



**BOARD OF COMMISSIONERS
SPECIAL MEETING AGENDA**

**Tuesday, July 13, 2021
7:00 A.M.**

Pursuant to the provisions of Executive Order N-25-20 Issued by Governor Gavin Newsom on March 12, 2020, any Commissioner and any member of the public who desires to participate in the open session items of this meeting may do so by accessing the Webex link below without otherwise complying with the Brown Act's teleconference requirements:

<https://walnutvalley.webex.com/meet/bmeeting>
(Computer and Telephone Audio Accessible)

Any member of the public wishing to make any comments to the Commission may do so by accessing the above-referenced link where they may select the option to join via webcam or teleconference. The meeting Chair will acknowledge such individual(s) at the appropriate time in the meeting prior to making his or her comment. Members of the public will be disconnected from the meeting prior to the Closed Session.

NOTE: To comply with the Americans with Disabilities Act, if you need special assistance to participate in any Commission meeting, please contact the Administrative Officer's office at least 4 hours prior to a Commission meeting to inform the Agency of your needs and to determine if accommodation is feasible. Each item on the agenda shall be deemed to include any appropriate motion, resolution, or ordinance, to take action on any item. Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review at <https://puentebasin.com/board-packets/>.

- I. Welcome and Introductions Chair Tang
- II. Flag Salute
- III. Roll Call Commissioner Lewis _____ Commissioner Lee _____
 Commissioner Lima _____ Commissioner Tang _____
- IV. Public Comment
The Chair may impose reasonable limitations on public comments to assure an orderly and timely meeting.
- V. [Consider a Change Order to Doty Bros. Equipment Co. on a Time and Materials Basis for Colima Interties Project \(P.N. PB17-0004\)](#) Mr. Hitchman
 - a. Discussion
 - b. Action Taken
- VI. [Escrow Agreements Related to Refunding of Walnut Valley Water District and Rowland Water District Bond Obligations and Consider Adoption of Resolution No. 07-21-017](#) Mr. Hitchman
 - a. Discussion
 - b. Action Taken

Adjournment

Next Commission Meeting: Thursday, August 5, 2021, 7:00 a.m.



July 13, 2021

TO: Board of Commissioners
FROM: Erik Hitchman, Administrative Officer
RE: Consider a Change Order to Doty Bros. Equipment Co. on a Time and Materials Basis for the Colima Interties Project (P.N. PB17-0004)

Recommendation

Request the Board of Commissioners authorize the Administrative Officer to execute a change order for the Colima Interties Project (P.N. PB17-0004) on a time and materials basis with Doty Bros. Equipment Co. (Doty Bros).

Background

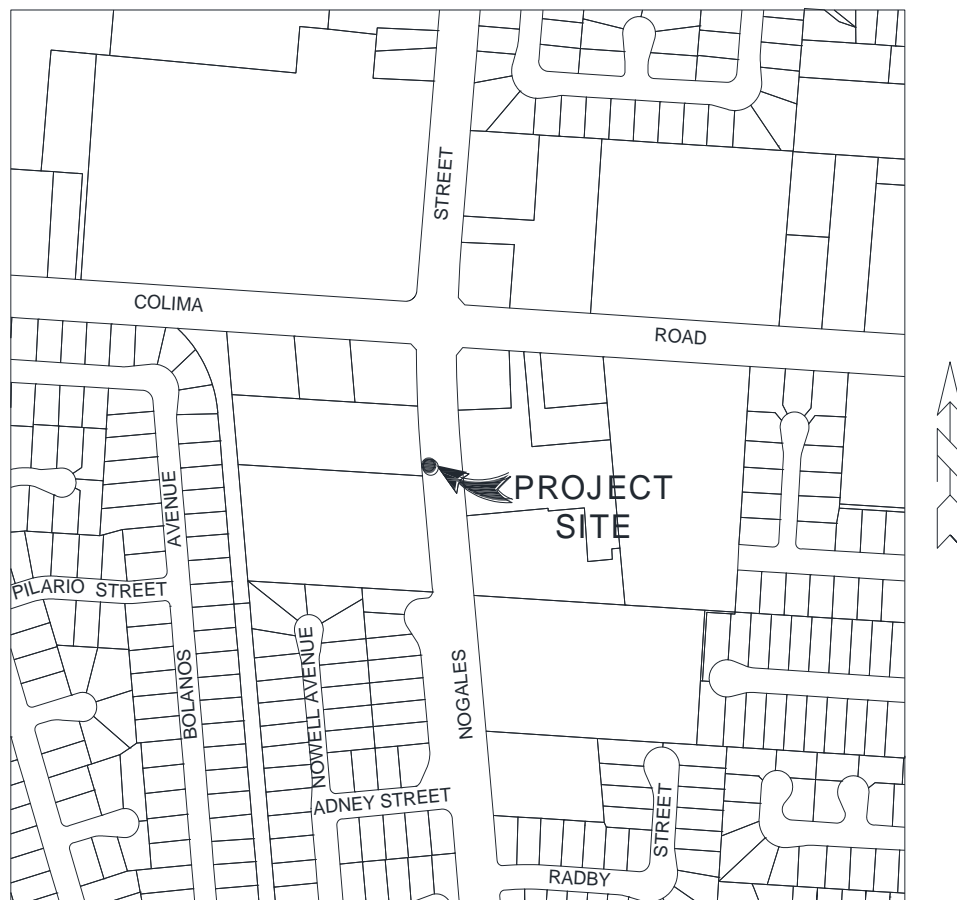
The Walnut Valley Water District (WVWD) in partnership with the Rowland Water District (RWD) are developing this project to ensure that Cal Domestic Project facilities, currently being utilized to move stored water from the Main San Gabriel Basin, as well as future groundwater projects in the Central Basin utilizing Cal Domestic Project Facilities can be maximized for the benefit of both Districts.

In addition to the 20-inch pipeline, which was complete in September 2019, the project includes three interties (Interties) between RWD's transmission pipeline in Colima Road/Golden Springs Drive and WVWD's distribution system at Banida Avenue, Hallgreen Drive, and Gona Court. Currently, the Interties project is under construction with Doty Bros. and is near completion; however, a 16-inch meter connection is necessary to record flow into RWD's system. This connection can be constructed as a change order, on a time and materials basis, with Doty Bros. The estimated cost is approximately \$72,000.

The 16-inch meter connection will be located on Nogales Street just south of Colima Road. The meter will record flow from the 20-inch pipeline into RWD's system while the three interties on Colima record flow into WVWD's system.

Attachment

- *Vicinity Map*



VICINITY MAP
N.T.S.



July 13, 2021

TO: Board of Commissioners
FROM: Erik Hitchman, Administrative Officer
RE: Escrow Agreements Related to Refunding of Walnut Valley Water District
and Rowland Water District Bond Obligations and Consider Adoption of
Resolution No. 07-21-017

Recommendation

Requests that the Commissioners:

1. Review and consider adoption of PBWA Resolution No. 07-21-017
2. Authorize the Administrative Officer to execute the Escrow Agreements (2012 Bonds)
3. Authorize the Administrative Officer to execute the Escrow Agreements (2013 Bonds)

Background

In 2012, the Agency issued its Water Revenue Bonds, 2012 Series A (Rowland Water District Project) (the “**2012 Bonds**”) to assist Rowland Water District (“**Rowland**”) in financing certain capital improvements to Rowland’s municipal water system. In addition, in 2013, the Agency issued its Water Revenue Bonds, 2013 Series A (Walnut Valley Water District Project) (the “**2013 Bonds**”) to assist Walnut Valley Water District (“**Walnut Valley**”) in financing certain capital improvements to Walnut Valley’s municipal water system and the acquisition of real property and related improvements in connection with a new administrative headquarters project.

Rowland and Walnut Valley have been advised that, under current market conditions, refunding the 2012 Bonds and the 2013 Bonds, respectively, will result in debt service savings. Accordingly, Rowland’s Board of Directors will consider on July 13, 2021 the issuance of Water Revenue Refunding Bonds, Series 2021A (Green Bonds) (Federally Taxable) (the “**2021 Rowland Bonds**”) for the purpose of refunding all or a portion of the outstanding 2012 Bonds. In addition, Walnut Valley’s Board of Directors will consider on July 26, 2021 the issuance of Water Revenue Refunding Bonds, Series 2021A (Federally Taxable) (the “**2021 Walnut Valley Bonds**”) for the purpose of refunding all or a portion of the outstanding 2013 Bonds.

In order to effect the refunding of the 2012 Bonds, a portion of the proceeds of the 2021 Rowland Bonds will be placed into an escrow fund and applied to refund the 2012 Bonds on their first optional redemption date in 2022. In addition, in order to effect the refunding of the 2013 Bonds, a portion of the proceeds of the 2021 Walnut Valley Bonds will be placed into an escrow fund and applied to refund the 2013 Bonds on their first optional redemption date in 2023.

The escrow fund relating to the 2012 Bonds will be governed by the terms of an Escrow Agreement (2012 Bonds) (the "2012 Escrow Agreement"). In addition, the escrow fund relating to the 2013 Bonds will be governed by the terms of an Escrow Agreement (2013 Bonds) (the "2013 Escrow Agreement").

As the issuer of the 2012 Bonds and the 2013 Bonds, the Agency must be a party to the 2012 Escrow Agreement and the 2013 Escrow Agreement, respectively. Accordingly, the adoption of the resolution before the Commissioners will approve the Agency's entry into the 2012 Escrow Agreement and the 2013 Escrow Agreement.

The Agency's execution of the 2012 Escrow Agreement and the 2013 Escrow Agreement will direct the respective bond trustees to apply moneys in the respective escrow funds to refund the applicable series of bonds. However, there is no financial obligation imposed upon the Agency as a result of the execution of the 2012 Escrow Agreement or the 2013 Escrow Agreement. Moneys to effect the refunding of the 2012 Bonds and the 2013 Bonds will come solely from proceeds of the 2021 Rowland Bonds and the 2021 Walnut Valley Bonds, respectively.

Attachments

- *Resolution No. 07-21-017*
- *Escrow Agreement (2012 Bonds)*
- *Escrow Agreement (2013 Bonds)*

RESOLUTION NO. 07-21-017

**A RESOLUTION OF THE PUENTE BASIN WATER AGENCY
AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF
ESCROW AGREEMENTS AND OTHER DOCUMENTS IN CONNECTION
WITH THE REFUNDING OF CERTAIN OBLIGATIONS OF WALNUT
VALLEY WATER DISTRICT AND ROWLAND WATER DISTRICT AND
AUTHORIZING CERTAIN OTHER MATTERS RELATING THERETO**

WHEREAS, the Puente Basin Water Agency (the “**Agency**”) is a joint exercise of powers authority that is duly organized and existing under and pursuant to the laws of the State of California (the “**State**”); and

WHEREAS, the Agency previously issued its Water Revenue Bonds, 2012 Series A (Rowland Water District Project) (the “**2012 Bonds**”) to assist Rowland Water District, a member of the Agency (“**Rowland**”), in financing certain capital improvements to Rowland’s municipal water system; and

WHEREAS, the Agency previously issued its Water Revenue Bonds, 2013 Series A (Walnut Valley Water District Project) (the “**2013 Bonds**”) to assist Walnut Valley Water District, a member of the Agency (“**Walnut Valley**”), in financing certain capital improvements to Walnut Valley’s municipal water system; and

WHEREAS, Rowland desires to provide for the issuance of its Water Revenue Refunding Bonds, Series 2021A (Green Bonds) (Federally Taxable) (the “**2021 Rowland Bonds**”) in order to refund all or a portion of the outstanding 2012 Bonds in order to achieve debt service savings; and

WHEREAS, Walnut Valley desires to provide for the issuance of its Water Revenue Refunding Bonds, Series 2021A (Federally Taxable) (the “**2021 Walnut Valley Bonds**”) in order to refund all or a portion of the outstanding 2013 Bonds in order to achieve debt service savings; and

WHEREAS, in connection with the refunding of the 2012 Bonds, there has been prepared the form of an Escrow Agreement (2012 Bonds) (such Escrow Agreement (2012 Bonds), in the form on file with the Secretary with such changes, insertions and deletions as are made pursuant to this Resolution, being referred to herein as the “**2012 Escrow Agreement**”); and

WHEREAS, in connection with the refunding of the 2013 Bonds, there has been prepared the form of an Escrow Agreement (2013 Bonds) (such Escrow Agreement (2013 Bonds), in the form on file with the Secretary with such changes, insertions and deletions as are made pursuant to this Resolution, being referred to herein as the “**2013 Escrow Agreement**” and, together with the 2012 Escrow Agreement, the “**Escrow Agreements**”); and

WHEREAS, this Board of Commissioners now desires to authorize the execution and delivery of the Escrow Agreements, including the execution of such other documents and the performance of such acts as may be necessary or desirable to effect the refunding of all or a portion of the 2012 Bonds and the 2013 Bonds, and the other actions contemplated by this Resolution;

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE PUENTE BASIN WATER AGENCY hereby adopts the following resolutions:

SECTION 1: Each of the above recitals is true and correct.

SECTION 2: The Escrow Agreements, in substantially the forms on file with the Secretary, and made a part hereof as though set forth in full herein, be and the same are hereby approved. Each of the Chair, the Vice Chair, the Administrative Officer, the Treasurer and the Secretary of the Commission, and any designee thereof (each an “**Authorized Officer**”), acting singly, is hereby authorized to execute and deliver the Escrow Agreements, in the name of and on behalf of the Authority, in substantially the forms attached hereto with such changes, insertions and deletions as may be approved by the Authorized Officer executing the Escrow Agreements, said execution being conclusive evidence of such approval, and the Secretary is hereby authorized to attest thereto;

SECTION 3: The Authorized Officers and any other proper official, officer or employee of the Authority, acting singly, be and each of them hereby is authorized to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or convenient in carrying out the actions authorized by this Resolution and the transactions contemplated by the documents and instruments approved or authorized by this Resolution, including, without limitation, making any determinations or submission of any documents or reports which are required by any rule or regulation of any governmental entity, the giving of any notices and directions or the seeking of any consents or acknowledgements in connection with the refunding, redemption and defeasance of all or a portion of the 2012 Bonds or the 2013 Bonds, the selection of an escrow agent, the execution and delivery of escrow and/or redemption instructions with respect to the 2012 Bonds or the 2013 Bonds and the authorization, execution, delivery of, and the performance by the Agency of its obligations under, the documents and instruments approved or authorized by this Resolution.

SECTION 4: All actions heretofore taken by any committee of the Board of Commissioners, or any official, officer, employee, representative or agent of the Authority, in connection with the refunding of the 2012 Bonds or the 2013 Bonds or the authorization, execution, delivery, or performance of the Authority's obligations under the documents and instruments approved or authorized by this Resolution, and the other actions contemplated by this Resolution, are hereby ratified, approved and confirmed.

SECTION 5: This Resolution shall take effect from and after its date of adoption.

SECTION 6: The Secretary of the Commission shall certify to the adoption of this resolution.

PASSED by roll call vote and ADOPTED this 13th day of July, 2021.

Attest:

Chair, Puente Basin Water Agency

Secretary, Puente Basin Water Agency

Legal Counsel

ESCROW AGREEMENT (2012 BONDS)

THIS ESCROW AGREEMENT (2012 BONDS), dated as of September 1, 2021 (the “**Agreement**”), by and among Rowland Water District (the “**District**”), Puente Basin Water Agency (the “**Agency**”) and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the “**Escrow Agent**”) and as 2012 Trustee (as such term is defined herein), is entered into in accordance with a resolution of the District adopted on July 13, 2021 and an Indenture of Trust, dated as of November 1, 2012 (the “**2012 Indenture**”), by and between the Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the “**2012 Trustee**”). This Agreement is entered into to refund all of the outstanding Puente Basin Water Agency Water Revenue Bonds, 2012 Series A (Rowland Water District Project) (the “**2012 Bonds**”) in the aggregate principal amount of \$16,460,000.

RECITALS

A. Pursuant to the 2012 Indenture, the Agency issued the 2012 Bonds in the initial aggregate principal amount of \$19,835,000, of which \$16,460,000 is currently outstanding.

B. The 2012 Bonds are payable from net revenues of the District’s municipal water system.

C. The District has determined to issue its Rowland Water District Water Revenue Refunding Bonds, Series 2021A (Green Bonds) (Federally Taxable) (the “**2021 Bonds**”), a portion of the proceeds of which, together with other moneys as described in Section 1, will be applied to pay: (i) the regularly scheduled payments of principal of and interest on the 2012 Bonds through and including December 1, 2022 (the “**Redemption Date**”); and (ii) on the Redemption Date, the principal of the 2012 Bonds maturing after the Redemption Date, plus interest thereon accrued through the Redemption Date, without premium.

D. The District will irrevocably deposit moneys with the Escrow Agent, which moneys will be used to purchase the securities that are described on Schedule A (the “**Federal Securities**”) (as permitted by, in the manner prescribed by and all in accordance with the 2012 Indenture). Such Federal Securities satisfy the criteria for “Federal Securities” set forth in Section 9.01(c) of the 2012 Indenture, and the principal of and interest on such Federal Securities when paid will provide money which will be fully sufficient to pay and discharge the 2012 Bonds.

AGREEMENT

SECTION 1. Deposit of Moneys. The District will cause The Bank of New York Mellon Trust Company, N.A., as trustee for the 2021 Bonds, to transfer a portion of the proceeds of the 2021 Bonds in the amount of \$_____ on the date of issuance of the 2021 Bonds to the Escrow Agent for deposit in the Escrow Fund established hereunder. The District will also cause the 2012 Trustee to transfer \$_____ from the _____ Fund established under the 2012 Indenture to the Escrow Agent for deposit in the Escrow Fund established hereunder.

The Escrow Agent will hold such amounts in an irrevocable escrow separate and apart from other moneys of the District, the Agency and the Escrow Agent in a fund hereby created and established to be known as the “**Escrow Fund**” and to be applied solely as provided in this Agreement. The

District and the Agency represent that the sum of the amounts set forth above are at least equal to an amount that is sufficient to purchase the Federal Securities listed on Schedule A, and to hold \$____ uninvested as cash.

SECTION 2. Investment of Moneys. The Escrow Agent acknowledges receipt of the moneys described in Section 1 and agrees immediately to invest such moneys in the Federal Securities listed on Schedule A and to deposit such Federal Securities in the Escrow Fund. The Escrow Agent shall be entitled to rely upon the conclusion of Causey Demgen & Moore P.C., Denver, Colorado (the “**Verification Agent**”) that the Federal Securities listed on Schedule A mature and bear interest payable in such amounts and at such times as, together with cash on deposit in the Escrow Fund, will be sufficient to pay: (i) the regularly scheduled payments of principal of and interest on the 2012 Bonds through and including the Redemption Date; and (ii) on the Redemption Date, the principal of the 2012 Bonds maturing after the Redemption Date, plus interest thereon accrued through the Redemption Date, without premium.

SECTION 3. Investment of Any Remaining Moneys. At the written direction of the District, together with an unqualified opinion of Stradling Yocca Carlson & Rauth, A Professional Corporation, to the effect that reinvestment is permitted under the legal documents in effect with respect to the 2012 Bonds and will not have an adverse effect on the tax status of the 2012 Bonds, 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 District, 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 Escrow Fund to pay: (i) the regularly scheduled payments of principal of and interest on the 2012 Bonds through and including the Redemption Date; and (ii) on the Redemption Date, the principal of the 2012 Bonds maturing after the Redemption Date, plus interest thereon accrued through the Redemption Date, without premium. Any interest income resulting from investment or reinvestment of moneys pursuant to this Section 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 District with respect to the refunding of the 2012 Bonds 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 obligations of political subdivisions, shall be paid to the District promptly upon the receipt of such interest income by the Escrow Agent. The determination of the District as to whether an accountant qualifies under this Agreement shall be conclusive.

SECTION 4. Substitution of Securities. Upon the written request of the District, and subject to the conditions and limitations that are set forth herein 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 or the District 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 2012 Bonds and will not have an adverse effect on the tax status of the 2012 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 Escrow Fund to pay: (1) the regularly scheduled payments of principal of and interest on the 2012 Bonds through and including the Redemption Date; and (2) on the Redemption Date, the principal of the 2012 Bonds maturing after the Redemption Date, plus interest thereon accrued through the Redemption Date, without premium. 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 2012 Bonds.

(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 Escrow Fund, the Escrow Agent shall transfer funds to the 2012 Trustee in an amount sufficient to enable the 2012 Trustee to pay: (i) the regularly scheduled payments of principal of and interest on the 2012 Bonds through and including the Redemption Date; and (ii) on the Redemption Date, the principal of the 2012 Bonds maturing after the Redemption Date, plus interest thereon accrued through the Redemption Date, without premium, all as indicated on Schedule A.

(b) Irrevocable Instructions to Provide Notice. The notices required to be mailed pursuant to Sections 4.03 and Article IX of the 2012 Indenture are substantially in the forms attached hereto as Exhibits A and B. The District and the Agency hereby irrevocably instruct the 2012 Trustee to mail: (i) a notice of redemption of the 2012 Bonds maturing after the Redemption Date substantially in the form attached hereto as Exhibit A at least 30 days prior to the Redemption Date to the parties described in and otherwise in accordance with Section 4.03 of the 2012 Indenture (including The Depository Trust Company and the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System, maintained on the Internet at <http://emma.msrb.org/>); and (ii) a notice of defeasance of the 2012 Bonds in the form attached hereto as Exhibit B on the date of issuance of the 2021 Bonds to the parties described in and otherwise in accordance with Article IX of the 2012 Indenture (including The Depository Trust Company and the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System, maintained on the Internet at <http://emma.msrb.org/>), as required to provide for the payment and redemption of the 2012 Bonds in accordance with this Section.

(c) Unclaimed Moneys. Any moneys in the Escrow Fund which remain unclaimed after the Redemption Date shall be repaid by the Escrow Agent to the District.

(d) Priority of Payments. The owners of the 2012 Bonds shall have a first and exclusive lien on all moneys and securities in the 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 2012 Indenture and the Installment Purchase Contract, dated as of November 1, 2012 (the "**2012 IPC**"), by and between the District and the Agency, upon the deposit of moneys with the Escrow Agent in the Escrow Fund as set forth in Section 1 and the purchase of the Federal Securities as provided in Section 2: (i) the pledge of the Revenues (as such term is defined in the 2012 Indenture) and other funds provided for in the 2012 Indenture and all other obligations of the Agency under the 2012 Indenture with respect to the 2012 Bonds will cease and terminate, except as set forth in the 2012 Indenture, and thereafter Revenues will not be payable to the Trustee; (ii) all obligations of the Agency and the 2012 Trustee under the 2012 Indenture will cease and terminate, except as set forth in the 2012 Indenture; and (iii) all obligations

of the District under the 2012 IPC with respect to the 2012 Bonds will cease and terminate, except as set forth in the 2012 IPC.

SECTION 6. Application of Certain Terms of the 2012 Indenture. All of the terms of the 2012 Indenture relating to the making of payments of principal of and interest on the 2012 Bonds and relating to the exchange or transfer of the 2012 Bonds are incorporated in this Agreement as if set forth in full herein. The procedures set forth in Section 7.01 of the 2012 Indenture relating to the resignation and removal and merger of the 2012 Trustee 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 that are set forth herein and has no responsibility to take any action or omit to take any action that is 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 that are held hereunder or to sell, transfer or otherwise dispose of the moneys or Federal Securities that are held hereunder.

SECTION 9. Indemnity. The District and the Agency hereby assume liability for, and hereby agree (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, directors, officers, 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 District, 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 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 District and 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. In no event shall the District, the Agency or the Escrow Agent be liable to any person by reason of the transactions that are contemplated hereby other than to each other as set forth in this Section. The indemnities that are contained in this Section shall survive the termination of this Agreement and the resignation or removal of the Escrow Agent.

SECTION 10. Responsibilities of Escrow Agent. The Escrow Agent and its agents and servants 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 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 2012 Bonds 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 that is made in good faith in the conduct of its duties. The recitals of fact that are contained herein shall be taken as the statements of the District and 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 2012 Bonds or to the validity of this Agreement as to the District or 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 or willful misconduct, 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 District 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 District or the Agency. The Escrow Agent shall incur no liability for losses arising from any investment made pursuant to this Agreement.

No provision of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

The Escrow Agent shall have the right to accept and act upon instructions, including funds transfer instructions (“**Instructions**”) given pursuant to this Agreement and delivered using Electronic Means (“**Electronic Means**” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Agent, or another method or system specified by the Escrow Agent as available for use in connection with its services hereunder); provided, however, that the District and the Agency shall provide to the Escrow Agent incumbency certificates listing officers with the authority to provide such Instructions (“**Authorized Officers**”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the District or the Agency whenever a person is to be added or deleted from the listing. If the District or the Agency elects to give the Escrow Agent Instructions using Electronic Means and the Escrow Agent in its discretion elects to act upon such Instructions, the Escrow Agent’s understanding of such Instructions shall be deemed controlling. The District and the Agency understand and agree that the Escrow Agent cannot determine the identity of the actual sender of such Instructions and that the Escrow Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Agent have been sent by such Authorized Officer. The District and the Agency shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Agent and that the District, the Agency and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the District and the Agency. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent’s reliance upon and compliance with such Instructions notwithstanding the fact that such directions conflict or are inconsistent with a subsequent written instruction. The District and the Agency agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Agent, including without limitation the risk of

the Escrow Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that they are fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the District or the Agency; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Escrow Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

The Escrow Agent shall furnish the District with periodic cash transaction statements which include detail for all investment transactions effected by the Escrow Agent or brokers selected by the District or the Agency, provided that the Escrow Agent is not obligated to provide an accounting for any fund or account that: (a) has a balance of \$0.00; and (b) has not had any activity since the last reporting date. Upon the District's election, such statements will be delivered via the Escrow Agent's online service and upon electing such service, paper statements will be provided only upon request. The District waives the right to receive brokerage confirmations of security transactions effected by the Escrow Agent as they occur, to the extent permitted by law. The District and the Agency further understand that trade confirmations for securities transactions effected by the Escrow Agent will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

If the Escrow Agent learns that the Department of the Treasury or the Bureau of Public Debt will not, for any reason, accept a subscription of securities that is to be submitted pursuant to this Agreement, the Escrow Agent shall promptly request alternative written investment instructions from the District with respect to escrowed funds which were to be invested in securities. The Escrow Agent shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Agent shall hold funds uninvested and without liability for interest until receipt of further written instructions from the District. In the absence of investment instructions from the District, the Escrow Agent shall not be responsible for the investment of such funds or interest thereon. The Escrow Agent may conclusively rely upon the District's selection of an alternative investment as a determination of the alternative investment's legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

SECTION 11. Amendments. This Agreement is made for the benefit of the District, the Agency and the owners from time to time of the 2012 Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such owners, the Escrow Agent, the Agency and the District; provided, however, that the District, 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 or the 2012 Indenture, 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 2012 Bonds 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 2012 Bonds or that any instrument that is 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, upon written instructions from the District, shall provide written notice in the form provided by the District of such severance, amendment or revocation to the rating agencies then rating the 2012 Bonds.

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 2012 Bonds 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. Funds remaining in the Escrow Fund after payment in full of the 2012 Bonds shall be transferred to the District.

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 District, and any other reasonable fees and expenses of the Escrow Agent; 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 Escrow Fund for the payment of fees and expenses for services that are 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 District, 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, shall be deemed separate from the remaining covenants and agreements contained herein 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. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall be a legal holiday or a day on which banking institutions in the District in which is located the office of the Escrow Agent are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day which is not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement, and no interest shall accrue for the period from and after such nominal date.

SECTION 19. Assignment. This Agreement shall not be assigned by the Escrow Agent or any successor thereto without the prior written consent of the District and the Agency.

SECTION 20. Reorganization of Escrow Agent. Notwithstanding anything to the contrary contained in this Agreement, any company into which the Escrow Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which the Escrow Agent is a party, or any company to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business, shall be the successor to the Escrow

Agent without execution or filing of any paper or any paper or further act, if such company is eligible to serve as Escrow Agent.

SECTION 21. Insufficient Funds. If at any time the Escrow Agent has actual knowledge that the moneys and investments in the Escrow Fund, including the anticipated proceeds thereof and earnings thereon, will not be sufficient to make all payments required by this Agreement, the Escrow Agent shall notify the District 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 22. Notices. 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 400 South Hope Street, Suite 500, Los Angeles, California 90071, Attention: Corporate Trust, Reference: Puente Basin Water Agency 2012 Rowland Water District Bonds. Any notice to or demand upon the District or the Agency shall be deemed to have been sufficiently given or served for all purposes by being sent by facsimile or other electronic transmission, overnight mail or courier or mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to the District at 3021 Fullerton Road, Rowland Heights, California 91748, Attention: General Manager, and to the Agency at 271 South Brea Canyon Road, Walnut, California 91789, Attention: Administrative Officer (or such other address as may have been filed in writing by the District 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.

ROWLAND WATER DISTRICT

By: _____
General Manager

PUENTE BASIN WATER AGENCY

By: _____
Administrative Officer

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Escrow Agent and 2012
Trustee

By: _____
Authorized Officer

SCHEDULE A
FEDERAL SECURITIES

Moneys deposited in the Escrow Fund shall be invested as follows:

<i>Security</i>	<i>Maturity</i>	<i>Principal Amount</i>	<i>Interest Rate</i>
[__]	December 1, 2021	\$	%
	June 1, 2022		
	December 1, 2022		

The escrow requirements for the 2012 Bonds are as follows:

<i>Period Ending</i>	<i>Principal Paid</i>	<i>Principal Redeemed</i>	<i>Interest</i>	<i>Total</i>
December 1, 2021	\$ [__]	\$ -		\$
June 1, 2022	-	-		
December 1, 2022	[__]			

EXHIBIT A

NOTICE OF FULL OPTIONAL REDEMPTION

PUENTE BASIN WATER AGENCY
WATER REVENUE BONDS, 2012 SERIES A
(ROWLAND WATER DISTRICT PROJECT)

BASE CUSIP 745056

NOTICE IS HEREBY GIVEN to the owners of the above-captioned obligations (the “2012 Bonds”), which were issued pursuant to the Indenture of Trust, dated as of November 1, 2012 (the “2012 Indenture”), by and between the Puente Basin Water Agency (the “Agency”) and The Bank of New York Mellon Trust Company, N.A., as trustee (the “2012 Trustee”), that 2012 Bonds maturing on and after December 1, 2023 in the aggregate principal amount of \$15,450,000 have been called for redemption on December 1, 2022 (the “Redemption Date”). The 2012 Bonds being refunded were originally issued on November 28, 2012 and are described in the following table.

<i>Principal Payment Date (December 1)</i>	<i>CUSIP®[†] (745056)</i>	<i>Redeemed 2012 Bonds</i>	<i>Interest Rate</i>	<i>Redemption Price</i>
2023	AL5	\$ 540,000	4.000%	100%
2024	AM3	560,000	4.000	100
2025	AN1	580,000	4.000	100
2026	AP6	605,000	3.000	100
2027	AQ4	620,000	3.000	100
2028	AS0	640,000	3.000	100
2029	AT8	660,000	3.000	100
2030	AU5	680,000	3.000	100
2031	AV3	700,000	3.125	100
2032	AW1	725,000	3.250	100
2033	AX9	750,000	3.250	100
2034	AY7	775,000	3.250	100
2035	AZ4	800,000	3.375	100
2042	AR2	<u>6,815,000</u>	5.000	100
TOTAL		\$15,450,000		

The 2012 Bonds being refunded will be payable on the Redemption Date at a Redemption Price of 100% of the principal amount thereof plus accrued interest thereon to such date (the “Redemption Price”). The Redemption Price of the 2012 Bonds will become due and payable on the Redemption Date. Interest with respect to the 2012 Bonds will cease to accrue and be payable from and after the Redemption Date, and such 2012 Bonds will be surrendered to the 2012 Trustee.

To receive payment on the Redemption Date, owners of the 2012 Bonds being refunded should present and to surrender said 2012 Bonds on the Redemption Date at the address of the 2012 Trustee set forth below:

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright© CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. Neither the Agency nor its agents or counsel assume responsibility for the accuracy of such numbers.

First Class/Registered/Certified

Express Delivery Only

By Hand Only

The Bank of New York Mellon

Global Corporate Trust
P.O. Box 396
East Syracuse, NY 13057

The Bank of New York Mellon

Global Corporate Trust
111 Sanders Creek Parkway
East Syracuse, NY 13057

The Bank of New York Mellon

Global Corporate Trust
Corporate Trust Window
101 Barclay Street, 1st Floor East
New York, New York 10286

Additional information regarding the foregoing actions may be obtained from The Bank of New York Mellon Trust Company, N.A., Corporate Trust Department, Bondholder Relations, telephone number (800) 254-2826.

A form W-9 must be submitted with the 2012 Bonds being refunded. 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.

If the owner of any 2012 Bond being refunded fails to deliver such 2012 Bond to the 2012 Trustee on the Redemption Date, such 2012 Bond shall nevertheless be deemed redeemed on the Redemption Date and the owner of such 2012 Bond shall have no rights in respect thereof except to receive payment of the Redemption Price from funds held by the 2012 Trustee for such payment.

Note: The Rowland Water District, the Agency and the 2012 Trustee shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness in the notice or as printed on any 2012 Bond. They are included solely for the convenience of the holders.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as 2012 Trustee

November 1, 2022

EXHIBIT B

NOTICE OF DEFEASANCE

PUENTE BASIN WATER AGENCY
WATER REVENUE BONDS, 2012 SERIES A
(ROWLAND WATER DISTRICT PROJECT)

BASE CUSIP 745056

NOTICE IS HEREBY GIVEN to the owners of the above-captioned obligations (the “2012 Bonds”), which were issued pursuant to the Indenture of Trust, dated as of November 1, 2012 (the “2012 Indenture”), by and between the Puente Basin Water Agency (the “Agency”) and The Bank of New York Mellon Trust Company, N.A., as trustee (the “2012 Trustee”), that the Rowland Water District (the “District”) has caused to be deposited with The Bank of New York Mellon Trust Company, N.A., as escrow agent (the “Escrow Agent”), cash and federal securities, the principal of and interest on which when paid will provide an amount sufficient to pay: (i) the regularly scheduled payments of principal of and interest on the 2012 Bonds through and including December 1, 2022 (the “Redemption Date”); and (ii) on the Redemption Date, the principal of the 2012 Bonds maturing after the Redemption Date, plus interest thereon accrued through the Redemption Date, without premium. The 2012 Bonds were originally issued on November 28, 2012 and are described in the following table.

<i>Principal Payment Date (December 1)</i>	<i>CUSIP®[†] (745056)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>
2021	AJ0	\$ 495,000	4.000%
2022	AK7	515,000	4.000
2023	AL5	540,000	4.000
2024	AM3	560,000	4.000
2025	AN1	580,000	4.000
2026	AP6	605,000	3.000
2027	AQ4	620,000	3.000
2028	AS0	640,000	3.000
2029	AT8	660,000	3.000
2030	AU5	680,000	3.000
2031	AV3	700,000	3.125
2032	AW1	725,000	3.250
2033	AX9	750,000	3.250
2034	AY7	775,000	3.250
2035	AZ4	800,000	3.375
2042	AR2	<u>6,815,000</u>	5.000
TOTAL		\$15,450,000	

As provided in the 2012 Indenture and the Installment Purchase Contract, dated as of November 1, 2012 (the “2012 IPC”), by and between the District and the Agency: (i) the pledge of the

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright© CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. Neither the Agency nor its agents or counsel assume responsibility for the accuracy of such numbers.

Revenues (as such term is defined in the 2012 Indenture) and other funds provided for in the 2012 Indenture and all other obligations of the Agency under the 2012 Indenture with respect to the 2012 Bonds have ceased and terminated, except as set forth in the 2012 Indenture, and Revenues will hereafter not be payable to the Trustee; (ii) all obligations of the Agency and the 2012 Trustee under the 2012 Indenture have ceased and terminated, except as set forth in the 2012 Indenture; (iii) all obligations of the District under the 2012 IPC with respect to the 2012 Bonds have ceased and terminated, except as set forth in the 2012 IPC; and (iv) all obligations of the District under the Continuing Disclosure Agreement, dated as of November 1, 2012, by and between the District and Urban Futures, Inc., as dissemination agent, relating to the 2012 Bonds, have terminated.

No representation is made as to the correctness of the CUSIP number either as printed on any 2012 Bond or as contained herein and any error in the CUSIP number shall not affect the validity of the proceedings for defeasance or redemption of the 2012 Bonds.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as 2012 Trustee

September __, 2021

ESCROW AGREEMENT (2013 BONDS)

THIS ESCROW AGREEMENT (2013 BONDS), dated as of September 1, 2021 (the “**Agreement**”), by and among Walnut Valley Water District (the “**District**”), Puente Basin Water Agency (the “**Agency**”) and U.S. Bank National Association, as escrow agent (the “**Escrow Agent**”) and as 2013 Trustee (as such term is defined herein), is entered into in accordance with a resolution of the District adopted on July 26, 2021 and an Indenture of Trust, dated as of March 1, 2013 (the “**2013 Indenture**”), by and between the Agency and U.S. Bank National Association, as successor trustee (the “**2013 Trustee**”). This Agreement is entered into to refund all of the outstanding Puente Basin Water Agency Water Revenue Bonds, 2013 Series A (Walnut Valley Water District Project) (the “**2013 Bonds**”) in the aggregate principal amount of \$13,890,000.

RECITALS

A. Pursuant to the 2013 Indenture, the Agency issued the 2013 Bonds in the initial aggregate principal amount of \$17,300,000, of which \$13,890,000 is currently outstanding.

B. The 2013 Bonds are payable from net revenues of the District’s municipal water system.

C. The District has determined to issue its Walnut Valley Water District Water Revenue Refunding Bonds, Series 2021A (Federally Taxable) (the “**2021 Bonds**”), a portion of the proceeds of which, together with other moneys as described in Section 1, will be applied to pay: (i) the regularly scheduled payments of principal of and interest on the 2013 Bonds through and including June 1, 2023 (the “**Redemption Date**”); and (ii) on the Redemption Date, the principal of the 2013 Bonds maturing after the Redemption Date, plus interest thereon accrued through the Redemption Date, without premium.

D. The District will irrevocably deposit moneys with the Escrow Agent, which moneys will be used to purchase the securities that are described on Schedule A (the “**Federal Securities**”) (as permitted by, in the manner prescribed by and all in accordance with the 2013 Indenture). Such Federal Securities satisfy the criteria for “Federal Securities” set forth in Section 9.01(c) of the 2013 Indenture, and the principal of and interest on such Federal Securities when paid will provide money which will be fully sufficient to pay and discharge the 2013 Bonds.

AGREEMENT

SECTION 1. Deposit of Moneys. The District will cause U.S. Bank National Association, as trustee for the 2021 Bonds, to transfer a portion of the proceeds of the 2021 Bonds in the amount of \$_____ on the date of issuance of the 2021 Bonds to the Escrow Agent for deposit in the Escrow Fund established hereunder. The District will also cause the 2013 Trustee to transfer \$_____ from the _____ Fund established under the 2013 Indenture to the Escrow Agent for deposit in the Escrow Fund established hereunder.

The Escrow Agent will hold such amounts in an irrevocable escrow separate and apart from other moneys of the District, the Agency and the Escrow Agent in a fund hereby created and established to be known as the “**Escrow Fund**” and to be applied solely as provided in this Agreement. The District and the Agency represent that the sum of the amounts set forth above are at least equal to an

amount that is sufficient to purchase the Federal Securities listed on Schedule A, and to hold \$____ uninvested as cash.

SECTION 2. Investment of Moneys. The Escrow Agent acknowledges receipt of the moneys described in Section 1 and agrees immediately to invest such moneys in the Federal Securities listed on Schedule A and to deposit such Federal Securities in the Escrow Fund. The Escrow Agent shall be entitled to rely upon the conclusion of Causey Demgen & Moore P.C., Denver, Colorado (the “**Verification Agent**”) that the Federal Securities listed on Schedule A mature and bear interest payable in such amounts and at such times as, together with cash on deposit in the Escrow Fund, will be sufficient to pay: (i) the regularly scheduled payments of principal of and interest on the 2013 Bonds through and including the Redemption Date; and (ii) on the Redemption Date, the principal of the 2013 Bonds maturing after the Redemption Date, plus interest thereon accrued through the Redemption Date, without premium.

SECTION 3. Investment of Any Remaining Moneys. At the written direction of the District, together with an unqualified opinion of Stradling Yocca Carlson & Rauth, A Professional Corporation, to the effect that reinvestment is permitted under the legal documents in effect with respect to the 2013 Bonds and will not have an adverse effect on the tax status of the 2013 Bonds, 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 District, 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 Escrow Fund to pay: (i) the regularly scheduled payments of principal of and interest on the 2013 Bonds through and including the Redemption Date; and (ii) on the Redemption Date, the principal of the 2013 Bonds maturing after the Redemption Date, plus interest thereon accrued through the Redemption Date, without premium. Any interest income resulting from investment or reinvestment of moneys pursuant to this Section 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 District with respect to the refunding of the 2013 Bonds 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 obligations of political subdivisions, shall be paid to the District promptly upon the receipt of such interest income by the Escrow Agent. The determination of the District as to whether an accountant qualifies under this Agreement shall be conclusive.

SECTION 4. Substitution of Securities. Upon the written request of the District, and subject to the conditions and limitations that are set forth herein 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 or the District 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 2013 Bonds and will not have an adverse effect on the tax status of the 2013 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 Escrow Fund to pay: (1) the regularly scheduled payments of principal of and interest on the

2013 Bonds through and including the Redemption Date; and (2) on the Redemption Date, the principal of the 2013 Bonds maturing after the Redemption Date, plus interest thereon accrued through the Redemption Date, without premium. 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 2013 Bonds.

(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 Escrow Fund, the Escrow Agent shall transfer funds to the 2013 Trustee in an amount sufficient to enable the 2013 Trustee to pay: (i) the regularly scheduled payments of principal of and interest on the 2013 Bonds through and including the Redemption Date; and (ii) on the Redemption Date, the principal of the 2013 Bonds maturing after the Redemption Date, plus interest thereon accrued through the Redemption Date, without premium, all as indicated on Schedule A.

(b) Irrevocable Instructions to Provide Notice. The notices required to be mailed pursuant to Sections 4.03 and Article IX of the 2013 Indenture are substantially in the forms attached hereto as Exhibits A and B. The District and the Agency hereby irrevocably instruct the 2013 Trustee to mail: (i) a notice of redemption of the 2013 Bonds maturing after the Redemption Date substantially in the form attached hereto as Exhibit A at least 30 days prior to the Redemption Date to the parties described in and otherwise in accordance with Section 4.03 of the 2013 Indenture (including The Depository Trust Company and the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System, maintained on the Internet at <http://emma.msrb.org/>); and (ii) a notice of defeasance of the 2013 Bonds in the form attached hereto as Exhibit B on the date of issuance of the 2021 Bonds to the parties described in and otherwise in accordance with Article IX of the 2013 Indenture (including The Depository Trust Company and the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System, maintained on the Internet at <http://emma.msrb.org/>), as required to provide for the payment and redemption of the 2013 Bonds in accordance with this Section.

(c) Unclaimed Moneys. Any moneys in the Escrow Fund which remain unclaimed after the Redemption Date shall be repaid by the Escrow Agent to the District.

(d) Priority of Payments. The owners of the 2013 Bonds shall have a first and exclusive lien on all moneys and securities in the 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 2013 Indenture and the Installment Purchase Contract, dated as of March 1, 2013 (the "**2013 IPC**"), by and between the District and the Agency, upon the deposit of moneys with the Escrow Agent in the Escrow Fund as set forth in Section 1 and the purchase of the Federal Securities as provided in Section 2: (i) the pledge of the Revenues (as such term is defined in the 2013 Indenture) and other funds provided for in the 2013 Indenture and all other obligations of the Agency under the 2013 Indenture with respect to the 2013 Bonds will cease and terminate, except as set forth in the 2013 Indenture, and thereafter Revenues will not be payable to the Trustee; (ii) all obligations of the Agency and the 2013 Trustee under the 2013 Indenture will cease and terminate, except as set forth in the 2013 Indenture; and (iii) all obligations of the District under the 2013 IPC with respect to the 2013 Bonds will cease and terminate, except as set forth in the 2013 IPC.

SECTION 6. Application of Certain Terms of the 2013 Indenture. All of the terms of the 2013 Indenture relating to the making of payments of principal of and interest on the 2013 Bonds and relating to the exchange or transfer of the 2013 Bonds are incorporated in this Agreement as if set forth in full herein. The procedures set forth in Section 7.01 of the 2013 Indenture relating to the resignation and removal and merger of the 2013 Trustee 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 that are set forth herein and has no responsibility to take any action or omit to take any action that is 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 that are held hereunder or to sell, transfer or otherwise dispose of the moneys or Federal Securities that are held hereunder.

SECTION 9. Indemnity. The District and the Agency hereby assume liability for, and hereby agree (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, directors, officers, 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 District, 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 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 District and 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. In no event shall the District, the Agency or the Escrow Agent be liable to any person by reason of the transactions that are contemplated hereby other than to each other as set forth in this Section. The indemnities that are contained in this Section shall survive the termination of this Agreement and the resignation or removal of the Escrow Agent.

SECTION 10. Responsibilities of Escrow Agent. The Escrow Agent and its agents and servants 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 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 2013 Bonds 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 that is made in good faith in the conduct of its duties. The recitals of fact that are contained herein shall be taken as the statements of the District and 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 2013 Bonds or to the validity of this Agreement as to the District or 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 or willful misconduct, 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 District 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 District or the Agency. The Escrow Agent shall incur no liability for losses arising from any investment made pursuant to this Agreement.

No provision of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

The Escrow Agent shall have the right to accept and act upon instructions, including funds transfer instructions (“**Instructions**”) given pursuant to this Agreement and delivered using Electronic Means (“**Electronic Means**” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Agent, or another method or system specified by the Escrow Agent as available for use in connection with its services hereunder); provided, however, that the District and the Agency shall provide to the Escrow Agent incumbency certificates listing officers with the authority to provide such Instructions (“**Authorized Officers**”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the District or the Agency whenever a person is to be added or deleted from the listing. If the District or the Agency elects to give the Escrow Agent Instructions using Electronic Means and the Escrow Agent in its discretion elects to act upon such Instructions, the Escrow Agent’s understanding of such Instructions shall be deemed controlling. The District and the Agency understand and agree that the Escrow Agent cannot determine the identity of the actual sender of such Instructions and that the Escrow Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Agent have been sent by such Authorized Officer. The District and the Agency shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Agent and that the District, the Agency and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the District and the Agency. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent’s reliance upon and compliance with such Instructions notwithstanding the fact that such directions conflict or are inconsistent with a subsequent written instruction. The District and the Agency agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that they are fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Agent and that there may be more secure methods of

transmitting Instructions than the method(s) selected by the District or the Agency; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Escrow Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

The Escrow Agent shall furnish the District with periodic cash transaction statements which include detail for all investment transactions effected by the Escrow Agent or brokers selected by the District or the Agency, provided that the Escrow Agent is not obligated to provide an accounting for any fund or account that: (a) has a balance of \$0.00; and (b) has not had any activity since the last reporting date. Upon the District's election, such statements will be delivered via the Escrow Agent's online service and upon electing such service, paper statements will be provided only upon request. The District waives the right to receive brokerage confirmations of security transactions effected by the Escrow Agent as they occur, to the extent permitted by law. The District and the Agency further understand that trade confirmations for securities transactions effected by the Escrow Agent will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

If the Escrow Agent learns that the Department of the Treasury or the Bureau of Public Debt will not, for any reason, accept a subscription of securities that is to be submitted pursuant to this Agreement, the Escrow Agent shall promptly request alternative written investment instructions from the District with respect to escrowed funds which were to be invested in securities. The Escrow Agent shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Agent shall hold funds uninvested and without liability for interest until receipt of further written instructions from the District. In the absence of investment instructions from the District, the Escrow Agent shall not be responsible for the investment of such funds or interest thereon. The Escrow Agent may conclusively rely upon the District's selection of an alternative investment as a determination of the alternative investment's legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

SECTION 11. Amendments. This Agreement is made for the benefit of the District, the Agency and the owners from time to time of the 2013 Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such owners, the Escrow Agent, the Agency and the District; provided, however, that the District, 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 or the 2013 Indenture, 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 2013 Bonds 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 2013 Bonds or that any instrument that is 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, upon written instructions from the District,

shall provide written notice in the form provided by the District of such severance, amendment or revocation to the rating agencies then rating the 2013 Bonds.

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 2013 Bonds 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. Funds remaining in the Escrow Fund after payment in full of the 2013 Bonds shall be transferred to the District.

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 District, and any other reasonable fees and expenses of the Escrow Agent; 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 Escrow Fund for the payment of fees and expenses for services that are 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 District, 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, shall be deemed separate from the remaining covenants and agreements contained herein 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. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall be a legal holiday or a day on which banking institutions in the District in which is located the office of the Escrow Agent are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day which is not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement, and no interest shall accrue for the period from and after such nominal date.

SECTION 19. Assignment. This Agreement shall not be assigned by the Escrow Agent or any successor thereto without the prior written consent of the District and the Agency.

SECTION 20. Reorganization of Escrow Agent. Notwithstanding anything to the contrary contained in this Agreement, any company into which the Escrow Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which the Escrow Agent is a party, or any company to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business, shall be the successor to the Escrow Agent without execution or filing of any paper or any paper or further act, if such company is eligible to serve as Escrow Agent.

SECTION 21. Insufficient Funds. If at any time the Escrow Agent has actual knowledge that the moneys and investments in the Escrow Fund, including the anticipated proceeds thereof and earnings thereon, will not be sufficient to make all payments required by this Agreement, the Escrow Agent shall notify the District 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 22. Notices. 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 633 West Fifth Street, 24th Floor, Los Angeles, California 90071, Attention: Corporate Trust, Reference: Puente Basin Water Agency 2013 Walnut Valley Water District Bonds. Any notice to or demand upon the District or the Agency shall be deemed to have been sufficiently given or served for all purposes by being sent by facsimile or other electronic transmission, overnight mail or courier or mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to the District or the Agency at 271 South Brea Canyon Road, Walnut, California 91789, Attention: General Manager (or such other address as may have been filed in writing by the District 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.

WALNUT VALLEY WATER DISTRICT

By: _____
General Manager

PUENTE BASIN WATER AGENCY

By: _____
Administrative Officer

U.S. BANK NATIONAL ASSOCIATION, as
Escrow Agent and 2013 Trustee

By: _____
Authorized Officer

SCHEDULE A
FEDERAL SECURITIES

Moneys deposited in the Escrow Fund shall be invested as follows:

<i>Security</i>	<i>Maturity</i>	<i>Principal Amount</i>	<i>Interest Rate</i>
[__]	December 1, 2021	\$	%
	June 1, 2022		
	December 1, 2022		
	June 1, 2023		

The escrow requirements for the 2013 Bonds are as follows:

<i>Period Ending</i>	<i>Principal Paid</i>	<i>Principal Redeemed</i>	<i>Interest</i>	<i>Total</i>
December 1, 2021	\$ -	\$ -		\$
June 1, 2022	[__]	-		
December 1, 2022	-	-		
June 1, 2023	[__]			

EXHIBIT A

NOTICE OF FULL OPTIONAL REDEMPTION

PUENTE BASIN WATER AGENCY
WATER REVENUE BONDS, 2013 SERIES A
(WALNUT VALLEY WATER DISTRICT PROJECT)

BASE CUSIP 745056

NOTICE IS HEREBY GIVEN to the owners of the above-captioned obligations (the “2013 Bonds”), which were issued pursuant to the Indenture of Trust, dated as of March 1, 2013 (the “2013 Indenture”), by and between the Puente Basin Water Agency (the “Agency”) and U.S. Bank National Association, as successor trustee (the “2013 Trustee”), that 2013 Bonds maturing on and after June 1, 2024 in the aggregate principal amount of \$12,790,000 have been called for redemption on June 1, 2023 (the “Redemption Date”). The 2013 Bonds being refunded were originally issued on March 28, 2013 and are described in the following table.

<i>Principal Payment Date (June 1)</i>	<i>CUSIP®[†] (745056)</i>	<i>Redeemed 2013 Bonds</i>	<i>Interest Rate</i>	<i>Redemption Price</i>
2024	BL4	\$ 595,000	5.00%	100%
2025	BM2	620,000	5.00	100
2026	BN0	655,000	5.00	100
2027	BP5	685,000	5.00	100
2028	BQ3	720,000	5.00	100
2029	BR1	755,000	5.00	100
2030	BU4	795,000	5.00	100
2031	BV2	835,000	5.00	100
2032	BW0	875,000	5.00	100
2033	BS9	920,000	5.00	100
2038	BT7	<u>5,335,000</u>	5.00	100
TOTAL		\$12,790,000		

The 2013 Bonds being refunded will be payable on the Redemption Date at a Redemption Price of 100% of the principal amount thereof plus accrued interest thereon to such date (the “Redemption Price”). The Redemption Price of the 2013 Bonds will become due and payable on the Redemption Date. Interest with respect to the 2013 Bonds will cease to accrue and be payable from and after the Redemption Date, and such 2013 Bonds will be surrendered to the 2013 Trustee.

To receive payment on the Redemption Date, owners of the 2013 Bonds being refunded should present and to surrender said 2013 Bonds on the Redemption Date at the address of the 2013 Trustee set forth below:

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright© CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. Neither the Agency nor its agents or counsel assume responsibility for the accuracy of such numbers.

Delivery Instructions

U.S. Bank National Association
Global Corporate Trust
c/o MUFG Union Bank, N.A.
445 South Figueroa Street, 8th Floor
Los Angeles, California 90071

REQUIREMENT INFORMATION

For a list of redemption requirements please visit our website at www.usbank.com/corporatetrust and click on the “Bondholder Information” link for Redemption instructions. You may also contact our Bondholder Communications team at 1-800-934-6802 Monday through Friday from 8 AM to 6 PM CST.

IMPORTANT NOTICE

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

If the owner of any 2013 Bond being refunded fails to deliver such 2013 Bond to the 2013 Trustee on the Redemption Date, such 2013 Bond shall nevertheless be deemed redeemed on the Redemption Date and the owner of such 2013 Bond shall have no rights in respect thereof except to receive payment of the Redemption Price from funds held by the 2013 Trustee for such payment.

Note: The Walnut Valley Water District, the Agency and the 2013 Trustee shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness in the notice or as printed on any 2013 Bond. They are included solely for the convenience of the holders.

U.S. BANK NATIONAL ASSOCIATION, as 2013
Trustee

May 1, 2023

EXHIBIT B

NOTICE OF DEFEASANCE

PUENTE BASIN WATER AGENCY
WATER REVENUE BONDS, 2013 SERIES A
(WALNUT VALLEY WATER DISTRICT PROJECT)

BASE CUSIP 745056

NOTICE IS HEREBY GIVEN to the owners of the above-captioned obligations (the “2013 Bonds”), which were issued pursuant to the Indenture of Trust, dated as of March 1, 2013 (the “2013 Indenture”), by and between the Puente Basin Water Agency (the “Agency”) and U.S. Bank National Association, as successor trustee (the “2013 Trustee”), that the Walnut Valley Water District (the “District”) has caused to be deposited with U.S. Bank National Association, as escrow agent (the “Escrow Agent”), cash and federal securities, the principal of and interest on which when paid will provide an amount sufficient to pay: (i) the regularly scheduled payments of principal of and interest on the 2013 Bonds through and including June 1, 2023 (the “Redemption Date”); and (ii) on the Redemption Date, the principal of the 2013 Bonds maturing after the Redemption Date, plus interest thereon accrued through the Redemption Date, without premium. The 2013 Bonds were originally issued on March 28, 2013 and are described in the following table.

<i>Principal Payment Date (June 1)</i>	<i>CUSIP®[†] (745056)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>
2022	BJ9	\$ 535,000	5.00%
2023	BK6	565,000	5.00
2024	BL4	595,000	5.00
2025	BM2	620,000	5.00
2026	BN0	655,000	5.00
2027	BP5	685,000	5.00
2028	BQ3	720,000	5.00
2029	BR1	755,000	5.00
2030	BU4	795,000	5.00
2031	BV2	835,000	5.00
2032	BW0	875,000	5.00
2033	BS9	920,000	5.00
2038	BT7	<u>5,335,000</u>	5.00
TOTAL		\$13,890,000	

As provided in the 2013 Indenture and the Installment Purchase Contract, dated as of March 1, 2013 (the “2013 IPC”), by and between the District and the Agency: (i) the pledge of the Revenues (as such term is defined in the 2013 Indenture) and other funds provided for in the 2013 Indenture and all other obligations of the Agency under the 2013 Indenture with respect to the 2013 Bonds have ceased and terminated, except as set forth in the 2013 Indenture, and Revenues will hereafter not be payable

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright© CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. Neither the Agency nor its agents or counsel assume responsibility for the accuracy of such numbers.

to the Trustee; (ii) all obligations of the Agency and the 2013 Trustee under the 2013 Indenture have ceased and terminated, except as set forth in the 2013 Indenture; (iii) all obligations of the District under the 2013 IPC with respect to the 2013 Bonds have ceased and terminated, except as set forth in the 2013 IPC; and (iv) all obligations of the District under the Continuing Disclosure Undertaking, dated as of March 1, 2013, relating to the 2013 Bonds, have terminated.

No representation is made as to the correctness of the CUSIP number either as printed on any 2013 Bond or as contained herein and any error in the CUSIP number shall not affect the validity of the proceedings for defeasance or redemption of the 2013 Bonds.

U.S. BANK NATIONAL ASSOCIATION, as 2013
Trustee

September __, 2021