),

(C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Series 2020A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2020A Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2020A Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2020A Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such underwriter or dealer that the 10% test has been satisfied as to the Series 2020A Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative or such underwriter or dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the underwriter or the dealer and as set forth in the related pricing wires.

(e) The Authority acknowledges that, in making the representations set forth in this subsection, the Representative will rely on (i) the agreement of each underwriter to comply with the requirements for establishing the issue price of the Series 2020A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020A Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2020A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2020A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020A Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the

initial sale of the Series 2020A Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing the issue price of the Series 2020A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020A Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement to adhere to the requirements for establishing issue price of the Series 2020A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020A Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing the issue price of the Series 2020A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020A Bonds.

(f) The Underwriters acknowledge that sales of any Series 2020A Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2020A Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “*public*” means any person other than an underwriter or a related party,

(ii) “*underwriter*” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2020A Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2020A Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2020A Bonds to the public),

(iii) a purchaser of any of the Series 2020A Bonds is a “*related party*” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “*sale date*” means the date of execution of this Purchase Contract by all parties.

5. Delivery of Official Statement. Pursuant to the authorization of the Authority and the Agency, the Underwriters have distributed copies of the Preliminary Official Statement dated

_____, 2020, relating to the Bonds, which, together with the cover page and appendices thereto, is herein called the "Preliminary Official Statement." By their execution of this Purchase Contract, the Authority hereby approves and ratifies the distribution and use by the Underwriters of the Preliminary Official Statement (other than Appendices __, __, __, and __ to the Preliminary Official Statement) and the Agency hereby approves and ratifies the distribution and use by the Underwriters of Appendices __, __, __, and __ to the Preliminary Official Statement (the "Agency Portion"). The Authority agrees to execute and deliver a final Official Statement in substantially the same form as the Preliminary Official Statement with such changes as may be made thereto with the consent of the Authority and/or the Agency and the Representative, as appropriate, and to provide copies thereof to the Underwriters as set forth in Paragraph 7(a)(xiv) hereof. The Agency and the Authority hereby authorize the Underwriters to use and distribute, in connection with the offer and sale of the Bonds: the Preliminary Official Statement, the Official Statement, the Indenture, the Installment Purchase Agreement, the Escrow Agreements (as hereinafter defined), the Continuing Disclosure Certificate (as hereinafter defined), and other documents or contracts to which the Agency or the Authority is a party in connection with the transactions contemplated by this Purchase Contract, including this Purchase Contract and all information contained herein, and all other documents, certificates and statements furnished by the Agency or the Authority to the Underwriters in connection with the transactions contemplated by this Purchase Contract.

6. The Closing. At 8:00 a.m., California time, on _____, 2020, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the Agency, the Authority and the Representative, the Agency and the Authority will cause to be executed and delivered (i) the Bonds in book-entry form through the facilities of The Depository Trust Company, or its agent, on behalf of the Representative, and (ii) the closing documents hereinafter mentioned at the offices of Stradling Yocca Carlson & Rauth, a Professional Corporation ("Bond Counsel") in Newport Beach, California or another place to be mutually agreed upon by the Agency, the Authority and the Representative. The Underwriters will accept such delivery of the Bonds and pay the purchase price of such Bonds as set forth in Section 1 hereof in immediately available funds to the order of the Agency. This payment for and delivery of the Bonds, together with the execution and delivery of the aforementioned documents, is herein called the "Closing."

7. (a) Agency Representations, Warranties and Covenants. The Agency represents, warrants and covenants to the Underwriters that:

(i) Due Organization, Existence and Authority. The Agency is an agency duly organized and existing under the Constitution and laws of the State of California (the "State"), with full right, power and authority to execute, deliver and perform its obligations under this Purchase Contract, the Installment Purchase Agreement, the hereinafter defined Continuing Disclosure Certificate, the Escrow Agreement (2010A), dated as of February 1, 2020 by and between the Agency and U.S. Bank as escrow agent (the "2010A Escrow Agreement") (collectively, the "Agency Documents") and to carry out and consummate the transactions contemplated by the Agency Documents and the Agency Portion of the Official Statement.

(ii) Due Authorization and Approval. By all necessary official action of the Agency, the Agency has duly authorized and approved the execution and delivery of and

the performance by the Agency of the obligations contained or described in the Agency Portion of the Preliminary Official Statement, the Agency Portion of the Official Statement and the Agency Documents and as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, each Agency Document will constitute the legally valid and binding obligation of the Agency enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws or equitable principles relating to or affecting creditors' rights generally or by the exercise of judicial discretion in appropriate cases or by limitations on legal remedies against public agencies in the State.

(iii) Agency Portion of Official Statement Accurate and Complete. The Agency Portion of the Preliminary Official Statement was as of its date, and the Agency Portion of the Official Statement is, and at all times subsequent to the date of the Official Statement up to and including the Closing will be, true and correct in all material respects, and the Agency Portion of the Preliminary Official Statement and the Agency Portion of the Official Statement contain, and up to and including the Closing, will contain no misstatement of any material fact and do not, and up to and including the Closing, will not omit any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading (except no representation is made with respect to information relating to DTC or DTC's book-entry system or any information provided by the Underwriters for inclusion in the Preliminary Official Statement or the Official Statement, including but not limited to the information contained under the caption "Underwriting" (collectively, the "Excluded Information").

(iv) Underwriters' Consent to Amendments and Supplements to Agency Portion of the Official Statement. The Agency will advise the Representative promptly of any proposal to amend or supplement the Agency Portion of the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Representative, which consent will not be unreasonably withheld. The Agency will advise the Representative promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Agency Portion of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(v) Agency Agreement to Amend or Supplement Agency Portion of the Official Statement. If after the date of this Purchase Contract and until 25 days after the end of the "underwriting period" (as defined in Section 240 15c2-12 in Chapter II of Title 17 of the Code of Federal Regulations ("Rule 15c2-12")), any event occurs as a result of which the Agency Portion of the Official Statement as then amended or supplemented would include an untrue statement of a material fact, or omit to state any material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, and, in the reasonable opinion of the Representative, an amended or supplemented Official Statement should be delivered in connection with the offers or sales of the Bonds to reflect such event, the Agency promptly will prepare at its expense an amendment or supplement which will correct such statement or omission and the Agency shall promptly furnish to the Representative a reasonable number of copies of such amendment or supplement. The Underwriters hereby agree to deposit the Official Statement with the Municipal Securities

Rulemaking Board (the “MSRB”). The Underwriters acknowledge that the end of the “underwriting period” will be the date of Closing.

(vi) No Material Change in Finances. Except as otherwise described in the Agency Portion of the Official Statement, there shall not have been any material adverse changes in the financial condition of the Agency since the end of the fiscal year ending June 30, 2019.

(vii) No Breach or Default. As of the time of acceptance hereof, (A) the Agency is not in default, nor has it been in default, as to principal or interest with respect to an obligation issued or incurred by the Agency, and (B) the Agency is not and will not be, in any manner which would materially adversely affect the transactions contemplated by the Agency Documents, in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Agency is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute, in any manner which would materially adversely affect the transactions contemplated by the Agency Documents, a default or event of default under any such instrument; and, as of such time, the authorization, execution and delivery of the Agency Documents and compliance with the provisions of each of such agreements or instruments do not and will not, in any manner which would materially adversely affect the transactions contemplated by the Agency Documents, conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Agency (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the Agency Documents.

(viii) No Litigation. As of the time of acceptance hereof and as of the date of Closing, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending or, except as disclosed in the Official Statement, to the best knowledge of the Agency after due investigation, threatened (A) in any way questioning the corporate existence of the Agency or the titles of the officers of the Agency to their respective offices; (B) affecting, contesting or seeking to prohibit, restrain or enjoin the execution or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds or the Agency Documents or the consummation of the transactions contemplated thereby, or contesting the exclusion of the interest on the Series 2020A Bonds from gross income for federal income tax purposes, or contesting the powers of the Agency to enter into the Agency Documents; (C) which may result in any material adverse change to the financial condition of the Agency or to its ability to pay the Series 2020 Installment Payments when due; or (D) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a

material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (A) through (D) of this sentence.

(ix) Prior Liens on Net Revenues. Other than the Senior Obligations (as defined in the Installment Purchase Agreement), the Agency does not and will not, as of the date of Closing, have outstanding any other indebtedness which indebtedness is secured by a lien on the Net Revenues (as defined in the Installment Purchase Agreement) superior to the lien of the Series 2020 Installment Payments on the Net Revenues. Other than the Installment Payments pursuant to the 2018A Installment Purchase Agreement, the Agency will not, as of the date of Closing, have outstanding any other indebtedness which indebtedness is secured by a lien on the Net Revenues on a parity with the lien of the Series 2020 Installment Payments on the Net Revenues.

(x) Further Cooperation: Blue Sky. The Agency will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request in order (A) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Representative may designate and (B) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the Agency shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(xi) Consents and Approvals. All authorizations, approvals, licenses, permits, consents and orders of or filings with any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Agency of its obligations in connection with, the Agency Documents or the prepayments of the Refunded Obligations have been duly obtained or made, except as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds.

(xii) No Other Obligations. Between the date of this Purchase Contract and the date of Closing and except as otherwise disclosed in the Official Statement, the Agency will not, without the prior written consent of the Representative, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, directly or contingently payable from the Net Revenues.

(xiii) Certificates. Any certificate signed by any official of the Agency and delivered to any of the Underwriters shall be deemed to be a representation and warranty by the Agency to the Underwriters as to the statements made therein.

(xiv) Compliance with Rule 15c2-12. The Agency Portion of the Preliminary Official Statement heretofore delivered to the Underwriters has been deemed final

by the Agency as of the date of the Preliminary Official Statement, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(i) of Rule 15c2-12. The Agency hereby covenants and agrees that, within seven business days from the date hereof, it shall cause a final form of the Official Statement to be delivered to the Underwriters in sufficient quantity to comply with paragraph (b)(4) of Rule 15c2-12 and Rules of the MSRB.

(xv) Continuing Disclosure. Other than as disclosed in the Official Statement, during the past five years, the Agency has not failed to comply in any material respect with any continuing disclosure undertaking previously entered into by the Agency pursuant to Rule 15c2-12 of the Securities and Exchange Commission. The Agency will undertake, pursuant to a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”), to provide annual reports and notices of certain events in accordance with the requirements of Rule 15c2-12. A form of the Continuing Disclosure Certificate is set forth in an Appendix to the Official Statement relating to the Agency.

(b) Authority Representations, Warranties and Covenants. The Authority represents, warrants and covenants to the Underwriters that:

(i) Due Organization, Existence and Authority. The Authority is a joint exercise of powers agency duly organized and existing under the Constitution and laws of the State, with full right, power and authority to execute, deliver and perform its obligations under this Purchase Contract, the Installment Purchase Agreement, the Escrow Agreement (2015A), dated as of February 1, 2020, by and between the Authority and U.S. Bank, as escrow agent (the “2015A Escrow Agreement”), the Escrow Agreement (2016A), dated as of February 1, 2020, by and between the Authority and U.S. Bank, as escrow agent (the “2016A Escrow Agreement”), the Escrow Agreement (2017A), dated as of February 1, 2020, by and between the Authority and U.S. Bank, as escrow agent (the “2017A Escrow Agreement” and, collectively with the 2010A Escrow Agreement, the 2015A Escrow Agreement and the 2016A Escrow Agreement, the “Escrow Agreements”) and the Indenture (collectively, the “Authority Documents”), and to carry out and consummate the transactions contemplated by the Authority Documents and the Official Statement, excluding the Agency Portion (the “Authority Portion”).

(ii) Due Authorization and Approval. By all necessary official action of the Authority, the Authority has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations contained or described in the Preliminary Official Statement, the Official Statement and the Authority Documents and as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, each Authority Document will constitute the legally valid and binding obligation of the Authority enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws or equitable principles relating to or affecting creditors’ rights generally or by the exercise of judicial discretion in appropriate cases or by limitations on legal remedies against public agencies in the State.

(iii) Authority Portion of the Official Statement Accurate and Complete. The Authority Portion of the Preliminary Official Statement was as of its date, and the Authority Portion of the Official Statement is, and at all times subsequent to the date of the

Official Statement up to and including the Closing will be, true and correct in all material respects, and the Authority Portion of the Preliminary Official Statement and the Authority Portion of the Official Statement contain, and up to and including the Closing, will contain no misstatement of any material fact and do not, and up to and including the Closing, will not omit any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading (except no representation is made with respect to information relating to the Excluded Information).

(iv) Representative's Consent to Amendments and Supplements to Authority Portion of the Official Statement. The Authority will advise the Representative promptly of any proposal to amend or supplement the Authority Portion of the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Representative, which consent will not be unreasonably withheld. The Authority will advise the Representative promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Authority Portion of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(v) Authority Agreement to Amend or Supplement Authority Portion of the Official Statement. If after the date of this Purchase Contract and until 25 days after the end of the "underwriting period" (as defined in Rule 15c2-12), any event occurs as a result of which the Authority Portion of the Official Statement as then amended or supplemented would include an untrue statement of a material fact, or omit to state any material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, and, in the reasonable opinion of the Representative, an amended or supplemented the Official Statement should be delivered in connection with the offers or sales of the Bonds to reflect such event, the Authority promptly will prepare at its expense an amendment or supplement which will correct such statement or omission and the Authority shall promptly furnish to the Underwriters a reasonable number of copies of such amendment or supplement. The Representative hereby agrees to deposit the Official Statement with the MSRB. The Underwriters acknowledge that the end of the "underwriting period" will be the date of the Closing.

(vi) Compliance with Rule 15c2-12. The Authority Portion of the Preliminary Official Statement heretofore delivered to the Underwriters has been deemed final by the Authority as of the date of the Preliminary Official Statement, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(i) of Rule 15c2-12. The Authority hereby covenants and agrees that, within seven business days from the date hereof, it shall cause a final form of the Official Statement to be delivered to the Underwriters in sufficient quantity to comply with paragraph (b)(4) of Rule 15c2-12 and Rules of the MSRB.

8. Closing Conditions. The Underwriters have entered into this Purchase Contract in reliance upon the representations, warranties and covenants herein and the performance by the Agency and the Authority of their respective obligations hereunder, both as of the date hereof and as of the date of the Closing. The Underwriters' obligations under this Purchase Contract are and shall be subject to the following additional conditions:

(a) Bring-Down Representation. The representations, warranties and covenants of the Agency and the Authority contained herein, shall be true, complete and correct at the date hereof and at the time of the Closing, as if made on the date of the Closing.

(b) Executed Agreements and Performance Thereunder. At the time of the Closing (i) the Agency Documents and the Authority Documents shall be in full force and effect, and shall not have been amended, modified or supplemented except with the written consent of the Representative, (ii) there shall be in full force and effect such resolutions (the "Resolutions") as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated by the Official Statement, the Agency Documents and the Authority Documents, (iii) the Agency shall perform or have performed its obligations required or specified in the Agency Documents to be performed at or prior to Closing, (iv) the Authority shall perform or have performed its obligations required or specified in the Authority Documents to be performed at or prior to Closing, and (v) the Official Statement shall not have been supplemented or amended, except pursuant to Paragraphs 7(a)(iv), 7(a)(v), 7(b)(iv), and 7(b)(v) hereof or as otherwise may have been agreed to in writing by the Representative.

(c) No Default. At the time of the Closing, no default, or any event that with the passage of time would be reasonably likely to result in default, shall have occurred or be existing under the Resolutions, the Authority Documents, the Agency Documents, or any other agreement or document pursuant to which any of the Agency's financial obligations were issued and the Agency shall not be in default in the payment of principal or interest on any of its financial obligations which default would materially adversely impact the ability of the Agency to make the Series 2020 Installment Payments.

(d) Termination Events. The Representative shall have the right to terminate this Purchase Contract, without liability therefor, by written notification to the Agency if at any time at or prior to the Closing:

(i) any event shall occur which causes any statement contained in the Official Statement to be materially misleading or results in a failure of the Official Statement to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading; or

(ii) the marketability of the Bonds or the market price thereof, in the opinion of the Representative, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of this Purchase Contract in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a

Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or State court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State authority materially adversely affecting the federal or State tax status of the Agency, or the status of the interest on bonds or notes or obligations of the general character of the Bonds; or

(iii) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered which, in the reasonable opinion of the Representative, materially adversely affects the market price of the Bonds; or

(iv) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the execution, delivery, offering or sale of obligations of the general character of the Bonds, or the execution, delivery, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(v) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which restrictions in the reasonable opinion of the Representative materially adversely affect the Underwriters' ability to market, sell or trade the Bonds; or

(vi) a general banking moratorium shall have been established by federal or state authorities or any material disruption in commercial banking or securities settlement or clearance services shall have occurred which moratorium or disruption in the reasonable opinion of the Representative materially adversely affects the Underwriters' ability to market or deliver the Bonds; or

(vii) the United States has become engaged in hostilities which have resulted in a declaration of war or a national emergency or there has occurred any other outbreak or escalation of currently existing hostilities or a national or international calamity or crises, financial or otherwise, the effect of such outbreak, escalation, calamity or crisis on the financial markets of the United States, being such as, in the reasonable opinion of the Representative, would affect materially and adversely the ability of the Underwriters to market or deliver the Bonds; or

(viii) any rating of the securities of the Authority or the Agency reflecting the creditworthiness of the Agency shall have been downgraded, suspended or

withdrawn by a national rating service, which, in the reasonable opinion of the Representative, materially adversely affects the marketability or market price of the Bonds; or

(ix) the commencement of any action, suit or proceeding described in Paragraph 7(a)(viii) hereof which, in the reasonable judgment of the Underwriters, materially adversely affects the market price of the Bonds; or

(x) there shall be in force a general suspension of trading on the New York Stock Exchange.

(e) Closing Documents. At or prior to the Closing, the Underwriters shall receive with respect to the Bonds the following documents:

(i) Bond Opinion. An approving opinion of Bond Counsel dated the date of the Closing and substantially in the form included as Appendix __ to the Official Statement, together with a letter from such counsel, dated the date of the Closing and addressed to the Representative, to the effect that the foregoing opinion addressed to the Authority may be relied upon by the Underwriters to the same extent as if such opinion were addressed to it.

(ii) Supplemental Opinion. A supplemental opinion or opinions of Bond Counsel addressed to the Representative, in form and substance acceptable to the Representative, and dated the date of the Closing substantially to the following effect:

(A) The Purchase Contract has been duly authorized, executed and delivered by the Agency and, assuming due authorization, execution and delivery by the other parties thereto is a valid and binding agreement of the Agency enforceable in accordance with its terms, except that the rights and obligations under the Purchase Contract are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State; and

(B) The statements contained in the Official Statement on the cover page and under the captions ["INTRODUCTION," "THE 2020 BONDS," "SECURITY FOR THE 2020 BONDS," "CONSTITUTIONAL PROVISIONS," and "TAX MATTERS"] and in Appendix __ and Appendix __ thereto, insofar as such statements purport to summarize certain provisions of the Bonds, the Indenture, the Installment Purchase Agreement, State law and Bond Counsel's opinions concerning certain federal tax matters relating to the Bonds, present a fair and accurate summary of such provisions.

(iii) Defeasance Opinion. A defeasance opinion of Bond Counsel with respect to the obligations refunded from proceeds of the Bonds to the extent required by the instruments authorizing such obligations.

(iv) Agency Counsel Opinion. An opinion of Best Best & Krieger, LLP, co-general counsel to the Agency, dated the date of the Closing and addressed to the Representative, in form and substance acceptable to the Representative substantially to the following effect:

(A) The Agency is a public entity duly organized and validly existing under the Constitution and the laws of the State, and has all the necessary power and authority to enter into and perform its duties under the Agency Documents;

(B) The resolution authorizing the Agency Documents has been duly adopted or ratified by the Agency;

(C) Each of the Agency Documents has been duly authorized, executed and delivered by the Agency and each constitutes a legal, valid, binding and enforceable obligation of the Agency;

(D) The execution and delivery of the Agency Documents by the Agency and compliance by the Agency with the provisions thereof, will not conflict with, or constitute or with the giving of notice or the passage of time would constitute, a breach of or default under the Agency's duties under Article 34(a) of the Contract between the State of California Department of Water Resources and Castaic Lake Water Agency for a Water Supply, entered into on April 30, 1963, by and between the State of California Department of Water Resources and the Agency and Resolution No. 178 of the Agency adopted on December 8, 1976 or the Purchase Agreement with Buena Vista Water Storage District and Rosedale-Rio Bravo Water Storage District for 11,000 acre feet of water per year for a term ending December 31, 2036 and as extended consistent with the extension of the State Water Contract or under any existing law or administrative rule or regulation, or, to the best knowledge of such counsel, any court order or decree, or any agreement, contract or other instrument to which the Agency is a party or is otherwise subject or bound;

(E) Because the primary purpose of such counsel's professional engagement was not to establish factual matters and because of the wholly or partially non-legal character of many determinations involved in the preparation of the Preliminary Official Statement and the Official Statement, such counsel is not passing upon and does not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement and the Official Statement and makes no representation that it has independently verified the accuracy, completeness or fairness of any such statements. However, in such counsel's capacity as general counsel for the Agency, such counsel advises that no information has come to its attention to lead it to believe that, as of its date the Preliminary Official Statement, and as of the date hereof and as of the Closing Date, the Official Statement (excluding therefrom all reports, financial and statistical data and forecasts therein, and the appendices thereto, the information contained under the caption "UNDERWRITING," and "CONTINUING DISCLOSURE UNDERTAKING" and the Excluded Information (as to which such counsel expresses no opinion)) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(F) Except as otherwise disclosed in the Official Statement, there is no litigation, proceeding, action, suit, or investigation (or any basis therefor) at law or in equity before or by any court, governmental agency or body, pending or, to such counsel's best knowledge, threatened, against the Agency challenging the creation, organization or existence of the Agency, or the validity of the Agency Documents or seeking to restrain or enjoin the

payment of the Series 2020 Installment Payments or in any way contesting or affecting the validity of the Agency Documents or any of the transactions referred to therein or contemplated thereby or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereto, or contesting the authority of the Agency to enter into or perform its obligations under any of the Agency Documents, or under which a determination adverse to the Agency would have a material adverse effect upon the financial condition or the revenues of the Agency, or which, in any manner, questions or affects the right or ability of the Agency to enter into the Agency Documents or affects in any manner the right or ability of the Agency to make the Series 2020 Installment Payments.

(v) Authority Counsel Opinion. An opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, special counsel to the Authority, dated the date of the Closing and addressed to the Representative, in form and substance acceptable to the Representative substantially to the following effect:

(A) The Authority is a joint exercise of powers agency, duly created and lawfully existing under the laws and Constitution of the State;

(B) The Authority Documents have been authorized by all necessary corporate action on the part of the Authority, have been duly executed and delivered by the Authority and, assuming due authorization, execution and delivery by the other parties thereto, the Authority Documents constitute legally valid and binding obligations of the Authority, enforceable against the Authority in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations or legal remedies against public agencies in the State;

(C) To the best of such counsel's knowledge after due inquiry, the execution and delivery of the Authority Documents and compliance with the provisions thereof; under the circumstances contemplated thereby, do not and will not conflict with any existing law, regulation, court order or consent decree to which the Authority is subject or constitute on the part of the Authority a breach of or default under any agreement or other instrument to which the Authority is a party or by which it is bound;

(D) The Authority Portion of the Official Statement has been prepared by, or on behalf of, the Authority and the Official Statement has been executed on its behalf by the President of the Authority's Board of Directors; and

(E) Based on the information made available to such counsel, and without having undertaken to determine independently or assume any responsibility for the accuracy, completeness or fairness of the statements contained therein, the information in the Official Statement relating to the Authority under the captions "INTRODUCTION," "THE AUTHORITY," and "LITIGATION—The Authority" is true and accurate to the best of such counsel's knowledge at and as of the date of the Official Statement and at and as of the date of Closing.

(vi) U.S. Bank Counsel Opinion. The opinion of counsel to U.S. Bank, dated the date of the Closing, addressed to the Agency and the Representative, to the effect that:

(A) U.S. Bank is a national banking association duly organized and validly existing under the laws of the jurisdiction of its origin and has the corporate power to execute and deliver the Indenture and the Escrow Agreements (together, the "U.S. Bank Documents") and to perform its obligations under the U.S. Bank Documents;

(B) The execution and delivery by U.S. Bank of the U.S. Bank Documents and any other documentation relating to the U.S. Bank Documents and its performance of its obligations under the U.S. Bank Documents, have been and are as of the date hereof duly authorized by all necessary corporate action;

(C) No approval, authorization or other action by, or filing with, any governmental body or regulatory authority (which has not been obtained) is required in connection with the due execution, delivery and performance by U.S. Bank of the U.S. Bank Documents; and

(D) The U.S. Bank Documents have been duly executed and delivered and constitute the valid and legally binding obligations of U.S. Bank enforceable against it in accordance with their terms except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought as a proceeding in equity or at law).

(vii) Underwriters' Counsel Opinion. A letter from Gilmore & Bell, P.C., counsel to the Underwriters ("Underwriters' Counsel"), dated the date of Closing and addressed to the Underwriters to the effect that:

(A) Such counsel is of the opinion that the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended;

(B) Such counsel is of the opinion that the provisions of the Continuing Disclosure Certificate comply with the provisions of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended; and

(C) While such counsel has not verified and is not passing upon and does not assume responsibility for, the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement, such counsel has participated in conferences with representatives of and counsel for the Agency and the Authority and Bond Counsel and representatives of the Underwriters at which the contents of the Preliminary Official Statement and the Official Statement were discussed and revised. Based on such counsel's representation of the Underwriters in connection with the issuance of the Bonds, no facts came to the attention of the attorneys in such firm rendering legal services in connection with such representation which caused such counsel to believe that the Preliminary Official Statement contained, as of its date, or the Official Statement contained as of its date or as of the date of Closing contains any untrue statement of a material fact or omitted or omits to state a

material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading (except that no opinion or belief is expressed as to (i) the expressions of opinion, the assumptions, the projections, the financial statements, or other financial, numerical, economic, demographic or statistical data contained in the Official Statement, (ii) the information with respect to DTC and its book-entry system, (iii) the information contained in Appendices __, __, and __ to the Official Statement) or (iv) the Excluded Information.

(viii) Agency Certificate. A certificate of the Agency, dated the date of the Closing, signed on behalf of the Agency by the General Manager or other duly authorized officer of the Agency to the effect that:

(A) The representations, warranties and covenants of the Agency contained in the Purchase Contract are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing and the Agency has complied with all of, the terms and conditions of the Purchase Contract required to be complied with by the Agency at or prior to the date of the closing;

(B) No event affecting the Agency has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements in the Agency Portion of the Official Statement, in the light of the circumstances under which they were made, not misleading (except no representation is made with respect to information relating to the Excluded Information); and

(C) No event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute an event of default under the Agency Documents.

(ix) Authority Certificate. A certificate of the Authority, dated the date of the Closing, signed on behalf of the Authority by a duly authorized officer of the Authority to the effect that:

(A) The representations, warranties and covenants of the Authority contained in the Purchase Contract are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing and the Authority has complied with all of the terms and conditions of the Purchase Contract required to be complied with by the Authority at or prior to the date of the closing;

(B) No event affecting the Authority has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements in the Authority Portion of the Official Statement, in the light of the circumstances under which they were made, not misleading (except no representation is made with respect to information relating to the Excluded Information); and

(C) No event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute an event of default under the Authority Documents.

(x) Certificate of U.S. Bank. A certificate, dated the date of Closing, signed by a duly authorized official of U.S. Bank satisfactory in form and substance to the Representative, to the effect that:

(A) U.S. Bank is duly organized and existing as a national banking association under the laws of the United States of America, having the full corporate power and authority to enter into and perform its duties under the U.S. Bank Documents;

(B) U.S. Bank is duly authorized to enter into the U.S. Bank Documents and has duly executed and delivered the U.S. Bank Documents, and assuming due authorization and execution by the other parties thereto, the U.S. Bank Documents are legal, valid and binding upon U.S. Bank, and enforceable against U.S. Bank in accordance with their terms;

(C) U.S. Bank, acting as the trustee under the Indenture, has duly executed the Bonds under the Indenture and delivered the Bonds to or upon the order of the Underwriters; and

(D) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of U.S. Bank that has not been obtained is or will be required for the execution and delivery of the Bonds or the consummation by U.S. Bank of its obligations under the U.S. Bank Documents.

(xi) Transcripts. Two transcripts of all proceedings relating to the authorization, execution and delivery of the Bonds.

(xii) Official Statement. The Official Statement and each supplement or amendment, if any, thereto, executed on behalf of the Authority by duly authorized officers thereof.

(xiii) Documents. An original executed copy of each of the Authority Documents and each of the Agency Documents.

(xiv) Agency Resolution. A certified copy of each resolution of the Agency authorizing the Agency Documents, certified by the Secretary for the Agency.

(xv) Authority Resolution. A certified copy of each Authority Resolution, certified by the Secretary or Assistant Secretary of the Authority.

(xvi) Resolution of U.S. Bank. A certified copy of the general resolution of U.S. Bank authorizing the execution and delivery of certain documents by certain officers and employees of U.S. Bank, which resolution authorizes the execution and delivery of the U.S. Bank Documents by U.S. Bank.

(xvii) 15c2-12 Certificates of the Agency and the Authority. Certificates of the Agency and the Authority “deeming final” their respective portions of the Preliminary Official Statement for purposes of Rule 15c2-12.

(xviii) Tax Certificate. A tax certificate with respect to the Series 2020A Bonds in form satisfactory to Bond Counsel.

(xix) 8038-G. Evidence that the federal tax information form 8038-G relating to the Series 2020A Bonds has been prepared for filing.

(xx) CDIAC Statements. A copy of Notices of Sale required to be delivered to the California Debt Investment Advisory Commission pursuant to Sections 8855(g) and 53583 of the California Government Code.

(xxi) Rating. Evidence from S&P Global Ratings, a Standard & Poor’s Financial Services LLC business that the Bonds have been assigned a rating of “_____.”

(xxii) Continuing Disclosure Certificate. An executed copy of the Continuing Disclosure Certificate.

(xxiii) Verification Report. A verification report of _____, certified public accountants, as described in the Official Statement.

(xxiv) Additional Documents. Such additional certificates, instruments and other documents as the Underwriters may reasonably deem necessary.

If the Agency or the Authority shall be unable to satisfy the conditions contained in this Purchase Contract, or if the obligations of the Underwriters shall be terminated by the Representative for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and none of the Representative, the Underwriters, the Agency nor the Authority shall be under further obligation hereunder, except as further set forth in Section 9 hereof.

9. Expenses. (a) The Underwriters shall be under no obligation to pay and the Agency shall pay or cause to be paid the expenses incident to the performance of the obligations of the Agency hereunder including but not limited to (a) the costs of the preparation and printing, or other reproduction (for distribution on or prior to the date hereof) of the Agency Documents and the Authority Documents and the cost of preparing, printing, issuing and delivering the Bonds; (b) the fees and disbursements of any counsel, municipal advisors, accountants or other experts or consultants retained by the Agency and the Authority; (c) the fees and disbursements of Bond Counsel, general counsel to the Agency, and special counsel to the Authority; (d) the fees and disbursements of the rating agency; (e) the cost of printing and distributing the Preliminary Official Statement and any supplements and amendments thereto and the cost of printing and distributing the Official Statement and any supplements and amendments thereto, including a reasonable number of copies thereof for distribution by the Underwriters; (f) expenses (included in the expense component of the Underwriters’ spread) incurred on behalf of the Agency’s officers or employees which are incidental to implementing this Purchase Contract, including, but not limited to, meals, transportation, and lodging of those officers or employees; (g) CUSIP Service Bureau fees and charges; and (h) Trustee fees.

(b) The Underwriters are required to pay fees to the CDIAC in connection with the offering of the Bonds. Notwithstanding that such fees are solely the legal obligation of the Underwriters, the Agency agrees to reimburse the Underwriters for such fees.

(c) The Underwriters shall pay (from the expense component of the underwriting spread): (i) the cost of preparation and printing of this Purchase Contract and the Preliminary and Supplemental Blue Sky Memorandum; (ii) all advertising expenses and Blue Sky filing fees in connection with the public offering of the Bonds; and (iii) the fees of Digital Assurance Certification, L.L.C. for a continuing disclosure undertaking compliance review; and (iv) all other expenses incurred by the Underwriters in connection with the public offering of the Bonds, including the fees and disbursements of Underwriters' Counsel.

10. Notice. Any notice or other communication to be given to the Agency under this Purchase Contract may be given by delivering the same in writing to:

Santa Clarita Valley Water Agency,
27234 Bouquet Canyon Road
Santa Clarita, California 91350-2173
Attention: General Manager

Any notice or other communication to be given to the Authority under this Purchase Contract may be given by delivering the same in writing to:

Upper Santa Clara Valley Joint Powers Authority
27234 Bouquet Canyon Road
Santa Clarita, California 91350-2173
Attention: Executive Director

Any notice or other communication to be given to the Underwriters under this Purchase Contract may be given by delivering the same in writing to the Representative:

Citigroup Global Markets Inc.
444 South Flower Street, 27th Floor
Los Angeles, California 90071
Attention: Cameron Parks, Director

11. Entire Agreement. This Purchase Contract, when accepted by the Agency and the Authority, shall constitute the entire agreement among the Agency, the Authority and the Underwriters with respect to the subject matter hereof and is made solely for the benefit of the Agency, the Authority and the Underwriters (including the successors of the Underwriters). No other person shall acquire or have any right hereunder by virtue hereof, except as provided herein. All of the representations, warranties and agreements of the Agency and the Authority in this Purchase Contract shall remain operative and in full force and effect except as otherwise provided herein, regardless of any investigations made by or on behalf of the Underwriters and shall survive the delivery of and payment for the Bonds.

12. No Advisory or Fiduciary Role. The Agency and Authority acknowledge and agree that (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm's-

length commercial transaction among the Agency, the Authority and the Underwriters, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriters are and have been acting solely as a principal and are not acting as the agent, advisor or fiduciary of the Agency or the Authority, (iii) the Underwriters have not assumed an advisory, fiduciary or municipal advisory responsibility in favor of the Agency or the Authority with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the Agency and the Authority on other matters) and the Underwriters have no obligation to the Agency or the Authority with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Contract and (iv) the Agency and Authority have consulted their own legal, financial, municipal advisory, and other advisors to the extent deemed appropriate.

13. Counterparts. This Purchase Contract may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

14. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

15. STATE LAW GOVERNS. THE VALIDITY, IN INTERPRETATION AND PERFORMANCE OF THIS PURCHASE CONTRACT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

16. No Assignment. The rights and obligations created by this Purchase Contract shall not be subject to assignment by the Underwriters, the Authority or the Agency without the prior written consent of the other party hereto.

CITIGROUP GLOBAL MARKETS INC., as
Representative of itself GOLDMAN
SACHS & CO., LLC and MORGAN
STANLEY & CO. LLC

By: _____
Director

Accepted as of the date
first stated above:

SANTA CLARITA VALLEY WATER AGENCY

By: _____
General Manager

UPPER SANTA CLARA VALLEY JOINT
POWERS AUTHORITY

By: _____
Treasurer

APPENDIX A

\$ _____
UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY
REVENUE BONDS, SERIES 2020A

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Pricing</u> <u>Rule</u>
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\$ _____
UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY
REVENUE BONDS, TAXABLE SERIES 2020B

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
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EXHIBIT B

\$ _____
UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY
REVENUE BONDS,
SERIES 2020A

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Citigroup Global Markets Inc., on behalf of itself and as representative (the "Representative") of Goldman Sachs & Co., LLC and Morgan Stanley & Co. LLC (together, the "Underwriting Group"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Series 2020A Bonds").

The Representative, Santa Clara Valley Water Agency and the Upper Santa Clara Valley Joint Powers Authority (the "Issuer"), have executed a Purchase Contract (the "Purchase Contract") in connection with the Series 2020A Bonds on the Sale Date. The Representative has not modified the Purchase Contract since its execution on the Sale Date.

1. ***Sale of the Series 2020A Bonds.*** As of the date of this certificate, for each Maturity of the Series 2020A Bonds, the first price at which at least 10% of such Maturity of the Series 2020A Bonds was sold to the Public is the respective price listed in Schedule A.

a) [Initial Offering Price of the Hold-the-Offering-Price Maturities.

i) The Underwriters offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Series 2020A Bonds is attached to this certificate as Schedule B.

ii) As set forth in the Purchase Contract, the Underwriters have agreed in writing that, (i) the Representative would retain the unsold Series 2020A Bonds of each Hold-the-Offering-Price Maturity and not allocate any such Series 2020A Bonds to any other Underwriter, (ii) for each Maturity of the Hold-the-Offering-Price Maturities, the Representative would neither offer nor sell any of the unsold Series 2020A Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (iii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution

agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, the Representative has not offered or sold unsold Series 2020A Bonds of any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Series 2020A Bonds during the Holding Period.]

2. Defined Terms

a) *Issuer* means Upper Santa Clara Valley Joint Powers Authority.

b) *General Rule Maturities* means those Maturities of the Series 2020A Bonds listed in Schedule A hereto as the “*General Rule Maturities*.”

c) *Maturity* means Series 2020A Bonds with the same credit and payment terms. Series 2020A Bonds with different maturity dates, or Series 2020A Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

d) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter. A person is a “*Related Party*” to an Underwriter if the Underwriter and the person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2020A Bonds. The Sale Date of the Series 2020A Bonds is _____, 2020.

f) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2020A Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2020A Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2020A Bonds to the Public).

3. Disclaimer.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder (collectively, the "Code") and we make no warranty regarding the sufficiency of the foregoing representations for purposes of such provisions of the Code. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2020A Bonds, and by Stradling Yocca Carlson & Rauth, a Professional Corporation, in connection with rendering its opinion that the interest on the Series 2020A Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Series 2020A Bonds. Notwithstanding the foregoing, we remind you that we are not accountants or actuaries, nor are we engaged in the practice of law. The representations set forth herein are not necessarily based on personal knowledge and, in certain cases, the undersigned is relying on representations made by the other members of the Underwriting Group.

**CITIGROUP GLOBAL MARKETS
INC.**, as representative of the Underwriting
Group

By: _____
Name: _____
Title: _____

Dated: _____, 2020.

To Be Attached:

SCHEDULE A — Sale Prices

SCHEDULE B — Final Pricing Wire

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ATTACHMENT 5

*Stradling Yocca Carlson & Rauth
Draft dated January 21, 2020*

ESCROW AGREEMENT (SERIES 2010A)

THIS ESCROW AGREEMENT (SERIES 2010A), dated as of February 1, 2020 (the "Agreement"), by and between the Santa Clarita Valley Water Agency (successor to Castaic Lake Water Agency) (the "Agency") and U.S. Bank National Association, Los Angeles, California, as escrow agent (the "Escrow Agent"), is entered into in accordance with Resolution No. 2020-__ of the Agency adopted on February 4, 2020, and a Trust Agreement, dated as of May 1, 2006 (the "2010A Trust Agreement"), by and among U.S. Bank National Association, as trustee (the "2010A Trustee"), the Agency and the Castaic Lake Water Agency Financing Corporation (the "Corporation") to defease the outstanding Refunding Revenue Certificates of Participation, Series 2010A (2001 Refunding Project) (the "2010A Certificates").

WITNESSETH:

WHEREAS, the Agency previously authorized the execution and delivery of the 2010A Certificates pursuant to the 2010A Trust Agreement;

WHEREAS, the Agency and the Upper Santa Clara Valley Joint Powers Authority (the "Authority") have determined that a portion of the proceeds of the \$ _____ aggregate principal amount of the Upper Santa Clara Valley Joint Powers Authority Revenue Bonds, Series 2020A (the "Bonds") issued pursuant to an Indenture of Trust, dated as of February 1, 2020, by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), will be used to provide a portion of the funds to pay the regularly scheduled payment of interest with respect to the 2010A Certificates on August 1, 2020 (the "Prepayment Date"), and to pay on the Prepayment Date the principal of the 2010A Certificates maturing on and after the Prepayment Date, without premium (the "Prepayment Price"); and

WHEREAS, by irrevocably depositing with the Escrow Agent moneys (as permitted by, in the manner prescribed by, and all in accordance with the 2010A Trust Agreement), which moneys will be used to purchase securities meeting the criteria set forth in clause (A) of the definition of Permitted Investments in the 2010A Trust Agreement and are as described on Schedule A hereto (the "Federal Securities"), which Federal Securities satisfy the criteria set forth in Section 10.1 of the 2010A Trust Agreement, provided the principal of and the interest on which when paid will provide money which, together with the moneys deposited with the Escrow Agent at the same time pursuant to this Agreement, will be fully sufficient to pay and discharge the 2010A Certificates;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Agency and the Escrow Agent agree as follows:

SECTION 1. Deposit of Moneys. The Escrow Agent hereby acknowledges receipt of \$ _____ from the Trustee from a portion of the net proceeds of the sale of the Bonds. The Agency hereby instructs the Escrow Agent to deposit the foregoing amounts into the 2010A Escrow Fund established hereunder.

The Escrow Agent shall hold all such amounts in irrevocable escrow separate and apart from other funds of the Authority, the Agency and the Escrow Agent in a fund hereby created and established to be known as the "2010A Escrow Fund" and to be applied solely as provided in this

Agreement. The Agency represents that the moneys set forth above are at least equal to an amount sufficient to purchase the Federal Securities listed in Schedule A hereto.

SECTION 2. Investment of Moneys. The Escrow Agent acknowledges receipt of the moneys described in Section 1 and agrees immediately to invest \$_____ in the Federal Securities listed on Schedule A hereto and to deposit such Federal Securities in the 2010A Escrow Fund and to hold \$_____ in the 2010A Escrow Fund in cash. The Escrow Agent shall be entitled to rely upon the conclusion of _____ (the "Verification Agent"), that the Federal Securities listed on Schedule A hereto mature and bear interest payable in such amounts and at such times as, together with cash on deposit in the 2010A Escrow Fund, will be sufficient to pay the regularly scheduled payment of interest with respect to the 2010A Certificates on the Prepayment Date and to pay on the Prepayment Date the Prepayment Price of the 2010A Certificates maturing on and after the Prepayment Date.

SECTION 3. Investment of Any Remaining Moneys. At the written direction of the Agency, the Escrow Agent shall reinvest any other amount of principal and interest, or any portion thereof, received from the Federal Securities prior to the date on which such payment is required for the purposes set forth herein, in noncallable Federal Securities maturing not later than the date on which such payment or portion thereof is required for the purposes set forth in Section 5, at the written direction of the Agency, as verified in a report prepared by an independent certified public accountant or firm of certified public accountants of favorable national reputation experienced in the refunding of obligations of political subdivisions to the effect that the reinvestment described in said report will not adversely affect the sufficiency of the amounts of securities, investments and money in the 2010A Escrow Fund to pay when due the regularly scheduled payment of interest with respect to the 2010A Certificates on the Prepayment Date, and to pay on the Prepayment Date, the Prepayment Price of the 2010A Certificates maturing on and after the Prepayment Date, and provided that the Agency has obtained and delivered to the Escrow Agent an unqualified opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, that such reinvestment will not adversely affect the exclusion from gross income for federal income tax purposes of the interest portion of the Installment Payments (as such term is defined in the 2010A Trust Agreement) or interest on the Bonds. Any interest income resulting from investment or reinvestment of moneys pursuant to this Section 3 which is not required for the purposes set forth in Section 5, as verified in the letter of the Verification Agent originally obtained by the Agency with respect to the refunding of the 2010A Certificates or in any other report prepared by an independent certified public accountant or firm of certified public accountants of favorable national reputation experienced in the refunding of tax-exempt obligations of political subdivisions, shall be paid to the Agency promptly upon the receipt of such interest income by the Escrow Agent. The determination of the Agency as to whether an accountant qualifies under this Escrow Agreement shall be conclusive.

SECTION 4. Substitution of Securities. Upon the written request of the Agency, and subject to the conditions and limitations herein set forth and applicable governmental rules and regulations, the Escrow Agent shall sell, redeem or otherwise dispose of the Federal Securities, provided that there are substituted therefor from the proceeds of the Federal Securities other Federal Securities, but only after the Agency has obtained and delivered to the Escrow Agent: (i) an unqualified opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, to the effect that the substitution of securities is permitted under the legal documents in effect with respect to the 2010A Certificates and that such reinvestment will not adversely affect the exclusion from gross income for federal income tax purposes of the interest portion of the Installment Payments (as such term is defined in the 2010A Trust Agreement) or interest on the Bonds; and (ii) a report by a firm of

independent certified public accountants to the effect that the reinvestment described in said report will not adversely affect the sufficiency of the amounts of securities, investments and money in the 2010A Escrow Fund to pay the regularly scheduled payment of interest with respect to the 2010A Certificates on the Prepayment Date, and to pay on the Prepayment Date, the Prepayment Price of the 2010A Certificates maturing on and after the Prepayment Date. The Escrow Agent shall not be liable or responsible for any loss resulting from any reinvestment made pursuant to this Agreement and in full compliance with the provisions hereof.

SECTION 5. Payment of 2010A Certificates.

(a) **Payment.** From the maturing principal of the Federal Securities and the investment income and other earnings thereon and other moneys on deposit in the 2010A Escrow Fund, the Escrow Agent shall apply the amounts on deposit in the 2010A Escrow Fund to pay the regularly scheduled payment of interest with respect to the 2010A Certificates on the Prepayment Date, and to pay on the Prepayment Date, the Prepayment Price of the 2010A Certificates maturing on and after the Prepayment Date.

(b) **Irrevocable Instructions to Provide Notice.** The forms of the notice required to be mailed pursuant to Sections 4.3 and 10.1 of the 2010A Trust Agreement are substantially in the forms attached hereto as Exhibits A and B. The Agency hereby irrevocably instructs the Escrow Agent to provide a notice of prepayment and a notice of defeasance of the 2010A Certificates in accordance with Sections 4.3 and 10.1, respectively, of the 2010A Trust Agreement, as required to provide for the prepayment of the 2010A Certificates in accordance with this Section 5, and to file such notices with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System, maintained on the Internet at <http://emma.msrb.org/> at such times that such notices are provided pursuant to Sections 4.3 and 10.1 of the 2010A Trust Agreement.

(c) **Unclaimed Moneys.** Any moneys which remain unclaimed for two years after the Prepayment Date shall be repaid by the Escrow Agent to the Agency.

(d) **Priority of Payments.** The owners of the 2010A Certificates shall have a first and exclusive lien on all moneys and securities in the 2010A Escrow Fund until such moneys and such securities are used and applied as provided in this Agreement.

(e) **Termination of Obligation.** As provided in the 2010A Trust Agreement, upon deposit of moneys with the Escrow Agent in the 2010A Escrow Fund as set forth in Section 1 hereof and the purchase of the various Federal Securities as provided in Section 2 hereof, all obligations of the Agency under the 2010A Trust Agreement with respect to the 2010A Certificates shall cease, terminate and become void except as set forth in the 2010A Trust Agreement. As provided in Section 9.1 of the Installment Purchase Agreement, dated as of May 1, 2006 (the "2010A Installment Purchase Agreement"), by and between the Agency and the Corporation, the obligations of the Agency under the 2010A Installment Purchase Agreement with respect to the Series 2010A Installment Payments (as such term is defined in the 2010A Trust Agreement) shall cease, terminate, become void and be completely discharged and satisfied (except for the rights of the 2010A Trustee and the obligation of the Agency to have the Federal Securities and moneys on deposit in the 2010A Escrow Fund applied to Installment Payments).

SECTION 6. Application of Certain Terms of the 2010A Trust Agreement. All of the terms of the 2010A Trust Agreement relating to the making of payments of principal of and interest

with respect to the 2010A Certificates and relating to the exchange or transfer of the 2010A Certificates are incorporated in this Agreement as if set forth in full herein. The procedures set forth in Section 8.3 of the 2010A Trust Agreement relating to the resignation and removal and merger of the 2010A Trustee under the 2010A Trust Agreement are also incorporated in this Agreement as if set forth in full herein and shall be the procedures to be followed with respect to any resignation or removal of the Escrow Agent hereunder.

SECTION 7. Performance of Duties. The Escrow Agent agrees to perform only the duties set forth herein and shall have no responsibility to take any action or omit to take any action not set forth herein.

SECTION 8. Escrow Agent's Authority to Make Investments. Except as provided in Section 2 hereof, the Escrow Agent shall have no power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of the moneys or Federal Securities held hereunder.

SECTION 9. Indemnity. The Agency hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, agents, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Agent at any time (whether or not also indemnified against the same by the Agency or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of this Agreement, the establishment hereunder of the 2010A Escrow Fund, the acceptance of the funds and securities deposited therein, the retention of the proceeds thereof and any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Agreement; provided, however, that the Agency shall not be required to indemnify the Escrow Agent against the Escrow Agent's own negligence or willful misconduct or the negligence or willful misconduct of the Escrow Agent's respective employees or the willful breach by the Escrow Agent of the terms of this Agreement. In no event shall the Agency or the Escrow Agent be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this Section. The indemnities contained in this Section shall survive the termination of this Agreement.

SECTION 10. Responsibilities of Escrow Agent. The Escrow Agent and its agents and employees shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the 2010A Escrow Fund, the acceptance of the moneys or securities deposited therein, the retention of the Federal Securities or the proceeds thereof, the sufficiency of the Federal Securities to pay the 2010A Certificates or any payment, transfer or other application of moneys or obligations by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Agent made in good faith in the conduct of its duties. The recitals of fact contained in the "Whereas" clauses herein shall be taken as the statements of the Agency, and the Escrow Agent assumes no responsibility for the correctness thereof. The Escrow Agent makes no representation as to the sufficiency of the proceeds to accomplish the refunding of the 2010A Certificates or to the validity of this Agreement as to the Agency and, except as otherwise provided herein, the Escrow Agent shall incur no liability in respect thereof. The Escrow Agent shall not be liable in connection with the performance of its duties under

this Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. The Escrow Agent may consult with counsel, who may or may not be counsel to the Authority or the Agency, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an officer of the Agency.

SECTION 11. Amendments. This Agreement is made for the benefit of the Agency and the owners from time to time of the 2010A Certificates and it shall not be repealed, revoked, altered or amended without the written consent of all such owners, the Escrow Agent and the Agency; provided, however, that the Agency and the Escrow Agent may, without the consent of, or notice to, such owners, amend this Agreement or enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such owners and as shall not be inconsistent with the terms and provisions of this Agreement, the Law (as such term is defined in the 2010A Installment Purchase Agreement), or the 2010A Trust Agreement, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Agreement; (ii) to grant to, or confer upon, the Escrow Agent for the benefit of the owners of the 2010A Certificates, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such owners or the Escrow Agent; and (iii) to include under this Agreement additional funds. The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of Stradling Yocca Carlson & Rauth, A Professional Corporation, with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the owners of the various 2010A Certificates or that any instrument executed hereunder complies with the conditions and provisions of this Section.

SECTION 12. Notice to Rating Agencies. In the event that this Agreement or any provision thereof is severed, amended or revoked the Escrow Agent shall provide written notice of such severance, amendment or revocation to the rating agencies then rating the 2010A Certificates.

SECTION 13. Term. This Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of either: (i) the date upon which the 2010A Certificates have been paid in accordance with this Agreement; or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Agent pursuant to Section 5(c) of this Agreement.

SECTION 14. Compensation. The Escrow Agent shall receive its reasonable fees and expenses as previously agreed to by the Escrow Agent, the Agency, and the Agency and any other reasonable fees and expenses of the Escrow Agent approved by the Agency; provided, however, that under no circumstances shall the Escrow Agent be entitled to any lien or assert any lien whatsoever on any moneys or obligations in the 2010A Escrow Fund for the payment of fees and expenses for services rendered or expenses incurred by the Escrow Agent under this Agreement.

SECTION 15. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Agency or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 16. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original but all of which shall constitute and be but one and the same instrument.

SECTION 17. Governing Law. THIS AGREEMENT SHALL BE CONSTRUED UNDER THE LAWS OF THE STATE OF CALIFORNIA.

SECTION 18. Insufficient Funds. If at any time the Escrow Agent has actual knowledge that the moneys and investments in the 2010A Escrow Fund, including the anticipated proceeds of and earnings thereon, will not be sufficient to make all payments required by this Agreement, the Escrow Agent shall notify the Agency and the Agency in writing, of the amount thereof and the reason therefor to the extent known to it. The Escrow Agent shall have no responsibility regarding any such deficiency.

SECTION 19. Notice to Authority, the Agency and Escrow Agent. Any notice to or demand upon the Escrow Agent may be served or presented, and such demand may be made, at the principal corporate trust office of the Escrow Agent at U.S. Bank National Association, 633 West Fifth Street, 24th Floor, Los Angeles, California 90071, Attention: Global Corporate Trust, Reference: Castaic Lake Water Agency, Series 2010A. Any notice to or demand upon the Authority or the Agency shall be deemed to have been sufficiently given or served for all purposes by being mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to the Authority or the Agency, as the case may be, at Santa Clarita Valley Water Agency, 27234 Bouquet Canyon Road, Santa Clarita, California 91350, Attention: General Manager (or such other address as may have been filed in writing by the Authority or the Agency with the Escrow Agent).

[Remainder of Page Intentionally Left Blank]

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

SANTA CLARITA VALLEY WATER AGENCY

President of the Board of Directors

U.S. BANK NATIONAL ASSOCIATION,
as Escrow Agent

By: _____
Authorized Officer

SCHEDULE A

Federal Securities

<i>Purchase Date</i>	<i>Type of Security</i>	<i>Maturity Date</i>	<i>Par Amount</i> \$	<i>Rate</i> %	<i>Price</i>
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EXHIBIT A

NOTICE OF PREPAYMENT

**REFUNDING REVENUE CERTIFICATES OF PARTICIPATION, SERIES 2010A
(2001 REFUNDING PROJECT)**

BASE CUSIP NO. 14837Q

NOTICE IS HEREBY GIVEN to the owners of the above-captioned Certificates (the "Certificates") pursuant to the Trust Agreement, dated as of May 1, 2006 (the "2010A Trust Agreement"), by and among the Castaic Lake Water Agency (the "Agency"), the Castaic Lake Water Agency Financing Corporation (the "Corporation") and U.S. Bank National Association, as trustee (the "2010A Trustee"), that the Certificates in the amount of \$42,080,000 have been called for prepayment on August 1, 2020 (the "Prepayment Date").

<u>CUSIP</u>	<u>MATURITY (August 1)</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>PRICE</u>
148370BZ1	2021	4.00%	\$1,000,000	100%
148370CZ0	2021	5.00	2,405,000	100
148370CA5	2022	5.00	3,560,000	100
148370CB3	2023	4.50	500,000	100
148370DB2	2023	5.00	3,240,000	100
148370CC1	2024	4.00	3,925,000	100
148370DD8	2025	5.00	3,080,000	100
148370CD9	2025	4.25	1,000,000	100
148370CE7	2026	4.25	2,785,000	100
148370DE6	2026	4.50	1,500,000	100
148370CF4	2027	4.375	4,465,000	100
148370CG2	2028	4.50	4,660,000	100
148370CH0	2029	4.50	4,870,000	100
148370CJ6	2030	5.00	5,090,000	100

The Certificates will be payable on the Prepayment Date at a Prepayment Price of 100% of the principal amount prepaid (the "Prepayment Price"). The Prepayment Price of the Certificates will become due and payable on the Prepayment Date. Interest on the Certificates to be prepaid will cease to accrue on and after the Prepayment Date, and such Certificates will be surrendered to the 2010A Trustee.

All Certificates are required to be surrendered to the principal corporate office of the 2010A Trustee, on the Prepayment Date at the following location. If the Certificates are mailed, the use of registered, insured mail is recommended:

U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Global Corporate Trust

Reference: Upper Santa Clara Valley Joint Powers Authority, Series 2010A

If the Owner of any Certificate subject to optional prepayment fails to deliver such Certificate to the 2010A Trustee on the Prepayment Date, such Certificate shall nevertheless be deemed prepaid on the Prepayment Date and the Owner of such Certificate shall have no rights in respect thereof except to receive payment of the Prepayment Price from funds held by the 2010A Trustee for such payment.

A form W-9 must be submitted with the Certificates. Failure to provide a completed form W-9 will result in 31% backup withholding pursuant to the Interest and Dividend Tax Compliance Act of 1983. Under the Jobs and Growth Tax Relief Reconciliation Act of 2003, 28% will be withheld if the tax identification number is not properly certified.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

DATED this __ day of ____, 2020.

EXHIBIT B

NOTICE OF DEFEASANCE

**REFUNDING REVENUE CERTIFICATES OF PARTICIPATION, SERIES 2010A
(2001 REFUNDING PROJECT)**

BASE CUSIP NO. 148370

NOTICE IS HEREBY GIVEN to the owners of the above-captioned Certificates (as further defined below, the "2010A Certificates") that the Santa Clarita Valley Water Agency (successor to Castaic Lake Water Agency) (the "Agency"), has deposited with U.S. Bank National Association, as trustee (the "2010A Trustee") under the Trust Agreement, dated as of May 1, 2006 (the "2010A Trust Agreement"), by and among the Agency, the Castaic Lake Water Agency Financing Corporation (the "Corporation") and the 2010A Trustee, cash and federal securities, the principal of and interest on which when paid will provide moneys sufficient to pay the regularly scheduled payment of interest with respect to the 2010A Certificates on August 1, 2020, and to pay on August 1, 2020, the principal of the 2010A Certificates maturing on and after August 1, 2020, without premium.

The 2010A Certificates to be defeased are as follows:

<u>CUSIP</u>	<u>MATURITY (August 1)</u>	<u>RATE</u>	<u>AMOUNT</u>
148370BY4	2020	4.00%	\$1,560,000
148370CY3	2020	5.00	1,700,000
148370BZ1	2021	4.00	1,000,000
148370CZ0	2021	5.00	2,405,000
148370CA5	2022	5.00	3,560,000
148370CB3	2023	4.50	500,000
148370DB2	2023	5.00	3,240,000
148370CC1	2024	4.00	3,925,000
148370DD8	2025	5.00	3,080,000
148370CD9	2025	4.25	1,000,000
148370CE7	2026	4.25	2,785,000
148370DE6	2026	4.50	1,500,000
148370CF4	2027	4.375	4,465,000
148370CG2	2028	4.50	4,660,000
148370CH0	2029	4.50	4,870,000
148370CJ6	2030	5.00	5,090,000

In accordance with the 2010A Trust Agreement, the 2010A Certificates are deemed to have been paid in accordance with Section 10.1 thereof and the obligations of the Agency under the 2010A Trust Agreement and the Installment Purchase Agreement, dated as of May 1, 2006, by and between the Agency and the Corporation, with respect to the 2010A Certificates shall thereupon cease, terminate and become void and be discharged and satisfied.

DATED this ___th day of _____, 2020.

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ATTACHMENT 6

*Stradling Yocca Carlson & Rauth
Draft of 1/3/19*

DEPOSITORY AGREEMENT

THIS DEPOSITORY AGREEMENT dated as of February 1, 2020 (the “Agreement”) by and between Santa Clarita Valley Water Agency (“Depositor”), an agency duly organized and existing under and by virtue of the laws of the State of California, and U.S. Bank National Association, a national banking association duly organized and existing under and by virtue of the laws to the United States of America (“Depository Agent”).

Terms not otherwise defined herein shall have the meaning assigned to such terms in the Indenture (as such term is defined below).

WHEREAS, the Depositor previously: (i) caused to be executed and delivered its Castaic Lake Water Agency (Water System Improvement Project) Revenue Certificates of Participation, Series 1999A (the “1999A Certificates”) pursuant to the Trust Agreement, dated as of June 1, 1999, as amended by Amendment No. 1 to Trust Agreement, dated as of February 1, 2020, each by and among the Depositor (as successor to Castaic Lake Water Agency), Santa Clarita Valley Water Agency Financing Corporation (formerly known as Castaic Lake Water Agency Financing Corporation) (the “Corporation”) and U.S. Bank National Association (formerly known as U.S. Bank Trust National Association), as trustee (the “1999A Trustee”) (collectively, the “1999A Trust Agreement”); and (ii) caused the Upper Santa Clara Valley Joint Powers Authority (the “Authority”) to issue Revenue Bonds, Taxable Series 2018A (the “2018A Bonds” and, together with the 1999A Certificates, the “Obligations”) pursuant to the Indenture of Trust, dated as of January 1, 2018, as amended by Amendment No. 1 to Indenture of Trust, dated as of February 1, 2020, each by and between the Authority and U.S. Bank National Association, as trustee (the “2018A Trustee” and, together with the 1999A Trustee, the “Trustee”) (together, the “2018A Indenture” and, collectively with the 1999A Trust Agreement, the “Indenture”);

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto, intending to be legally bound, do hereby covenant and agree as follows:

Section 1 Appointment of Depository Agent. Depositor hereby appoints Depository Agent to act as depository agent in accordance with the terms and conditions set forth herein, and Depository Agent hereby accepts such appointment.

Section 2 Establishment of Account. Depository Agent will open and maintain an account on the terms and conditions set forth herein (the “Account”). The Account shall constitute the “1% Property Tax Account” which is an account in the fund previously established by the Depositor and referred to as the “Revenue Fund” as described in the Indenture. Moneys on deposit in the Revenue Fund have previously been pledged to the payment of the Installment Payments (as such term is defined in the 1999A Trust Agreement and the 2018A Indenture) and shall be applied as set forth in the documents under which such moneys have been pledged. The Funds (as such term is defined below) held in the Account will not bear interest independently of the interest, dividends and other distributions and payments that may arise from Permitted Investments (as defined below) made pursuant to Section 5 hereof.

Section 3 Wire Instructions. Wire transfer instructions for sending the Funds, as hereinafter defined, to Depository Agent are set forth in Schedule III.

Section 4 Deposits into the Account. Depositor has directed (i) the County of Los Angeles to transfer all amounts allocated by the County of Los Angeles from time to time constituting the Depositor's share of the County of Los Angeles 1% ad valorem property tax directly to the Depository Agent for deposit to the Account set forth in Section 2 hereof and (ii) the County of Ventura to transfer all amounts allocated by the County of Ventura from time to time constituting the Depositor's share of the County of Ventura 1% ad valorem property tax directly to the Depository Agent for deposit to the Account set forth in Section 2 hereof. In addition, to the extent the Depositor receives any amounts from the County of Los Angeles or the County of Ventura representing its share of the 1% ad valorem property taxes allocated by the respective county, the Depositor shall immediately transfer such amounts to the Depository Agent for deposit to the Account set forth in Section 2 hereof. All such amounts transferred to the Depository Agent shall be in immediately available funds (the "Funds"), which Funds will be held by Depository Agent for the benefit of the Owners of the Obligations and any other Bonds and Contracts which are Outstanding from time to time as provided in Section 6 hereof. The Funds, plus all interest, dividends and other distributions and payments thereon received by Depository Agent from time to time, less any property distributed and/or disbursed in accordance with this Agreement, from time to time are collectively referred to hereinafter as the "Account Property". Depository Agent will have no duty to solicit delivery of the Funds. For purposes of this Agreement "Business Day" will mean any day U.S. Bank National Association is open for business at the address set forth herein, excluding Saturdays and Sundays.

Section 5 Investment of the Account Property.

(a) As soon as practicable after the receipt thereof, Depository Agent will cause the Account Property to be invested in such Permitted Investments as defined below as Depositor may specify in writing from time to time. During the term of this Agreement, Depositor will bear and retain the sole responsibility for the selection of the investments of the Account Property and all risks from any such investments.

(b) "Permitted Investments" will be one or more of the following:

- i. Money market or mutual funds registered under the Investment Company Act of 1940,¹ excluding such funds with a floating net asset value, including any fund for which Depository Agent or an affiliate of Depository Agent serves as an investment advisor, administrator, shareholder servicing agent, custodian or sub-custodian, notwithstanding that (A) Depository Agent or an affiliate of Depository Agent charges and collects fees and expenses from such funds for services rendered (provided that such charges, fees and expenses are on terms consistent with terms negotiated at arm's length) and (B) Depository Agent charges and collects fees and expenses for services rendered, pursuant to this Agreement;
- ii. direct obligations of, or obligations fully guaranteed as to principal and interest by, the United States or any agency or instrumentality thereof,

¹ Depositor hereby acknowledges that it has received and read the Prospectus for the selected investment of the Account Property and understands that investments in the Money Market or Mutual Fund are not insured by the Federal Deposit Insurance Corporation and are not obligations of or guaranteed by Depository Agent.

provided such obligations are backed by the full faith and credit of the United States; or

iii. a deposit account of Depository Agent.

(c) If Depository Agent does not receive written instructions for the Account Property, the Account Property shall remain uninvested with no liability for interest therein. The Depositor hereby instructs the Depository Agent to initially invest all amounts on deposit in the 1% Property Tax Account in [a deposit account identified in section 5(b)(iii)]. Depository Agent will have no obligation to cause the Account Property to be invested on the day of deposit if the Account Property or instructions are not delivered to Depository Agent within a reasonable amount of time prior to the applicable cut-off time for any Permitted Investment. In any event, instructions received after 10:30 a.m. Pacific Time /1:30 p.m. Eastern Time will be treated as if received on the following Business Day and the Account Property will be invested on such day. Depository Agent will have no responsibility for any investment losses resulting from the investment, reinvestment or liquidation of the Account Property. Any interest or other income received on such investment and reinvestment of the Account Property will become part of the Account Property and losses incurred on such investment and reinvestment of the Account Property will be reflected in the value of the Account Property from time to time. Notwithstanding any other provision herein, Depository Agent will have the power to sell or liquidate the foregoing investments whenever Depository Agent is required to release all or any portion of the Account Property pursuant to this Agreement. In no event will Depository Agent be deemed an investment manager or adviser in respect of any selection of investments hereunder.

Section 6 Distribution of the Account Property. Depository Agent will hold the Account Property in its possession and disburse the Account Property or any specified portion thereof only as follows:

(a) Not later than ten (10) Business Days prior to each Interest Payment Date (as such term is defined in the 1999A Trust Agreement), the 1999A Trustee shall direct the Depository Agent (which direction need not be in writing if the Depository Agent and the 1999A Trustee are the same entity), from Account Property on deposit in the 1% Property Tax Account, to transfer to the 1999A Trustee an amount of Account Property necessary to cause the amount on deposit in the payment fund created with respect to the 1999A Certificates to be equal to the next Installment Payment (as such term is defined in the 1999A Trust Agreement).

(b) Not later than ten (10) Business Days prior to each Interest Payment Date (as such term is defined in the 2018A Indenture), the 2018A Trustee shall direct the Depository Agent (which direction need not be in writing if the Depository Agent and the 2018A Trustee are the same entity), from Account Property on deposit in the 1% Property Tax Account, to transfer to the 2018A Trustee an amount of Account Property necessary to cause the amount on deposit in the payment fund created with respect to the 2018A Bonds to be equal to the next Installment Payment (as such term is defined in the 2018A Indenture).

(c) On the date that the Depository Agent receives written notice from the Depositor (a copy of such notice shall be provided to the Trustee) that the amount of Account Property on deposit in the 1% Property Tax Account is equal to or greater than the Installment Payments due

during the remainder of the calendar year, the Depository Agent shall transfer the excess to the Depositor. In addition, on each August 2, the Depository Agent shall transfer any Account Property to the Depositor for deposit by the Depositor in the Revenue Fund. To the extent that Account Property remains after the making of such transfers required by this Section 6(c) of this Agreement, additional disbursements of Account Property shall be made at the direction of the Depositor in the following manner: Depositor may deliver a written notice signed by an authorized person as set forth on Schedule I attached hereto ("Authorized Representative") to disburse all or a portion of the Account Property to the Depositor for deposit by the Depositor in the Revenue Fund as specified therein (the "Disbursement Instruction"). Depository Agent will and is hereby authorized to withdraw and pay said disbursement as specified in a Disbursement Instruction. Depository Agent will act upon a Disbursement Instruction received pursuant to Section 11 hereunder and will rely upon the content in the Disbursement Instruction without making further inquiry and will assume due execution thereof and the truth and correctness of any information or statement contained therein. Further, Depository Agent will rely upon the signature(s) thereon of an Authorized Representative regardless of by whom or by what means the actual or purported signature(s) thereon may have been affixed thereto if such signature(s) resemble the specimen on Schedule I attached hereto or as provided to Depository Agent from time to time. Depository Agent will incur no liability to Depositor or otherwise for having acted in accordance with instructions on which it is authorized to rely pursuant to the provisions hereof.

(d) All payments of the Account Property will be effected by wire transfer in immediately available funds; provided that transfers to the Trustee may be made by internal transfer.

Section 7 Compensation of Depository Agent. Depository Agent will be entitled to receive payment from Depositor for fees, costs and expenses for all services rendered by Depository Agent hereunder in accordance with Schedule II to this Agreement. Depositor will reimburse Depository Agent on demand for all losses, liabilities, damages, disbursements, advances or expenses paid or incurred by Depository Agent in the administration of its duties hereunder, including, but not limited to, all counsel, advisor and agent fees and disbursements. At all times, Depository Agent will have a right of set off and first lien upon the Account for payment of customary fees, costs and expenses and all such losses, liabilities, damages or expenses from time to time. Such fees, costs and expenses will be paid from the Account Property to the extent not otherwise paid hereunder and Depository Agent may sell, convey or otherwise dispose of any Account Property for such purpose.

Section 8 Resignation or Removal of Depository Agent.

Depository Agent may resign and be discharged from its duties hereunder at any time by giving written notice thirty (30) calendar days prior to such resignation to Depositor as provided in this Section. Depositor may remove Depository Agent at any time by giving written notice signed by the Authorized Representative at least thirty (30) calendar days prior to such removal to Depository Agent. Following such resignation or removal, a successor Depository Agent will be appointed by Depositor, who will provide written notice of such to the resigning or removed Depository Agent. Such successor Depository Agent will become Depository Agent hereunder, and all Account Property will be transferred to it upon the resignation or removal date specified in such notice. If Depositor is unable to appoint a successor Depository Agent within thirty (30)

calendar days after such notice, Depository Agent may, in its sole discretion, deliver the Account Property to Depositor at the address provided herein or may petition any court of competent jurisdiction for the appointment of a successor Depository Agent or for other appropriate relief. The costs and expenses (including but not limited to its attorney fees and expenses) incurred by Depository Agent in connection with such proceeding will be paid by Depositor. On the resignation/removal date and after receipt of the identity of the successor Depository Agent, Depository Agent will either deliver and/or disburse the Account Property then held hereunder to the successor Depository Agent, less Depository Agent's fees, costs and expenses or other obligations owed to Depository Agent. Upon its resignation or removal and delivery and/or disbursement of the Account Property in its entirety as set forth in this Section, Depository Agent will be discharged of and from any and all future obligations arising in connection with the Account Property or this Agreement.

Section 9 Indemnification of Depository Agent. Depositor agrees to indemnify and hold Depository Agent harmless against any and all liabilities, losses, claims, damages or expenses, including reasonable attorney's fees, that Depository Agent may incur by reason of or based upon its actions under this Agreement other than as a result of the gross negligence or willful misconduct of Depository Agent.

Section 10 Rights, Duties and Immunities of Depository Agent. Acceptance by Depository Agent of its duties under this Agreement is subject to the following terms and conditions, which all parties to this Agreement hereby agree will govern and control the rights, duties and immunities of Depository Agent.

(a) **General Duties.** The duties and obligations of Depository Agent will be determined solely by the express provisions of this Agreement and Depository Agent will not be liable except for the performance of such duties and obligations. Depository Agent is not a party to, and is not bound by, or required to comply with any agreement or other document out of which this Agreement may arise. Depository Agent will not be required to inquire as to the performance or observance of any duty, obligation, term or condition under any other agreements or arrangements between Depositor and any other party. Depository Agent will not be under any liability to the party hereto by reason of any failure on the part of Depositor or any maker, guarantor, endorser or other signatory of any document or any other third party to perform, such party's obligations under any such document. Except for amendments to this Agreement referred to herein, and except for notifications or instructions to Depository Agent under this Agreement, Depository Agent will not be obliged to recognize or be chargeable with knowledge of any of the terms or conditions of any agreement between Depositor and any other party, notwithstanding that references thereto may be made herein and whether or not it has knowledge thereof. Depository Agent will not be liable for the accuracy of any calculations or the sufficiency of any funds for any purpose. The Depository Agent may establish additional accounts or subaccounts within the Funds as the Depository Agent shall deem necessary and prudent in furtherance of its duties under this Agreement upon written notification to Depositor.

(b) **Depository Agent Funds.** Depository Agent will not be required to expend or risk any of its own funds or otherwise incur any liability, financial or otherwise, in the performance of any of its duties hereunder.

(c) Validity of Communications to Depository Agent. Except for comparisons with the signature specimen provided by the parties in Schedule I, Depository Agent will not have any responsibility to determine the authenticity or validity of any notice, direction, instruction, instrument, document or other items delivered to it by any party, or for the identity, authority or rights of persons executing or delivering any such notice, direction, instruction, instrument, document, or other items delivered to it by such party or parties. Depository Agent is authorized to comply with and rely upon any notice, direction, instruction or other communication believed by it to have been sent or given by Depositor and will be fully protected in acting in accordance with such written direction or instructions given to it under, or pursuant to, this Agreement.

(d) No Fiduciary Relationship. This Agreement will not be deemed to create a fiduciary relationship among the parties hereto under state or federal law.

(e) Judicial, Regulatory or Governmental Acts. If at any time Depository Agent is served with any judicial or administrative order, judgment, decree, writ or other form of judicial or administrative process which in any way affects the Account Property (including but not limited to orders of attachment or any other forms of levies or injunctions or stays relating to the transfer of the Account Property), Depository Agent is authorized to comply therewith in any manner as it or its legal counsel of its own choosing deems appropriate; and if Depository Agent complies with any such judicial or administrative order, judgment, decree, writ or other form of judicial or administrative process, Depository Agent will not be liable to any of the parties hereto or to any other person or entity even though such order, judgment, decree, writ or process may be subsequently modified or vacated or otherwise determined to have been without legal force or effect.

(f) Liability. Depository Agent will not be liable for any action taken or omitted or for any loss or damage resulting from its actions or its performance of its duties hereunder in the absence of gross negligence or willful misconduct on its part. In no event will Depository Agent be liable (i) for acting in accordance with or relying upon any instructions on which it is authorized to rely pursuant to the provisions hereof, (ii) for any consequential, punitive or special damages, (iii) for the acts or omissions of its nominees, designees, subagents or subcustodians who are appointed with due care, or (iv) for an amount in excess of the value of the Account Property, valued as of the date of loss.

(g) Ambiguity or Disputes. If any ambiguity or uncertainty should arise hereunder or in any notice or other communication received by Depository Agent, Depository Agent is hereby authorized by Depositor to refrain from taking any action other than to retain possession of the Account Property, unless Depository Agent receives a joint written instruction, signed by an Authorized Representative, eliminates such ambiguity or uncertainty.

(h) Legal Counsel. Depository Agent may consult with legal counsel of its own choosing, at the expense of Depositor, as to any matter relating to this Agreement and Depository Agent will incur no liability and will be fully protected in respect of any action taken, omitted or suffered by it in good faith in accordance with the advice or opinion of such counsel.

(i) Conflicting Claim. If any dispute or conflicting claim should arise with respect to the payment, ownership or right of possession of the Account or the Account Property, Depository Agent will be entitled, in its sole discretion, to refuse to comply with any and all

claims, demands or instructions. Depository Agent is authorized and directed to retain in its possession, without liability to anyone, except for its own gross negligence or willful misconduct, all or any part of the Account Property until such dispute will have been settled either by mutual agreement of the parties concerned or by final order, decree or judgment of a court or other tribunal of competent jurisdiction in the United States of America (as notified to Depository Agent in writing by the parties to the dispute or their Authorized Representatives and setting forth the resolution of the dispute). Depository Agent will be under no duty whatsoever to institute, defend or partake in such proceedings. The rights of Depository Agent under this paragraph are in addition to all other rights which it may have by law or otherwise including, without limitation, the right to file an action in interpleader.

(j) Force Majeure. Depository Agent will not incur liability for not performing any act or not fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of Depository Agent (including but not limited to any act or provision of any present or future law or regulation or governmental authority, natural catastrophes, civil or military disturbances, loss or malfunctions of utilities, any act of God or war, terrorism or the unavailability of the Federal Reserve Bank or other wire or communication facility).

(k) Electronic Communication. When Depository Agent acts on any communication (including, but not limited to, communication with respect to the delivery of securities or the wire transfer of funds) sent by electronic transmission, Depository Agent, absent gross negligence or willful misconduct, will not be responsible or liable in the event such communication is not an authorized or authentic communication of the party involved or is not in the form the party involved sent or intended to send (whether due to fraud, distortion or otherwise). Depository Agent will not be liable for any losses, costs or expenses arising directly or indirectly from Depository Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. Depositor agrees to assume all risks arising out of the use of such electronic transmission to submit instructions and directions to Depository Agent, including without limitation the risk of Depository Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(l) Statements. Depository Agent will furnish Depositor periodic cash transaction statements which include detail for all investment transactions effected by Depository Agent or brokers selected by Depositor or any investment advisor. Upon Depositor's election, such statements will be delivered via Depository Agent's Online Trust and Custody service and upon electing such service, paper statements will be provided only upon request. Statements will be deemed to be correct and final upon receipt thereof by Depositor unless Depositor notifies Depository Agent in writing to the contrary within thirty (30) Business Days of the date of such statement. Depositor agrees and acknowledges that it will be deemed to have been "furnished", "delivered" and/or "in receipt" of a statement at the earlier of: (a) five (5) calendar days after it is mailed to Depositor via U.S. Postal Service; (b) Depositor actually receives it; or (c) Depository Agent makes it available via electronic means. Also, for purposes of this Agreement, the words "delivered" includes, but is not limited to, statements returned to the Depository Agent as a result of a bad mailing address. If statements are returned due to error outside of Depository Agent, Depositor agrees that: (a) Depository Agent may hold all future statements until the mailing address is properly updated in the records of Depository Agent; (b) returned and held statements will be held by the Depository Agent for thirty (30) calendar days from the date of receipt by

Depository Agent of the returned statement and/or date the statement was generated by Depository Agent; and (c) Depository Agent is authorized to destroy returned and held paper statements after sixty (60) calendar days have elapsed from the date of receipt by Depository Agent of the returned statement and/or date the statement was generated by Depository Agent. Depositor agrees that its obligation to review statements within the required time frame is not excused in the event Depository Agent holds and/or destroys any returned or held paper statement pursuant to this Agreement. Depositor and waives the right to receive brokerage confirmations of security transactions effected by Depository Agent as they occur, to the extent permitted by law. Depositor further understand that trade confirmations for securities transactions effected by Depository Agent will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

(m) Degree of Care. Depository Agent will not be under any duty to give the Account Property held by it hereunder any greater degree of care than it gives property held by it in similar transactions.

(n) Confidentiality. All non-public information and advice furnished by the party to Depository Agent shall be treated as confidential and will not be disclosed to third parties unless required by law, except that Depository Agent may disclose (a) the identity of Depositor as a client or client reference of Depository Agent; (b) any information required to be disclosed to any government regulator of Depository Agent or its affiliates; and (c) any information to Depository Agent's affiliated entities and product and service providers to the extent necessary to provide the financial products and services under the Agreement.

Section 11 Notices. All notices, consents, requests, instructions, approvals and other communications provided for in this Agreement must be in writing, signed by the Authorized Representative and sent by: (i) personal delivery, overnight delivery by a recognized courier or delivery service, (ii) mailed by registered or certified mail, return receipt requested, postage prepaid, or (iii) electronic transmission, which includes email with an imaged or scanned attachment (such as a .pdf) or other similar electronic transmission, (receipt confirmed); and become effective when delivered to the addresses noted below or such other address as may be substituted therefor by written notification by the Authorized Representative. Notices to Depository Agent will be deemed to be effective when actually received by Depository Agent's Corporate Trust Department.

If to Depositor, to:

Santa Clarita Valley Water Agency
27234 Bouquet Canyon Road
Santa Clarita, California 91350
Attention: General Manager
Email: mstone@scvwa.org
Phone: (661) 297-1600

with a copy to:

Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660
Attention: Douglas S. Brown, Esq.
Email: dbrown@sycr.com
Phone: (949) 725-4106

If to Depository Agent, to:

U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Global Corporate Trust
Email: alicia.estrada@usbank.com

If Depository Agent receives notices or information other than as required by this Agreement, Depository Agent will disregard such information.

Section 12 Wiring Instructions. If fund transfer instructions are given other than as set forth on Schedule III attached hereto, such instructions must be communicated to Depository Agent in a writing delivered pursuant to Section 11. Depository Agent shall seek confirmation of such instructions by telephone call-back to an Authorized Representative, and Depository Agent may rely upon the confirmations of anyone purporting to be the Authorized Representative so designated. Depository Agent and the beneficiary's bank with respect to any funds transfer will rely solely upon any account numbers or similar identifying numbers provided by Depositor to identify (i) the beneficiary, (ii) the beneficiary's bank, or (iii) an intermediary bank. Depository Agent may apply any of the Funds for any payment order it executes using any such identifying number, even when its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank designated. The party to this Agreement acknowledges that such security procedure is commercially reasonable.

Should Depositor propose to direct or direct Depository Agent to make a payment to any other party, including a foreign financial institution (as defined in section 1471(d)(4) of the Internal Revenue Code) or a non-financial institution (as defined in section 1472(d) of the Internal Revenue Code), then Depositor shall provide Depository Agent with each certification described in subparagraph (ii) of Section 21(a).

Without assuming any responsibility to make any such determination, if Depository Agent determines that any withholding (as provided in Section 21) applies to any fund transfer based on the withholding certificates (or lack thereof) or other information that Depository Agent obtains or has in its possession, Depository Agent shall withhold the taxes as applicable and shall not be obligated to increase any amount transferred or otherwise compensate the transfer's recipient for any amounts withheld.

Section 13 Termination. This Agreement will terminate on the date the Depository Agent receives notice from the Depositor or the Trustee that none of the Obligations or any other Contracts or Bonds remain Outstanding.

Section 14 Continuing Obligations. The obligations under Sections 6 – 10, 15, and 18 – 23 hereof will survive the resignation or removal of Depository Agent, the termination of this Agreement and the payment of all amounts hereunder.

Section 15 Inconsistent Provisions. Depositor agrees that to the extent that the provisions of any other agreement relating to the Account Property are inconsistent with the terms of this Agreement, the terms of this Agreement will control.

Section 16 Counterparts. This Agreement and any amendments hereto may be executed in any number of counterparts each of which will be deemed to be an original, and all of which together will constitute but one and the same instrument. Executed copies of this Agreement and any amendments hereto delivered pursuant to Section 11 above will be as effective as an original to bind the parties.

Section 17 Severability. The invalidity, illegality or unenforceability of any provision of this Agreement will in no way affect the validity, legality or enforceability of any other provision; and if any provision is held to be unenforceable as a matter of law, the other provisions will not be affected thereby and will remain in full force and effect.

Section 18 Authorized Representative. Depositor hereby identifies to Depository Agent the officers, employees or agents designated on Schedule I attached hereto as an Authorized Representative with respect to any notice, certificate, instrument, demand, request, direction, instruction, waiver, receipt, consent or other document or communication required or permitted to be furnished to Depository Agent. Such Schedule I may be amended and updated by written notice to Depository Agent with a copy to the other party to this Agreement provided that failure to furnish such copy to any other party will not affect the validity of such notice to Depository Agent. Depository Agent will be entitled to rely on such original or amended Schedule I with respect to any party until a new Schedule I is furnished by such party to Depository Agent.

Section 19 Governing Law. THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

Section 20 Jurisdiction. Each of the parties hereto hereby irrevocably agrees that any action, suit or proceedings against any of them by any of the other aforementioned parties with respect to this Agreement will be brought before the jurisdiction of any federal or state court of competent jurisdiction located in the County of Los Angeles, California. Each party hereto further irrevocably consents to the service of any complaint, summons, notice or other process relating to any such action or proceeding by delivery thereof to it by hand or by registered or certified mail, return receipt requested, in the manner provided for herein. Each party hereto hereby expressly and irrevocably waives any claim or defense in any such action or proceeding based on improper venue or forum non conveniens or any similar basis. To the extent permitted by law, in connection with any claim, cause of action, proceeding or other dispute concerning this Agreement (each a "Claim"), the parties to this Agreement expressly, intentionally, and

deliberately waive any right each may otherwise have to trial by jury. In the event that the waiver of jury trial set forth in the previous sentence is not enforceable under the law applicable to this Agreement, the parties to this Agreement agree that any Claim, including any question of law or fact relating thereto, will, at the written request of any party, be determined by judicial reference pursuant to California law. The parties will select a single neutral referee, who will be a retired state or federal judge. If the parties are unable to agree upon a referee, the court will appoint the referee. The referee will report a statement of decision to the court. Nothing in this paragraph will limit the right of any party at any time to exercise self-help remedies, foreclose against collateral or obtain provisional remedies. The parties will bear the fees and expenses of the referee equally, unless the referee orders otherwise. The referee will also determine all issues relating to the applicability, interpretation, and enforceability of this paragraph. The parties acknowledge that if a referee is selected to determine the Claims, then the Claims will not be decided by a jury.

Section 21 Tax Matters.

(a) Withholding Forms. (i) Depository Agent does not have any interest in the Account Property deposited hereunder but is serving as depository holder only and having only possession thereof. Depositor will pay or reimburse Depository Agent upon request for any taxes relating to the Account Property incurred in connection herewith and will indemnify and hold harmless Depository Agent from any amounts that it is obligated to pay in the way of such taxes. Any payments of income from this Account will be subject to withholding regulations then in force with respect to United States taxes. Due to the requirement that all accounts have Taxpayer Identification Numbers documented by appropriate W-8 or W-9 forms, Depositor agrees to provide the appropriate form to Depository Agent, duly completed and signed by its Authorized Representative. Depositor acknowledges that failure to provide such forms may prevent or delay disbursement of the Account Property hereunder. The Depositor agrees to submit new Forms W-8 or W-9 (as the case may be) should the jurisdiction of its domicile or residence change or any other change in circumstances make the applicable withholding tax consequence incorrect during the terms of this Agreement.

(ii) Additionally, if Depositor proposes to direct or direct Depository Agent to make a payment to any other party, including a foreign financial institution (as defined in section 1471(d)(4) of the Internal Revenue Code) or a non-financial institution (as defined in section 1472(d) of the Internal Revenue Code) then Depositor shall provide Depository Agent with a certification in form and substance satisfactory to Depository Agent acting in its sole discretion that it has obtained valid documentation sufficient to determine the Chapter 3 and Chapter 4 (FATCA) status of the payee and that any payment to the payee is not subject to Chapter 3 and Chapter 4 (FATCA) withholding.

(iii) If Depository Agent does not receive either a Form W-8 or Form W-9 required by subparagraph (i) of this Section 21(a) or each certification required by subparagraph (ii) of this Section 21(a) from Depositor regarding the beneficiary of any payment made hereunder, then Depository Agent shall treat the recipient as a foreign financial institution.

(b) Tax Reporting. Depository Agent will report payments of income from the Account, and if required and applicable, of principal, to Depositor or other payment recipients on an annual basis as required by law, by providing the applicable IRS Form 1099 or Form 1042-S.

(c) Owner(s) of Income. For purposes of reporting the aggregate amount of income on the Account Property, Depositor will be considered owner of such income.

(d) Withholding. Depository Agent will withhold any taxes as and to the extent required by sections 1471 through 1474 of the Internal Revenue Code (“FATCA”), sections 1441 through 1464 of the Internal Revenue Code (“Chapter 3 withholding”) or any provision of the Internal Revenue Code and the regulations thereunder. In transferring any funds or payment to any entity pursuant to this Agreement, Depository Agent will transfer the funds net of any FATCA, Chapter 3 withholding or other withholding taxes. Depository Agent will not be required to increase any payment in respect of which it withholds U.S. taxes or otherwise compensate the recipient of the payment for any amount so withheld withholding. Each of Depositor agrees to provide Depository Agent with information sufficient to identify the type of payment, allocation statement to each party and a certification of the Chapter 3 and Chapter 4 (FATCA) status of each payee and whether any U.S. withholding taxes (including but not limited to FATCA withholding taxes and Chapter 3 withholding taxes) apply to payments being made to any such payee. Depositor has the primary responsibility to determine the validity of Forms W-8 and W-9 obtained from the beneficiary of any payment and any applicable withholding tax consequence thereto. Notwithstanding any identification by Depositor of the type of payment or the rate of withholding applicable thereto, if Depository Agent determines that the payment is subject to withholding taxes, Depository Agent will withhold the applicable tax.

Section 22 USA PATRIOT Act. Depositor will provide to Depository Agent such information as Depository Agent may reasonably require to permit Depository Agent to comply with its obligations under the federal USA PATRIOT Act (Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001) and any other law, statute, regulation or regulation relating to prohibited practices. Depository Agent will not credit any amount of the Funds or any interest or investment proceeds earned thereon, or make any payment of all or a portion of the Funds or any interest or investment proceeds earned thereon, to any person unless and until such person has provided to Depository Agent such documents as Depository Agent may require to permit Depository Agent to comply with its obligations under such Act or any other such law, statute, regulation or regulation relating to prohibited practices.

Section 23 Miscellaneous.

(a) The rights and remedies conferred upon the parties hereto shall be cumulative, and the exercise or waiver of any such right or remedy will not preclude or inhibit the exercise of any additional rights or remedies. The waiver of any right or remedy hereunder will not preclude the subsequent exercise of such right or remedy.

(b) This Agreement is for the exclusive benefit of the parties hereto and their respective successors hereunder, and will not be deemed to give, either express or implied, any legal or equitable right, remedy, or claim to any other entity or person whatsoever.

(c) Each party hereby represents and warrants (i) that this Agreement has been duly authorized, executed and delivered on its behalf and constitutes its legal, valid and binding obligation and (ii) that the execution, delivery and performance of this Agreement by the parties hereto does not and will not violate any applicable law or regulation.

(d) The headings contained in this Agreement are for convenience of reference only and will have no effect on the interpretation or operation hereof.

(e) Except as otherwise permitted herein, this Agreement may be modified only by a written amendment signed by the Authorized Representative and Depository Agent, and no waiver of any provision hereof will be effective unless expressed in a writing signed by the proper party's Authorized Representative and Depository Agent.

(f) No party may assign any of its rights or obligations under this Agreement without the written consent of the other parties.

(g) Any entity into which Depository Agent may be merged or converted or with which it may be consolidated, or any entity resulting from any merger, conversion or consolidation to which Depository Agent will be a party, or any entity succeeding to all or substantially all of the corporate trust business of Depository Agent will be the successor of Depository Agent hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

SANTA CLARITA VALLEY WATER AGENCY
as Depositor

By: _____
President

U.S. BANK NATIONAL ASSOCIATION
as Depository Agent

By: _____
Authorized Officer

SCHEDULE I

Account Signing Authority

Authorized Representative(s) of Depositor

Signature: _____
Print: Matt Stone
Title: General Manager

Phone: (661) 297-1600
Email: mstone@scvwa.org

Signature: _____
Print: Eric Campbell
Title: Chief Financial and
Administrative Officer

Phone: (661) 297-1600
Email: ecampbell@scvwa.org

Certification: The undersigned certifies that each of the individuals listed above is an authorized representative of Depositor with respect to any instruction or other action to be taken in connection with the Agreement and U.S. Bank National Association will be entitled to rely on such list until a new list is furnished to U.S. Bank National Association. The undersigned further certifies that he or she is duly authorized to sign this Account Signing Authority.

Signature: _____
Name: April Jacobs
Its: Secretary
Date: _____, 2020

Schedule II

DEPOSITORY AGENT COMPENSATION

Acceptance Fee - The acceptance fee includes the administrative review of document, initial setup of the account, and other reasonably required services up to and including the closing. This is a one-time, non-refundable fee, payable at closing. Does not include legal fees. **Amount \$1,000**

Depository - Annual fee for standard depository services **Amount \$2,000**

Direct Out of Pocket Expenses. Reimbursement of expenses associated with the performance of our duties, including but not limited to publications, legal counsel's fees and expenses after the initial closing, travel expenses, and filing fees will be billed at cost.

Extraordinary Administration Services. Extraordinary Administration Services ("EAS") are duties, responsibilities or activities not expected to be provided by the trustee or agent at the outset of the transaction, not routine or customary, and/or not incurred in the ordinary course of business, and may require analysis or interpretation. Billing for fees and expenses related to EAS is appropriate in instances where particular inquiries, events or developments are unexpected, even if the possibility of such circumstances could have been identified at the inception of the transaction, or as changes in law, procedures, or the cost of doing business demand. At our option, EAS may be charged on an hourly (time expended multiplied by current hourly rate), flat or special fee basis at such rates or in such amounts in effect at the time of such services, which may be modified by us in our sole and reasonable discretion from time to time. In addition, all fees and expenses incurred by the trustee or agent, in connection with the trustee's or agent's EAS and ordinary administration services and including without limitation the fees and expenses of legal counsel, financial advisors and other professionals, charges for wire transfers, checks, internal transfers and securities transactions, travel expenses, communication costs, postage (including express mail and overnight delivery charges), copying charges and the like will be payable, at cost, to the trustee or agent. EAS fees are due and payable in addition to annual or ordinary administration fees. Failure to pay for EAS owed to U.S. Bank when due may result in interest being charged on amounts owed to U.S. Bank for extraordinary administration services fees and expenses at the prevailing market rate.

General. Your obligation to pay under this Fee Schedule shall govern the matters described herein and shall not be superseded or modified by the terms of the governing documents and survive any termination of the transaction or governing documents and the resignation or removal of the trustee or agent. This Fee Schedule shall be construed and interpreted in accordance with the laws of the state identified in the governing documents without giving effect to the conflict of laws principles thereof. You agree to the sole and exclusive jurisdiction of the state and federal courts of the state identified in the governing documents over any proceeding relating to or arising regarding the matters described herein. Payment of fees constitutes acceptance of the terms and conditions described herein.

Account approval is subject to review and qualification. Fees are subject to change at our discretion and upon written notice. Fees paid in advance will not be prorated. The fees set forth above and any subsequent modifications thereof are part of your agreement. Finalization of the transaction constitutes agreement to the above fee schedule, including agreement to any subsequent changes upon proper written notice. In the event your transaction is not finalized, any related out-of-pocket expenses will be billed to you directly. Absent your written instructions to sweep or otherwise invest, all sums in your account will remain uninvested and no accrued interest or other compensation will be credited to the account. Payment of fees constitutes acceptance of the terms and conditions set forth.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT:

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account.

For a non-individual person such as a business entity, a charity, a Trust or other legal entity we will ask for documentation to verify its formation and existence as a legal entity. We may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

SCHEDULE III

Wire Instructions:

If to Depositor:

ABA No.:
Bank Name:
Account No.:
Account Name:

If to Depository Agent:

ABA: 091000022
Bank Name: U.S. Bank National Association
Account No.: 180121167365
BNF: U.S. Bank Trust N.A.
Account Name: 1% Property Tax Account
Attention: Global Corporate Trust

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ATTACHMENT 7

AMENDMENT NO. 1 TO TRUST AGREEMENT

dated as of

February 1, 2020

by and among

**U.S. BANK NATIONAL ASSOCIATION
(formerly known as U.S. Bank Trust National Association),
as Trustee,**

AND

**SANTA CLARITA VALLEY WATER AGENCY FINANCING CORPORATION,
formerly known as Castaic Lake Water Agency Financing Corporation**

AND

**SANTA CLARITA VALLEY WATER AGENCY,
as successor to Castaic Lake Water Agency**

relating to

**CASTAIC LAKE WATER AGENCY
(WATER SYSTEM IMPROVEMENT PROJECT)
REVENUE CERTIFICATES OF PARTICIPATION
SERIES 1999A**

AMENDMENT NO. 1 TO TRUST AGREEMENT

This AMENDMENT NO. 1 TO TRUST AGREEMENT (the "Amendment") is made and entered into as of February 1, 2020 by and among SANTA CLARITA VALLEY WATER AGENCY, as successor to Castaic Lake Water Agency (the "Agency"), SANTA CLARITA VALLEY WATER AGENCY FINANCING CORPORATION, formerly known as Castaic Lake Water Agency Financing Corporation (the "Corporation") and U.S. BANK NATIONAL ASSOCIATION (formerly known as U.S. Bank Trust National Association), as trustee (the "Trustee").

WITNESSETH:

WHEREAS, the Agency, the Corporation and the Trustee entered into the Trust Agreement, dated as of June 1, 1999 (the "Trust Agreement"), relating to the Castaic Lake Water Agency Revenue Certificates of Participation (Water System Improvement Project) Series 1999A (the "Certificates");

WHEREAS, the Agency has opened an account with U.S. Bank National Association, as depository agent (the "Depository Agent") titled the "1% Property Tax Account" which is an account in the fund previously established by the Agency and referred to as the "Revenue Fund" and which deposit account is subject to a Depository Agreement dated as of February 1, 2020, by and between the Agency and the Depository Agent (the "Depository Agreement");

WHEREAS, the Agency and the Corporation desire to amend the Trust Agreement pursuant to Section 9.1(b) thereof to provide for the application of the 1% Property Tax Account;

NOW, THEREFORE, IN CONSIDERATION OF THESE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

SECTION 1. This Amendment hereby incorporates by reference all terms and conditions set forth in the Trust Agreement unless specifically modified by this Amendment. All terms and conditions set forth in the Trust Agreement which are not specifically modified by this Amendment shall remain in full force and effect.

SECTION 2. The capitalized terms set forth in this Amendment not otherwise defined herein shall have the meanings set forth in the Trust Agreement.

SECTION 3. A new subsection (d) is hereby added to Section 5.2 of the Trust Agreement as follows:

(d) Notwithstanding anything in the Trust Agreement to the contrary and in order to enhance the security for the payment of the Certificates, the Agency hereby agrees (i) to provide written instruction and direction to the County of Los Angeles to transfer all amounts allocated by the County of Los Angeles from time to time constituting the Agency's share of the County of Los Angeles 1% ad valorem property tax directly to the Depository Agent for deposit in

the 1% Property Tax Account, and (ii) to provide written instruction and direction to the County of Ventura to transfer all amounts allocated by the County of Ventura from time to time constituting the Agency's share of the County of Ventura 1% ad valorem property tax directly to the Depository Agent for deposit in the 1% Property Tax Account. In connection therewith, the Agency hereby covenants to maintain the 1% Property Tax Account so long as the Certificates remain Outstanding. In addition, so long as the Certificates remain Outstanding:

(1) The Agency shall not terminate or otherwise discontinue or suspend its instruction and direction to the County of Los Angeles or the County of Ventura to transfer the amounts associated in Section 5.2(d) directly to the Depository Agent for deposit in the 1% Property Tax Account;

(2) The Agency shall enter into such agreements or take such further actions reasonably necessary from time to time to implement the instruction and direction to the County of Los Angeles and the County of Ventura to transfer the amounts described in Section 5.2(d) directly to the Depository Agent; and

(3) The Agency shall maintain the Trustee as the trustee for all other indebtedness or obligations which are payable from and secured by a subordinate pledge of and lien on the Revenues or any moneys in the Revenue Fund.

SECTION 4. Section 5.8 is hereby added to the Trust Agreement as follows.

Section 5.8 1% Property Tax Account.

Not later than ten (10) Business Days prior to each Interest Payment Date, the Trustee shall direct the Depository Agent (which direction need not be in writing if the Depository Agent and the Trustee are the same entity), from moneys on deposit in the 1% Property Tax Account, to transfer to the Trustee an amount necessary to cause the amount on deposit in the payment fund created with respect to the Certificates to be equal to the next Installment Payment.

SECTION 5. THIS AMENDMENT SHALL BE CONSTRUED AND GOVERNED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

SECTION 6. This Amendment shall become effective upon its execution and delivery.

SECTION 7. This Amendment may be executed in several counterparts, each of which shall be deemed as an original, all of which shall constitute but one of the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment by their officers thereunto duly authorized as of the day and year first written above.

**U.S. BANK NATIONAL ASSOCIATION,
formerly known as U.S. Bank Trust National
Association, as Trustee**

By: _____
Authorized Officer

**SANTA CLARITA VALLEY WATER AGENCY,
as successor to Castaic Lake Water Agency**

By: _____
President

**SANTA CLARITA VALLEY WATER AGENCY
FINANCING CORPORATION,
formerly known as the Castaic Lake Water Agency
Financing Corporation**

By: _____
President

ATTACHMENT 8

AMENDMENT NO. 1 TO INDENTURE OF TRUST

dated as of

February 1, 2020

by and between

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee,**

AND

UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY

relating to

**UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY
REVENUE BONDS, TAXABLE SERIES 2018A**

AMENDMENT NO. 1 TO INDENTURE OF TRUST

This AMENDMENT NO. 1 TO INDENTURE OF TRUST (the "Amendment") is made and entered into as of February 1, 2020 by and between UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY (the "Authority") and U.S. BANK NATIONAL ASSOCIATION, as trustee (the "Trustee").

WITNESSETH:

WHEREAS, the Authority and the Trustee entered into the Indenture of Trust, dated as of January 1, 2018 (the "Indenture"), relating to the Upper Santa Clara Valley Joint Powers Authority Revenue Bonds, Series 2018A (the "Bonds");

WHEREAS, the Authority and the Santa Clarita Valley Water Agency (the "Agency") entered into the Installment Purchase Agreement, dated as of January 1, 2018 (the "Installment Purchase Agreement"), relating to the Bonds;

WHEREAS, the Agency has opened an account with U.S. Bank National Association, as depository agent (the "Depository Agent") titled the "1% Property Tax Account" which is an account in the fund previously established by the Agency and referred to as the "Revenue Fund" and which deposit account is subject to a Depository Agreement dated as of February 1, 2020, by and between the Agency and the Depository Agent (the "Depository Agreement");

WHEREAS, the Authority desires to amend the Indenture pursuant to Section 9.01(b) thereof to provide for the application of the 1% Property Tax Account;

NOW, THEREFORE, IN CONSIDERATION OF THESE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

SECTION 1. This Amendment hereby incorporates by reference all terms and conditions set forth in the Indenture unless specifically modified by this Amendment. All terms and conditions set forth in the Indenture which are not specifically modified by this Amendment shall remain in full force and effect.

SECTION 2. The capitalized terms set forth in this Amendment not otherwise defined herein shall have the meanings set forth in the Indenture.

SECTION 3. Section 5.8 is hereby added to the Indenture as follows.

Section 5.8 1% Property Tax Account.

Not later than ten (10) Business Days prior to each Interest Payment Date, the Trustee shall direct the Depository Agent (which direction need not be in writing if the Depository Agent and the Trustee are the same entity), from moneys on deposit in the 1% Property Tax Account, to transfer to the Trustee an amount necessary

to cause the amount on deposit in the payment fund created with respect to the Bonds to be equal to the next Installment Payment.

SECTION 4. THIS AMENDMENT SHALL BE CONSTRUED AND GOVERNED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

SECTION 5. This Amendment shall become effective upon its execution and delivery.

SECTION 6. This Amendment may be executed in several counterparts, each of which shall be deemed as an original, all of which shall constitute but one of the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment by their officers thereunto duly authorized as of the day and year first written above.

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Officer

**UPPER SANTA CLARA VALLEY JOINT
POWERS AUTHORITY,**

By: _____
President

THE AGENCY HERETO CONSENTS AND AGREES TO THE OBLIGATIONS OF THE AGENCY SET FORTH IN SECTION 3 HEREOF:

SANTA CLARITA VALLEY WATER AGENCY

By: _____
Name: _____
Its: _____

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ATTACHMENT 9

AMENDMENT NO. 1 TO INSTALLMENT PURCHASE AGREEMENT

dated as of

February 1, 2020

by and between

SANTA CLARITA VALLEY WATER AGENCY

AND

UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY

relating to

**UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY
REVENUE BONDS, TAXABLE SERIES 2018A**

AMENDMENT NO. 1 TO INSTALLMENT PURCHASE AGREEMENT

This AMENDMENT NO. 1 TO INSTALLMENT PURCHASE AGREEMENT (the "Amendment") is made and entered into as of February 1, 2020 by and between UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY (the "Authority") and SANTA CLARITA VALLEY WATER AGENCY (the "Agency").

WITNESSETH:

WHEREAS, the Authority and U.S. Bank National Association, as trustee (the "Trustee") entered into the Indenture of Trust, dated as of January 1, 2018, relating to the Upper Santa Clara Valley Joint Powers Authority Revenue Bonds, Series 2018A (the "Bonds");

WHEREAS, the Authority and the Santa Clarita Valley Water Agency (the "Agency") entered into the Installment Purchase Agreement, dated as of January 1, 2018 (the "Installment Purchase Agreement"), relating to the Bonds;

WHEREAS, the Agency has opened an account with U.S. Bank National Association, as depository agent (the "Depository Agent") titled the "1% Property Tax Account" which is an account in the fund previously established by the Agency and referred to as the "Revenue Fund" and which deposit account is subject to a Depository Agreement dated as of February 1, 2020, by and between the Agency and the Depository Agent (the "Depository Agreement");

WHEREAS, the Authority and the Agency desire to amend the Installment Purchase Agreement pursuant to Section 10.14(b) thereof to provide for the application of the 1% Property Tax Account;

NOW, THEREFORE, IN CONSIDERATION OF THESE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

SECTION 1. This Amendment hereby incorporates by reference all terms and conditions set forth in the Installment Purchase Agreement unless specifically modified by this Amendment. All terms and conditions set forth in the Installment Purchase Agreement which are not specifically modified by this Amendment shall remain in full force and effect.

SECTION 2. The capitalized terms set forth in this Amendment not otherwise defined herein shall have the meanings set forth in the Installment Purchase Agreement.

SECTION 3. A new Section 6.21 is hereby added to the Installment Purchase Agreement as follows:

1% Property Tax. Notwithstanding anything in the Installment Purchase Agreement to the contrary and in order to enhance the security for the payment of the Bonds, the Agency hereby agrees (i) to provide written instruction and direction to the County of Los Angeles to transfer all amounts allocated by the County of Los Angeles from time to time constituting the Agency's share of the

County of Los Angeles 1% ad valorem property tax directly to the Depository Agent for deposit in the 1% Property Tax Account, and (ii) to provide written instruction and direction to the County of Ventura to transfer all amounts allocated by the County of Ventura from time to time constituting the Agency's share of the County of Ventura 1% ad valorem property tax directly to the Depository Agent for deposit in the 1% Property Tax Account. In connection therewith, the Agency hereby covenants to maintain the 1% Property Tax Account so long as the Bonds remain Outstanding. In addition, so long as the Bonds remain Outstanding:

(a) The Agency shall not terminate or otherwise discontinue or suspend its instruction and direction to the County of Los Angeles or the County of Ventura to transfer the amounts associated in Section 6.21 directly to the Depository Agent for deposit in the 1% Property Tax Account;

(b) The Agency shall enter into such agreements or take such further actions reasonably necessary from time to time to implement the instruction and direction to the County of Los Angeles and the County of Ventura to transfer the amounts described in Section 6.21 directly to the Depository Agent; and

(c) The Agency shall maintain the Trustee as the trustee for all Contracts and Bonds and all other indebtedness or obligations which are payable from and secured by a subordinate pledge of and lien on the Revenues or any moneys in the Revenue Fund.

SECTION 4. THIS AMENDMENT SHALL BE CONSTRUED AND GOVERNED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

SECTION 5. This Amendment shall become effective upon its execution and delivery.

SECTION 6. This Amendment may be executed in several counterparts, each of which shall be deemed as an original, all of which shall constitute but one of the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment by their officers thereunto duly authorized as of the day and year first written above.

SANTA CLARITA VALLEY WATER AGENCY

By: _____
President of the Board of Directors

**UPPER SANTA CLARA VALLEY JOINT
POWERS AUTHORITY**

By: _____
President