



MEMORANDUM

TO: SLDMWA Board of Directors, Alternates

FROM: Pablo Arroyave, Chief Operating Officer

DATE: October 8, 2020

RE: Resolution Authorizing the Execution and Delivery of Refunding Bonds and Approving the Execution and Delivery of Certain Documents in connection Therewith and Certain Other Matters

BACKGROUND

Due to the significant drop in interest rates in the spring of 2020, the Authority and affected water districts are considering refinancing debt issued in 2013. The DHCCP Bonds under consideration for refunding (refinancing) were issued in 2013 for a total amount of \$37,550,000; \$28,935,000 is currently outstanding. Westlands Water District agreed to pay 100% of the principal and interest with 8 other financing participants (participants) each paying a portion. The Authority receives those payments and in turn, reimburses Westlands. The participants are Westlands, Broadview, Laguna, Eagle Field, Mercy Springs, Byron Bethany, Pacheco, Panoche and San Luis districts. This arrangement would continue after refinancing. Each participant can participate in the proposed refinancing, prepay their amount due prior to closing, or continue to participate in the 2013 debt service. With the exception of one participant who is planning to prepay their amount owed, all participants are expected to support proceeding with the refinancing. The POS is expected to come before the Board for approval in a future meeting, with closing of the refinancing expected to occur in December, 2020.

ISSUES FOR DECISION

Whether the Board should adopt the Resolution Authorizing the Execution and Delivery of Refunding Revenue Bonds and Approving the Execution and Delivery of Certain Documents in Connection Therewith and Certain Other Matters.

RECOMMENDATION

Staff recommends that the Authority proceed with the DHCCP refunding. On Monday, October 5th, the DHCCP Steering Committee is expected to recommend proceeding with the DHCCP refunding and issuing bonds through the adoption of the proposed Resolution, which approves the following documents in substantial form:

Memo to SLDMWA Board of Directors

October 8, 2020

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- Indenture of Trust
- Purchase Contract
- Escrow Agreement

ANALYSIS

Refinancing of the 2013 debt is expected to save the participants up to \$4.1M over the life of the debt and up to \$195k per year. This amount will change if participants choose to pay off their obligation prior to refunding.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

RESOLUTION NO. 2020-__

**RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF
REFUNDING REVENUE BONDS AND APPROVING THE EXECUTION
AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION
THEREWITH AND CERTAIN OTHER MATTERS**

WHEREAS, the San Luis & Delta-Mendota Water Authority (the “Authority”), has previously issued refunding revenue bonds (the “2013 Bonds”) which are currently outstanding in the aggregate principal amount of \$28,935,000 to refinance a portion of certain development costs of a conveyance and water conservation project (the “DHCCP Project”) on behalf of Authority members who executed the San Luis & Delta-Mendota Water Authority Delta Habitat Conservation and Conveyance Program Activity Agreement (the “Activity Agreement”); and

WHEREAS, the Board of Directors of the Authority (the “Board”) has determined that it is in the best interest of the Authority to issue refunding revenue bonds (the “Bonds”) to refinance the 2013 Bonds to reduce the interest rate paid by such Activity Agreement members; and

WHEREAS, the Board does hereby determine that authorizing (1) the issuance of revenue bonds to refinance a portion of the cost of the DHCCP Project, (2) the execution of certain documents, and (3) all steps that are reasonably convenient or necessary to issue revenue bonds, does not constitute a project or projects under CEQA because the proposed actions fund continued operation and maintenance of existing facilities within established parameters and represent administrative activities of the Authority that will not result in direct or indirect physical changes in the environment (Section 15378(b)(5) of the CEQA Guidelines); further, where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061(b)(3) of the CEQA Guidelines).

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS, THAT:

SECTION 1. Findings. The Board hereby specifically finds and declares that the actions authorized hereby constitute and relate to public affairs of the Authority and that the statements, findings and determinations set forth above and in the preambles of the documents approved herein are true and correct.

SECTION 2. Indenture of Trust. The Indenture of Trust, in substantially the form attached hereto as Exhibit A, is hereby approved. The Chair and the Vice Chair of the Board, the Executive Director and the Chief Operating Officer of the Authority or a written designee of any such officer (each an “Authorized Officer”) are hereby individually authorized and directed to execute and deliver the Indenture of Trust with such changes, insertions and omissions as may recommended by the Authority’s General Counsel or Stradling Yocca Carlson & Rauth, a Professional Corporation as Bond Counsel (“Bond Counsel”) and as may be approved by the Authorized Officer executing the same, said execution being conclusive evidence of such approval.

SECTION 3. Purchase Contract. The Purchase Contract, in substantially the form attached hereto as Exhibit B, is hereby approved. The Executive Director, the Chief Operating Officer or a written designee thereof is hereby authorized and directed to execute and deliver the Purchase Contract with such changes, insertions and omissions as may be recommended by the Authority's General Counsel or Bond Counsel and as may be approved by the Authorized Officer executing the same, said execution being conclusive evidence of such approval; provided, however that in no event shall the aggregate principal amount of Bonds issued exceed \$37,500,000, nor shall the underwriting discount exceed 0.75% of the principal amount of the Bonds, nor shall the all-in true interest cost on the Bonds exceed 4.0%.

SECTION 4. Escrow Agreement. The Escrow Agreement (2013 Bonds), in substantially the form attached hereto as Exhibit C, is hereby approved. Each Authorized Officer is hereby authorized and directed to execute and deliver the Escrow Agreement (2013 Bonds) with such changes, insertions and omissions as may be recommended by Authority's General Counsel or Bond Counsel and as may be approved by the Authorized Officer executing the same, said execution being conclusive evidence of such approval.

SECTION 5. Bonds. The Board hereby authorizes the preparation, sale and delivery of the Bonds in accordance with the terms and provisions of the Indenture of Trust. The Bonds are being issued to refinance public capital improvements and utility projects within the meaning of Government Code Section 6584, et seq., including without limitation Section 6599.3. The Board hereby finds and determines that issuance of the Bonds to refinance such public capital improvements will result in significant public benefits within the meaning of Government Code Section 6586.

SECTION 6. Revised Financing Participant Payment Schedules. Each Authorized Officer is hereby individually authorized and directed to approve, execute and deliver all other documents required to effect the refinancing of the 2013 Bonds, including but not limited to the approval of a revised payment schedule under the Activity Agreement for each Financing Participant (as such term is defined in the Activity Agreement) that will participate in the refinancing of the 2013 Bonds.

SECTION 7. Participation of Activity Members. In the event that an Activity Agreement Member (as such term is defined in the Activity Agreement) that participated in the initial issuance of the 2013 Bonds chooses not to participate in the refinancing of the 2013 Bonds and does not elect to prepay its share of the 2013 Bonds, the Chief Operating Officer and Executive Director are each authorized to accept and hold in trust such Activity Agreement Member's payment of its share of the principal of and interest on the 2013 Bonds, and to deliver such payment to Westlands Water District in accordance with the Activity Agreement. The Chief Operating Officer and Executive Director may each cause the creation of funds and accounts into which such moneys shall be deposited as may be necessary or convenient.

SECTION 8. Good Faith Estimate of Costs. The Board acknowledges that the good faith estimates required by Section 5852.1 of the California Government Code are disclosed in Exhibit D, attached hereto, and have been made available to the public at the meeting at which this Resolution is approved.

SECTION 9. Other Actions. Each Authorized Officer and any other proper officer of the Authority, acting individually, be and each of them is hereby authorized and directed 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 proper in order to consummate the issuance and sale of the Bonds, and for carrying out the transactions contemplated by the Indenture of Trust, the Purchase Contract, the Escrow Agreement (2013 Bonds) and this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed.

SECTION 10. Trustee. MUFG Union Bank, N.A., San Francisco, California is hereby appointed to act as Trustee under the Indenture of Trust.

SECTION 11. Definitions. Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given such terms in the Indenture of Trust unless the context otherwise clearly requires.

SECTION 12. Effect. This resolution shall take effect immediately.

SECTION 13. Recitals. Each of the foregoing recitals is true and correct.

PASSED, APPROVED AND ADOPTED this 8th day of October, 2020, by the Board of Directors of the San Luis & Delta-Mendota Water Authority.

AYES:

NOES:

ABSENT:

APPROVED:

Cannon Michael, Chairman
SAN LUIS & DELTA-MENDOTA WATER
AUTHORITY

Attest:

Federico Barajas, Secretary

I hereby certify that the foregoing Resolution No. 2020-__ was duly and regularly adopted by the Board of Directors of the San Luis & Delta-Mendota Water Authority at the meeting thereof held on the 8th day of October, 2020.

Federico Barajas, Secretary

EXHIBIT A
FORM OF INDENTURE OF TRUST

INDENTURE OF TRUST

Dated as of December 1, 2020

by and between

MUFG UNION BANK, N.A., as trustee

and the

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

Relating to

\$ _____

**San Luis & Delta-Mendota Water Authority
Refunding Revenue Bonds (DHCCP Development Project), Series 2020B**

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST, made and entered into as of December 1, 2020, by and between the SAN LUIS & DELTA-MENDOTA WATER AUTHORITY, a public entity duly organized and existing under the Joint Exercise of Powers Agreement and under the Constitution and laws of the State of California (the “Authority”) and MUFG UNION BANK, N.A., a national banking association organized and existing under the laws of the United States of America, as trustee hereunder (the “Trustee”);

WITNESSETH:

WHEREAS, the Authority has been created pursuant to an Amended and Restated Joint Exercise of Powers Agreement -- SAN LUIS & DELTA-MENDOTA WATER AUTHORITY, dated as of January 1, 1992 (the “Joint Exercise of Powers Agreement”), by certain districts and other public agencies with the power, among others to finance, refinance, develop, operate and maintain water supply facilities; and

WHEREAS, the public agencies which are members of the Authority and certain other entities have previously determined that it is in the best interest of the public in such agencies and customers served by such other entities to undertake the development of certain water supply facilities; and

WHEREAS, such public agencies have each entered into a San Luis & Delta-Mendota Water Authority Delta Habitat Conservation and Conveyance Program Activity Agreement (collectively, the “DHCCP Activity Agreement”) with the Authority in order to provide for the financing and refinancing of a portion of the development costs of certain water supply facilities (the “Project”); and

WHEREAS, the Authority has previously issued refunding revenue bonds (the “2013 Bonds”) to refinance a portion of the costs of the Project, which 2013 Bonds are currently outstanding in the aggregate principal amount of \$28,935,000, and

WHEREAS, the Authority is authorized pursuant to State law, including but not limited to Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the “Government Code”), and pursuant to Sections 6(k) and 24 of the Joint Exercise of Powers Agreement, to issue bonds, notes and other indebtedness to refinance the Project, and is authorized pursuant to State law, including but not limited to Section 6588(m) of the Government Code, and Section 4.2 of the DHCCP Activity Agreement, to assign and pledge to the repayment of such indebtedness amounts payable by certain members of the Authority listed in Exhibit B hereto (the “Financing Participants”) under the DHCCP Activity Agreement; and

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and premium, if any, thereon, the Authority has authorized the execution and delivery of this Indenture; and

WHEREAS, all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority, authenticated and delivered by the Trustee, and duly issued, the valid,

binding and legal special obligations of the Authority, and to make this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of the Indenture have been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

GRANTING CLAUSES

The Authority, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of and the interest and premium (if any) on all Bonds at any time issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, does hereby assign and pledge unto, and grant a security interest in, the following (the "Trust Estate") to the Trustee, and its successors in trust and assigns forever, for the securing of the performance of the obligations of the Authority to the Bond Owners hereinafter set forth:

GRANTING CLAUSE FIRST

All right, title and interest of the Authority in and to the Revenues (as defined herein), including, but without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive and receipt for any Revenues payable to or receivable by the Authority under the Constitution of this State, the Government Code of the State of California and this Indenture and any other applicable laws of this State or otherwise, to bring actions and proceedings thereunder for the enforcement thereof, and to do any and all things which the Authority is or may become entitled to do thereunder, subject to the terms hereof.

GRANTING CLAUSE SECOND

All moneys and securities held in funds and accounts of the Indenture and all other rights of every name and nature from time to time herein or hereafter by delivery or by writing of any kind pledged, assigned or transferred as and for additional security hereunder to the Trustee by the Authority or by anyone on its behalf, or with its written consent, and to hold and apply the same, subject to the terms hereof.

GRANTING CLAUSE THIRD

All of the rights, title, and interest of the Authority in payments made by the Financing Participants pursuant to Section 4.2 of the DHCCP Activity Agreement, including all rights of the Authority thereunder as may be necessary to enforce compliance with said provisions (including enforcement of payment obligations and rate covenants, if any) contained in the DHCCP Activity Agreement or otherwise to protect the interest of the Owners of the Bonds, subject to the terms hereof.

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto Trustee and its respective successors in trust and assigns forever for the

benefit of the Owners and such pledge shall constitute a lien on and security interest in such Trust Estate;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future owners of the Bonds issued under and secured by this Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds;

PROVIDED, HOWEVER, that if the Authority, its successors or assigns shall well and truly pay, or cause to be paid, the principal of and interest and any redemption premium on the Bonds due or to become due thereon, at the times and in the manner provided in the Bonds according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to Trustee all sums of money due or to become due in accordance with the terms and provisions hereof, then upon such final payments or deposits as herein provided, this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise this Indenture shall remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered, and all sold property, rights and interests, including, without limitation, the Revenues, hereby assigned and pledged, are to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes hereinafter expressed, and the Authority has agreed and covenanted and does hereby covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; CONTENT OF CERTIFICATES AND OPINIONS

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall, for all purposes of this Indenture and of any indenture supplemental hereto and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

Authorized Representative. The term “Authorized Representative” means with respect to the Authority, the Executive Director, the Chief Operating Officer or any other person designated as an Authorized Representative of the Authority by a Certificate of the Authority signed by its Executive Director, the Chief Operating Officer and filed with the Trustee.

Authority. The term “Authority” means the San Luis & Delta-Mendota Water Authority, a public body corporate and politic duly organized and existing under the Joint Exercise of Powers Agreement and under the Constitution and laws of the State.

Beneficial Owner. The term “Beneficial Owner” means any person which: (i) 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 (ii) is treated as the owner of any Bonds for federal income tax purposes.

Bond Counsel. The term “Bond Counsel” means Stradling Yocca Carlson & Rauth, A Professional Corporation, or another firm of nationally recognized attorneys experienced in the issuance of obligations by joint exercise of powers agencies in the State.

Bonds. The term “Bonds” means any bonds issued by the Authority and at any time Outstanding pursuant to this Indenture.

Bond Insurer. The term “Bond Insurer” means _____, or any successor thereto.

Bond Year. The term “Bond Year” means the period beginning on the date of issuance of the Bonds and ending on March 1, 2021, and each successive one year or, during the last period prior to maturity, shorter period thereafter until there are no Outstanding Bonds.

Business Day. The term “Business Day” means: (i) a day which is not a Saturday, Sunday or legal holiday on which banking institutions in the State, or in any other state in which the Office of the Trustee is located, are closed; or (ii) a day on which the New York Stock Exchange is not closed.

Certificate; Direction; Request; Requisition. The terms “Certificate,” “Direction,” “Request” or “Requisition” of the Authority mean a written certificate, direction, request or requisition signed in the name of the Authority by its Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.02, each such instrument shall include the statements provided for in Section 1.02.

Closing Date. The term “Closing Date” means the date on which the Bonds are delivered to the original purchaser thereof.

Code. The term “Code” means the Internal Revenue Code of 1986, as amended.

Costs of Issuance. The term “Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Authority and related to the authorization, issuance, sale and delivery of the Bonds, including but not limited to costs of preparation and reproduction of documents, printing expenses, filing and recording fees, initial fees and charges of the Trustee and counsel to the Trustee, premium with respect to a municipal bond insurance policy, premium with respect to a reserve fund surety, legal fees and charges, fees and charges of any Authority municipal advisor, fees and disbursements of consultants and professionals, rating agency fees, fees and charges for preparation, execution and safekeeping of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds.

Costs of Issuance Fund. The term “Costs of Issuance Fund” means the fund by that name established pursuant to Section 3.03.

Defeasance Securities. The term “Defeasance Securities” means: (1) non-callable direct obligations of the United States of America; (2) evidences of ownership of proportionate interests in future interest and principal payments on non-callable direct obligations of the United States of America held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and

the underlying non-callable direct obligations of the United States of America are not available to any person claiming through the custodian or to whom the custodian may be obligated; (3) pre refunded municipal obligations rated “Aa-mf” or higher by Moody’s; or (4) securities eligible for “AAA” defeasance under then existing criteria of Moody’s or any combination thereof, which shall be used to effect defeasance of the Bonds.

Depository; DTC. The terms “Depository” or “DTC” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York in its capacity as securities depository for the Bonds.

DHCCP Activity Agreement. The term “DHCCP Activity Agreement” means those certain San Luis & Delta-Mendota Water Authority Delta Habitat Conservation and Conveyance Program Activity Agreement, by and between the Authority and each Financing Participant, as amended from time to time.

Electronic Means. The term “Electronic Means” means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

Escrow Agent. The term “Escrow Agent” means MUFG Union Bank, N.A., as escrow agent pursuant to the terms of the Escrow Agreement (2013A Bonds), or its successor thereunder.

Escrow Agreement (2013A Bonds). The term “Escrow Agreement (2013A Bonds)” means the Escrow Agreement (2013A Bonds), dated as of December 1, 2020, by and between the Authority and the Escrow Agent, as originally executed or as it may from time to time be amended or supplemented in accordance with its terms.

Escrow Fund. The term “Escrow Fund” means the fund by that name established under the Escrow Agreement (2013A Bonds).

Event of Default. The term “Event of Default” means any of the events specified in Section 7.01.

Financing Participants. The term “Financing Participants” means those parties to the DHCCP Activity Agreement which are listed in Exhibit B hereto.

Fitch. The term “Fitch” means Fitch Ratings, Inc., or any successor thereto.

Indenture. The term “Indenture” means this Indenture of Trust, dated as of December 1, 2020, by and between the Authority and the Trustee, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture.

Information Services. The term “Information Services” means the Municipal Securities Rulemaking Board; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the Authority may specify in a certificate to the Trustee.

Instructions. The term “Instructions” means instructions given pursuant to this Indenture, including funds transfer instructions.

Interest Payment Date. The term “Interest Payment Date” means each March 1 and September 1, commencing March 1, 2021.

Investment Agreement. The term “Investment Agreement” means an investment agreement supported by appropriate opinions of counsel with notice to Moody’s.

Joint Exercise of Powers Agreement. The term “Joint Exercise of Powers Agreement” means that certain Amended and Restated Joint Exercise of Powers Agreement -- SAN LUIS & DELTA-MENDOTA WATER AUTHORITY, dated as of January 1, 1992 among the parties listed therein, as amended from time to time.

Letter of Representations. The term “Letter of Representations” means the letter of the Authority delivered to and accepted by the Depository on or prior to delivery of the Bonds as book-entry bonds setting forth the basis on which the Depository serves as depository for such book-entry bonds, as originally executed or as it may be supplemented or revised or replaced by a letter from the Authority delivered to and accepted by the Depository.

Nominee. The term “Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 2.09 hereof.

Office. The term “Office” means with respect to the Trustee, the designated corporate trust office of the Trustee at 350 California Street, 17th Floor, San Francisco, California 94104, Facsimile (415) 273-2492; notwithstanding the foregoing, such other office as designated by the Trustee, except that with respect to presentation of Bonds for payment or for registration of transfer and exchange, and the location of the Registration Books, such term means the corporate trust office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted, of MUFG Union Bank, N.A. in Los Angeles, California, or at such other or additional offices as may be specified in writing by the Trustee to the Authority.

Opinion of Counsel. The term “Opinion of Counsel” means a written opinion of counsel (including but not limited to counsel to the Authority) selected by the Authority. If and to the extent required by the provisions of Section 1.02, each Opinion of Counsel shall include the statements provided for in Section 1.02.

Outstanding. The term “Outstanding,” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.09) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.02, including Bonds (or portions thereof) described in Section 11.10; (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to this Indenture; and (d) Bonds surrendered in accordance with the parenthetical in Section 2.07.

Owner; Bond Owner. The terms “Owner” or “Bond Owner,” whenever used herein with respect to a Bond, means the person in whose name the ownership of such Bond is registered on the Registration Books.

Participants. The term “Participants” means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.

Payment Date. The term “Payment Date” means the third Business Day prior to the related scheduled Interest Payment Date.

Permitted Investments. The term “Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein:

(A) for all purposes, including: (i) as defeasance investments in refunding escrow accounts; and (ii) for the purpose of investing (and receiving premium credit for) accrued and capitalized interest: (1) cash; or (2) Defeasance Securities; and

(B) for all purposes other than: (i) defeasance investments in refunding escrow accounts; and (ii) investing (and receiving credit for) accrued and capitalized interest: (1) obligations of any of the following federal agencies, which obligations represent full faith and credit of the United States of America, including the Export Import Bank; Farmers Home Administration; General Services Administration; U.S. Maritime Administration; Small Business Administration; Government National Mortgage Association (GNMA); U.S. Department of Housing & Urban Development (PHAs); and Federal Housing Administration; (2) bonds, notes or other evidences of indebtedness rated “AAA” and “Aaa” by the applicable Rating Agency issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years; (3) U.S. dollar denominated deposit accounts, certificates of deposit, federal funds and bankers’ acceptances with domestic commercial banks (including the Trustee or any of its affiliates) which have a rating on their short term certificates of deposit on the date of purchase of “P-1” by Moody’s, “A-1” or “A-1+” by S&P and “F-1” by Fitch and maturing no more than 360 days after the date of purchase (ratings on holding companies are not considered as the rating of the bank); (4) commercial paper which is rated at the time of purchase in the single highest classification, “A-1+” by S&P and “F-1” by Fitch and which matures not more than 270 days after the date of purchase; (5) investments in a money market fund rated “Aa-mf” by Moody’s or “AAM” or “AAM-G” or better by S&P, including such funds for which the Trustee or an affiliate provides investment advice or other services, but excluding funds with a floating net asset value; (6) pre refunded municipal obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice and which are rated, based on the escrow, in the highest rating category of Moody’s or any successor thereto; (7) shares of beneficial interests in investments purchased by the Investment Trust of California, doing business as CalTRUST, a joint powers authority created pursuant to Section 6509.7 of the California Government Code; (8) the Local Agency Investment Fund; and (9) any Investment Agreement.

Policy. The term “Policy” means that certain _____ issued by the Bond Insurer that guarantees the scheduled payment of principal of and interest on the Bonds when due.

Proceeds Fund. The term “Proceeds” means the fund by that name established pursuant to Section 3.02.

Project. The term “Project” means the refinancing of a portion of the development costs of certain water supply facilities as described in the DHCCP Activity Agreement and for which the Authority is responsible under the terms of the Agreement for Funding Between the Department of Water Resources and the San Luis & Delta-Mendota Water Authority for the Costs of Environmental Analysis, Planning and Design of Delta Conservation Measures, Including Delta Conveyance Options, by and between the California Department of Water Resources and the Authority.

Rating. The term “Rating” means any currently effective rating on the Bonds issued by a Rating Agency.

Rating Agencies. The term “Rating Agencies” means Fitch and S&P.

Record Date. The term “Record Date” means, with respect to any Interest Payment Date, the fifteenth (15th) day of the calendar month preceding such Interest Payment Date, whether or not such day is a Business Day.

Redemption Date. The term “Redemption Date” means the date fixed for an optional redemption prior to maturity of the Bonds.

Redemption Fund. The term “Redemption Fund” means the fund by that name established pursuant to Section 5.05.

Redemption Price. The term “Redemption Price” means, with respect to any Bond (or portion thereof), the principal amount with respect to such Bond (or portion) plus the interest accrued to the applicable Redemption Date and the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond and this Indenture.

Registration Books. The term “Registration Books” means the records maintained by the Trustee for the registration of ownership and registration of transfer of the Bonds pursuant to Section 2.05.

Reserve Fund. The term “Reserve Fund” means the fund by that name established pursuant to Section 5.06.

Reserve Policy. The term “Reserve Policy” has the meaning set forth in Section 5.06.

Reserve Requirement. The term “Reserve Requirement” means initially: (a) \$_____; and thereafter (b) the lesser of the amount set forth in clause (a) or the maximum payments of principal of and interest on the Bonds payable in any fiscal year of the Authority.

Responsible Officer of the Trustee. The term “Responsible Officer of the Trustee” means any officer within the corporate trust division (or any successor group or department of the Trustee) including any vice president, assistant vice president, assistant secretary or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, with responsibility for the administration of this Indenture.

Revenue Fund. The term “Revenue Fund” means the fund designated as the “Revenue Fund” maintained by the Trustee pursuant to Section 5.01, and the 2020B Revenue Fund established therein pursuant to Section 5.01(c).

Revenues. The term “Revenues” means: (a) all amounts received by the Authority pursuant to or with respect to Section 4.2 of the DHCCP Activity Agreement from Financing Participants; and (b) all interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder; provided that amounts received by the Authority pursuant to or with respect to Section 4.2 of the DHCCP Activity Agreement from members of the Authority who are not Financing Participants shall not constitute Revenues.

S&P. The term “S&P” means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, or any successor thereto.

Securities Depositories. The term “Securities Depositories” means The Depository Trust Company; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other securities depositories as the Authority may designate in a Request of the Authority delivered to the Trustee.

State. The term “State” means the State of California.

Supplemental Indenture. The term “Supplemental Indenture” means any indenture hereafter duly authorized and entered into between the Authority and the Trustee, supplementing, modifying or amending this Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

Trustee. The term “Trustee” means MUFG Union Bank, N.A., a national banking association organized and existing under the laws of the United States of America, or its successor, as Trustee hereunder as provided in Section 8.01.

2013 Bonds. The term “2013 Bonds” means the San Luis & Delta-Mendota Water Authority Refunding Revenue Bonds (DHCCP Development Project), Series 2013A, which are currently outstanding in the aggregate principal amount of \$28,935,000.

2013 Bond Indenture. The term “2013 Bond Indenture” means the Indenture of Trust, dated as of March 1, 2013, by and between the Authority and MUFG Union Bank, N.A., as successor to Union Bank, N.A., as trustee.

2020B Bonds Interest Account. The term “2020B Bonds Interest Account” means the account by that name in the Revenue Fund established pursuant to Section 5.01.

2020B Bonds Principal Account. The term “2020B Bonds Principal Account” means the account by that name in the Revenue Fund established pursuant to Section 5.01.

Value. The term “Value,” which shall be determined as of the end of each month, means that the value of any investments shall be calculated as follows:

(a) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times): the average of the

bid and asked prices for such investments so published on or most recently prior to such time of determination;

(b) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times: the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its reasonable judgment) at the time making a market in such investments or the bid price published by a nationally recognized pricing service;

(c) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest;

(d) as to any investment not specified above: the value thereof established by prior agreement between the Authority and the Trustee; and

(e) notwithstanding the foregoing, the value of the above investments shall be determined as of the end of each month by the manner currently employed by the Trustee or any other manner consistent with industry standard.

Westlands Water District. The term “Westlands Water District” means the Westlands Water District, a member of the Authority duly organized and existing under and by virtue of the laws of the State of California.

Section 1.02. Content of Certificates and Opinions. Every certificate or opinion provided for in this Indenture except the certificate of destruction provided for in Section 11.05 hereof, with respect to compliance with any provision hereof shall include: (a) a statement that the person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (c) a statement that, in the opinion of such person he or she has made or caused to be made such examination or investigation as is necessary to enable him or her to express an informed opinion with respect to the subject matter referred to in the instrument to which his or her signature is affixed; (d) a statement of the assumptions upon which such certificate or opinion is based, and that such assumptions are reasonable; and (e) a statement as to whether, in the opinion of such person, such provision has been complied with.

Any such certificate or opinion made or given by an officer of the Authority may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Authority) upon a certificate or opinion of or representation by an officer of the Authority, unless such counsel knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such person’s certificate or opinion or representation may be based, as aforesaid, is erroneous. The same officer of the Authority, or the same counsel, as the case may be, need not certify to all of the matters required to be certified under any provision of this Indenture, but different officers or counsel may certify to different matters, respectively.

Section 1.03. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

THE BONDS

Section 2.01. Authorization of Bonds. The Authority hereby authorizes the issuance hereunder from time to time of the Bonds, which shall constitute special obligations of the Authority, for the purpose of refinancing a portion of the development costs of the Project. The Bonds are hereby designated the “San Luis & Delta-Mendota Water Authority Refunding Revenue Bonds (DHCCP Development Project), Series 2020B.” The aggregate principal amount of Bonds initially issued and Outstanding under this Indenture shall equal \$ _____. This Indenture constitutes a continuing agreement with the Owners from time to time of the Bonds to secure the full payment of the principal of and interest and premium (if any) on all the Bonds, subject to the covenants, provisions and conditions herein contained.

Section 2.02. Terms of the Bonds. The Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof. The Bonds shall mature on March 1 in each of the years and in the amounts set forth below and shall bear interest on each Interest Payment Date at the rates set forth below.

<i>Maturity Date (March 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>
2021	\$	
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		

Interest on the Bonds shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee sent by first class mail to the Owner at the address of such Owner as it appears on the Registration Books (except that in the case of an Owner of one million dollars (\$1,000,000) or more in principal amount, such payment may, at such Owner's option, be made by wire transfer of immediately available funds to an account in the United States in accordance with written instructions provided to the Trustee by such Owner prior to the Record Date). Principal of and premium (if any) on any Bond shall be paid by check of the Trustee upon presentation and surrender thereof at maturity or upon the prior redemption thereof, at the Office of the Trustee. Both the principal of and interest and premium (if any) on the Bonds shall be payable in lawful money of the United States of America.

Each Bond shall be dated the Closing Date and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless: (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) it is authenticated on or before February 15, 2021, in which event it shall bear interest from the Closing Date; provided, however, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. Interest on the Bonds shall be calculated on the basis of a 360 day year composed of twelve 30 day months.

Section 2.03. Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred on the Registration Books by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond at the Office of the Trustee for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. The Trustee shall not be required to register the transfer of any Bond during the period in which the Trustee is selecting Bonds for redemption or any Bond that has been selected for redemption.

Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and shall deliver a new Bond or Bonds of authorized denomination or denominations for a like aggregate principal amount of the same maturity. The Bond Owner requesting such transfer shall pay any tax or other governmental charge required to be paid with respect to such transfer.

Section 2.04. Exchange of Bonds. Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of other authorized denominations. The Trustee shall not be required to exchange any Bond during the period in which the Trustee is selecting Bonds for redemption or any Bond that has been selected for redemption. The Bond Owner requesting such exchange shall pay any tax or other governmental charge required to be paid with respect to such exchange.

Section 2.05. Registration Books. The Trustee will keep or cause to be kept, at the Office of the Trustee, sufficient records for the registration and transfer of ownership of the Bonds, which shall upon reasonable prior written notice and at reasonable times be open to inspection during regular business hours by the Authority, the Financing Participants and the Owners; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as shall then be customary and standard, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds as hereinbefore provided.

Section 2.06. Form and Execution of Bonds. The Bonds shall be in substantially the form set forth in Exhibit A hereto. The Bonds shall be executed in the name and on behalf of the Authority with the manual or facsimile signature of its Chairman and attested by the manual or facsimile signature of its Secretary. The Bonds may carry a seal, and such seal may be in the form of a facsimile of the Authority's seal and may be reproduced, imprinted or impressed on the Bonds. The Bonds shall then be delivered to the Trustee for authentication by the Trustee. In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers of the Authority before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee, or issued by the Authority, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though those who signed and attested the same had continued to be such officers of the Authority, and also any Bonds may be signed and attested on behalf of the Authority by such persons as at the actual date of execution of such Bonds shall be the proper officers of the Authority although at the nominal date of such Bonds any such person shall not have been such officer of the Authority.

Only such of the Bonds as shall bear thereon a certificate of authentication substantially in the form set forth in Exhibit A hereto, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of or on behalf of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

Section 2.07. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor, series and authorized denomination in exchange and substitution for the Bonds so mutilated, but only upon surrender to the Trustee of the Bond so mutilated and upon receipt of the Trustee of indemnity satisfactory to it. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and upon the written request of the Authority delivered to, or upon the order of, the Authority. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Authority and the Trustee and, if such evidence be satisfactory to each and indemnity satisfactory to each shall be given, the Authority, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor, series and authorized denomination in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond, the Trustee shall, at the written direction of the Authority, pay the same without surrender thereof). The Authority may require payment by the Owner of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the Authority and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed, or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Indenture with all other Bonds secured by this Indenture.

Section 2.08. Additional Indebtedness. The Authority may at any time issue additional indebtedness payable from Revenues on a parity with the Bonds, so long as: (a) no Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) under this Indenture shall have occurred and be continuing (unless such Event of Default shall be cured upon such issuance); (b) the DHCCP Activity Agreement is in full force and effect, (c) Westlands Water District continues to be a Financing Participant under the DHCCP Activity Agreement; and (d) the Trustee receives an Opinion of Counsel to the effect that such additional indebtedness is permitted under law, the Joint Powers Agreement and the DHCCP Activity Agreement and is secured by Revenues on a parity with the Bonds.

Section 2.09. Book Entry System.

(a) Election of Book Entry System. Prior to the issuance of the Bonds, the Authority may provide that such Bonds shall be initially issued as book-entry bonds. If the Authority shall elect to deliver any Bonds in book-entry form, then the Authority shall cause the delivery of a separate single fully registered bond (which may be typewritten) for each maturity date of such Bond in an authorized denomination corresponding to that total principal amount of the Bonds designated to mature on such date. Upon initial issuance, the ownership of each such Bond shall be registered in the Registration Books in the name of the Nominee, as nominee of the Depository and ownership of the Bonds, or any portion thereof may not thereafter be transferred except as provided in Section 2.09(e).

With respect to book-entry Bonds, the Authority and the Trustee shall incur no liability and shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book-entry Bonds. Without limiting the immediately preceding sentence, the Authority and the Trustee shall have no responsibility or obligation with respect to: (i) the accuracy of the records of the Depository, the Nominee, or any Participant with

respect to any ownership interest in book-entry Bonds; (ii) the delivery to any Participant or any other person, other than an Owner as shown in the Registration Books, of any notice with respect to book-entry Bonds, including any notice of redemption; (iii) the selection by the Depository and its Participants of the beneficial interests in book-entry Bonds to be redeemed in the event the Authority redeems the Bonds in part; or (iv) the payment by the Depository or any Participant or any other person, of any amount of principal of, premium, if any, or interest on book-entry Bonds. The Authority and the Trustee may treat and consider the person in whose name each book-entry Bond is registered in the Registration Books as the absolute Owner of such book-entry Bond for the purpose of payment of principal of, premium and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the written order of the respective Owner, as shown in the Registration Books, or his or her respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Registration Books, shall receive a Bond evidencing the obligation to make payments of principal of, premium, if any, and interest on the Bonds. Upon delivery by the Depository to the Authority and the Trustee, of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in this Indenture shall refer to such nominee of the Depository.

(b) Delivery of Letter of Representations. In order to qualify the book-entry Bonds for the Depository's book-entry system, the Authority shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the Authority any obligation whatsoever with respect to persons having interests in such book-entry Bonds other than the Owners, as shown on the Registration Books. In addition to the execution and delivery of a Letter of Representations, the Authority shall take such other actions, not inconsistent with this Indenture, as are reasonably necessary to qualify book-entry Bonds for the Depository's book-entry program.

(c) Selection of Depository. In the event that: (i) the Depository determines not to continue to act as securities depository for book-entry Bonds; or (ii) the Authority determines that continuation of the book-entry system is not in the best interest of the Beneficial Owners of the Bonds or the Authority, then the Authority will discontinue the book-entry system with the Depository. If the Authority determines to replace the Depository with another qualified securities depository, the Authority shall prepare or direct the preparation of a new single, separate, fully registered Bond for each of the maturity dates of such book-entry Bonds, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (e) hereof. If the Authority fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in such Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Bonds shall designate, in accordance with the provisions of Sections 2.03 and 2.04 hereof.

(d) Payments To Depository. Notwithstanding any other provision of this Indenture to the contrary, so long as all Outstanding Bonds are held in book-entry form and registered in the name of the Nominee, all payments of principal of, redemption premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively

to the Nominee, as provided in the Letter of Representations or as otherwise instructed by the Depository notwithstanding any inconsistent provisions herein.

(e) Transfer of Bonds to Substitute Depository.

(i) The Bonds shall be initially issued as provided in Section 2.01 hereof. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except:

(A) to any successor of DTC or its nominee, or of any substitute depository designated pursuant to clause (B) of subsection (i) of this Section 2.09(e) (“Substitute Depository”); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(B) to any Substitute Depository, upon: (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository; or (2) a determination by the Authority that DTC (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(C) to any person as provided below, upon: (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository; or (2) a determination by the Authority that DTC or its successor (or Substitute Depository or its successor) is no longer able to carry out its functions as depository.

(ii) In the case of any transfer pursuant to clauses (A) or (B) of subsection (i) of this Section 2.09(e), upon receipt of all Outstanding Bonds by the Trustee, together with a written request of the Authority to the Trustee designating the Substitute Depository, a single new Bond, which the Authority shall prepare or cause to be prepared, shall be issued for each maturity of Bonds then Outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such written request of the Authority. In the case of any transfer pursuant to clause (C) of subsection (i) of this Section 2.09(e), upon receipt of all Outstanding Bonds by the Trustee, together with a written request of the Authority to the Trustee, new Bonds, which the Authority shall prepare or cause to be prepared, shall be issued in such denominations and registered in the names of such persons as are requested in such written request of the Authority, subject to the limitations of Section 2.01 hereof, provided that the Trustee shall not be required to deliver such new Bonds within a period of less than sixty (60) days from the date of receipt of such written request from the Authority.

(iii) In the case of a partial redemption or an advance refunding of any Bonds evidencing a portion of the principal maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such Bonds indicating the date and amounts of such reduction in principal in accordance with the Letter of Representations. The Trustee shall not be liable for such Depository’s failure to make such notations or errors in making such notations and the records of the Trustee as to the outstanding principal amount of such Bonds shall be controlling.

The Authority and the Trustee shall be entitled to treat the person in whose name any Bond is registered as the Owner thereof for all purposes of this Indenture and any applicable laws,

notwithstanding any notice to the contrary received by the Trustee or the Authority; and the Authority and the Trustee shall not have responsibility and shall incur no liability for transmitting payments to, communicating with, notifying, or otherwise dealing with any Beneficial Owners of the Bonds. Neither the Authority nor the Trustee shall incur liability and shall not have any responsibility or obligation, legal or otherwise, to any such Beneficial Owners or to any other party, including DTC or its successor (or Substitute Depository or its successor), except to the Owner of any Bonds, and the Trustee may rely conclusively and without liability on its records as to the identity of the Owners of the Bonds.

ARTICLE III

ISSUANCE OF BONDS; APPLICATION OF PROCEEDS

Section 3.01. Issuance of the Bonds. At any time after the execution of this Indenture, the Authority may execute and the Trustee shall authenticate and, upon Request of the Authority, deliver Bonds in the aggregate principal amount of \$_____.

Section 3.02. Application of Proceeds of the Bonds. The proceeds received from the sale of the Bonds shall be deposited in trust with the Trustee, who shall deposit such proceeds in a temporary account called the Proceeds Fund which the Trustee shall establish and maintain, and the Trustee shall forthwith set aside, pay over and deposit such proceeds on the Closing Date as follows (whereupon said temporary account shall be closed):

(a) The Trustee shall deposit the amount of \$_____ in the Costs of Issuance Fund.

(b) The Trustee shall transfer the amount of \$_____ to the Escrow Agent for deposit in the Escrow Fund.

Section 3.03. Establishment and Application of Costs of Issuance Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Costs of Issuance Fund." The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay the Costs of Issuance upon submission of Requisitions of the Authority stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred, that such payment is proper charge against said fund and that payment for such charge has not previously been made. On the six month anniversary of the issuance of the Bonds, or upon the earlier Request of the Authority, all amounts remaining in the Costs of Issuance Fund shall be deposited in the 2020B Bonds Interest Account and the Costs of Issuance Fund shall be closed. Investment earnings on amounts on deposit in the Costs of Issuance Fund shall be retained in the Costs of Issuance Fund.

Section 3.04. Validity of Bonds. The validity of the authorization and issuance of the Bonds is not dependent on and shall not be affected in any way by any proceedings taken by the Authority, the Financing Participants or the Trustee with respect to or in connection with DHCCP Activity Agreement. The recital contained in the Bonds that the same are issued pursuant to the Constitution and laws of the State shall be conclusive evidence of the validity and of compliance with the provisions of law in their issuance.

ARTICLE IV

REDEMPTION OF BONDS

Section 4.01. Terms of Redemption.

(a) The Bonds maturing on or after March 1, 20__ shall be subject to redemption prior to their respective stated maturities, as a whole or in part on any date in the order of maturity as directed by the Authority in a Written Request provided to the Trustee at least 45 days (or such lesser number of days acceptable to the Trustee in the reasonable judgment of the Trustee, such notice for the convenience of the Trustee) prior to such date, such Written Request to contain the information to be contained in the notice of redemption to be sent to Owners, as set forth below, and by lot within each maturity in integral multiples of \$5,000, on or after March 1, 20__, at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium.

(b) The Bonds are subject to redemption prior to March 1, 20__ at the option of the Authority, as a whole or in part on any Business Day in the order of maturity as directed by the Authority in a Written Request provided to the Trustee at least thirty-five (35) days (or such lesser number of days acceptable to the Trustee in the reasonable judgment of the Trustee, such notice for the convenience of the Trustee) prior to such date, such Written Request to contain the information to be contained in the notice of redemption to be sent to Owners, as set forth below, and by lot within each maturity in integral multiples of \$5,000, at the "Make-Whole Redemption Price." "Make-Whole Redemption Price" means the greater of (1) 100% of the principal amount of the Bonds being redeemed, and (2) the sum of the present values of the remaining unpaid scheduled payments of principal and interest on any Bonds being redeemed, not including any portion of those payments of interest accrued and unpaid to the date of redemption, discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined below) plus __ basis points, plus accrued and unpaid interest on the Bonds to be redeemed on the redemption date.

The "Treasury Rate" is, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical H.1 (519) that has become publicly available at least two (2) Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Bonds to be redeemed. However, if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

(c) The Bonds with stated maturities on March 1, 20__ are subject to mandatory sinking fund redemption in part (by lot) on each March 1 on and after March 1, 20__, in integral multiples of \$5,000 at a Redemption Price of the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

***Redemption Date
(March 1)***

***Principal
Amount***

* Final Maturity.

Section 4.02. Selection of Bonds for Redemption. Whenever provision is made in this Indenture for the redemption of less than all of the Bonds, Bonds will be selected for redemption in accordance with DTC procedures by lot and in integral multiples of \$5,000.

Section 4.03. Notice of Redemption. Notice of redemption shall be mailed by first class mail not less than twenty (20) nor more than sixty (60) days before any Redemption Date, to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Registration Books, to the Securities Depositories and to the Information Services. Each notice of redemption shall state the redemption date, the place or places of redemption, whether less than all of the Bonds are to be redeemed, the distinctive numbers of the Bonds to be redeemed, and in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on the redemption date there will become due and payable on each of said Bonds or parts thereof designated for redemption the Redemption Price thereof, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be surrendered. Neither the failure to receive any notice nor any defect therein shall affect the validity of the proceedings for such redemption or the cessation of accrual of interest from and after the redemption date. Notice of redemption of Bonds shall be given by the Trustee, upon receipt of the Written Request delivered pursuant to Section 4.01, at the expense of the Authority, for and on behalf of the Authority.

Any notice of optional redemption of Bonds may further state that such redemption shall be conditional upon the irrevocable deposit with the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed and that, if such moneys shall not have been so deposited, said notice shall be of no force and effect and the Trustee shall not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so deposited, the redemption shall not be made, and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received, and that the notice of redemption originally sent is of no further force and effect.

Section 4.04. Partial Redemption of Bonds. Upon surrender of any Bond redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered and of the same interest rate and maturity.

Section 4.05. Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the Redemption Price of, together with interest accrued to the date fixed for redemption on, the Bonds (or portions thereof) so called for redemption being irrevocably deposited with the Trustee, on the redemption date designated in such notice, the Bonds

(or portions thereof) so called for redemption shall become irrevocably due and payable, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Indenture, and the Owners of said Bonds shall have no rights in respect thereof except to receive payment of the Redemption Price thereof. The Trustee shall, upon surrender for payment of any of the Bonds to be redeemed on their Redemption Dates, pay such Bonds at the Redemption Price.

All Bonds redeemed pursuant to the provisions of this Article shall be canceled upon surrender thereof, and destroyed by the Trustee whereupon the Trustee shall send to the Authority a certificate of such destruction.

ARTICLE V

REVENUES, FUNDS AND ACCOUNTS; PAYMENT OF PRINCIPAL AND INTEREST

Section 5.01. Pledge and Assignment; Revenue Fund.

(a) All of the Revenues and any other amounts (including proceeds of the sale of the Bonds) held in any fund or account established pursuant to this Indenture are hereby irrevocably pledged to secure the payment of the principal of and interest, and the premium, if any, on the Bonds in accordance with their terms and the provisions of this Indenture subject only to the provisions of this Indenture permitting the terms and conditions set forth herein. Said pledge, together with the pledge created by all other obligations payable from Revenues on a parity with the Bonds, shall constitute a lien on and security interest in such amounts and shall attach, be perfected and be valid and binding from and after the Closing Date, without any physical delivery thereof or further act and shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice hereof.

(b) The Authority, for good and valuable consideration in hand received, does hereby irrevocably sell, assign and transfer to the Trustee without recourse, for the benefit of the Owners of the Bonds as set forth herein, all of its rights, title, and interest in payments made by the Financing Participants pursuant to Section 4.2 of the DHCCP Activity Agreement, including all rights of the Authority thereunder as may be necessary to enforce compliance with said provisions (including enforcement of payment obligations and rate covenants, if any, contained in the DHCCP Activity Agreement). Such assignment shall be immediate and presently effective, subject to and limited by the terms of this Indenture.

(c) All Revenues shall be promptly transferred by the Authority upon receipt thereof to the Trustee for deposit in a special fund designated as the "2020B Revenue Fund." The 2020B Revenue Fund is hereby created as a subaccount of the Revenue Fund which fund shall be established and maintained by the Trustee and which fund the Trustee shall hold in trust so long as any Bonds are Outstanding; except that all moneys received by the Trustee and required hereunder to be deposited in the Redemption Fund or the Reserve Fund shall be promptly deposited therein. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee as provided in this Indenture. The Trustee shall establish a 2020B Bonds Interest Account and a 2020B Bonds Principal Account within the Revenue Fund.

Section 5.02. Allocation of Revenues. The Trustee shall transfer from the Revenue Fund and deposit into the following respective accounts and funds the following amounts in the following

order of priority and at the following times, the requirements of each such account and fund (including the making up of any deficiencies in any such account or fund resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account or fund subsequent in priority:

(a) Not later than each Payment Date, the Trustee shall deposit in the 2020B Bonds Interest Account that sum, if any, required to cause the aggregate amount on deposit in the 2020B Bonds Interest Account to be at least equal to the amount of interest becoming due and payable on such date on all Bonds then Outstanding. The Trustee shall also transfer to the applicable trustee for deposit in any applicable interest account, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, interest on any additional indebtedness payable from Revenues on a parity with the Bonds in accordance with the provisions of the indenture, resolution or contract relating thereto.

(b) Not later than each Payment Date, the Trustee shall deposit in the 2020B Bonds Principal Account that sum, if any, required to cause the aggregate amount on deposit in the 2020B Bonds Principal Account to equal the principal amount of the Bonds coming due and payable on such date or subject to mandatory sinking fund redemption on such date. The Trustee shall also transfer to the applicable trustee for deposit in any applicable principal account, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, principal on any additional indebtedness payable from Revenues on a parity with the Bonds, in accordance with the provisions of the indenture, resolution or contract relating thereto.

(c) On each Interest Payment Date, the Trustee shall, from the remaining moneys in the Revenue Fund, thereafter, without preference or priority and in the event of any insufficiency of such moneys ratably without any discrimination or preference, transfer to the Reserve Fund and to the applicable trustee for such other reserve funds and/or accounts, if any, as may have been established in connection with any additional indebtedness payable from Revenues on a parity with the Bonds, that sum, if any, necessary to restore such funds or accounts to an amount equal to the reserve requirement with respect thereto; provided, however, that the Authority may provide for the Reserve Requirement with respect to the Reserve Fund by means other than cash and Permitted Investments pursuant to Section 5.06.

(d) On each Interest Payment Date, the Trustee shall transfer all amounts remaining on deposit in the Revenue Fund to Westlands Water District in accordance with Section 6.1.2 of the DHCCP Activity Agreement.

Section 5.03. Application of 2020B Bonds Interest Account. All amounts in the 2020B Bonds Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or accelerated prior to maturity pursuant to this Indenture).

Section 5.04. Application of 2020B Bonds Principal Account. All amounts in the 2020B Bonds Principal Account shall be used and withdrawn by the Trustee solely to pay the principal amount of the Bonds at maturity, mandatory sinking fund redemption, purchase or acceleration; provided, however, that at any time prior to selection for redemption of any such Bonds, upon written direction of the Authority, the Trustee shall apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the 2020B Bonds Interest Account) as shall be directed

pursuant to a Request of the Authority, except that the purchase price (exclusive of accrued interest) may not exceed the Redemption Price then applicable to the Bonds.

Section 5.05. Application of Redemption Fund. The Trustee is hereby directed to establish and maintain to hold a special fund designated as the “Redemption Fund” and to hold in trust all amounts therein. All amounts in the Redemption Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and accrued interest on the Bonds to be redeemed on such Redemption Date pursuant to Section 4.01; provided, however, that at any time prior to selection for redemption of any such Bonds, upon written direction of the Authority, the Trustee shall apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the 2020B Bonds Interest Account) as shall be directed pursuant to a Request of the Authority, except that the purchase price (exclusive of accrued interest) may not exceed the Redemption Price then applicable to the Bonds.

Section 5.06. Reserve Fund. The Trustee shall establish and hold in trust the Reserve Fund and shall deposit therein the amounts and instruments required to be deposited therein pursuant hereto and apply moneys and instruments in the Reserve Fund in accordance with this Section.

[TO COME FROM BOND INSURER IF RESERVE SURETY PURCHASED]

Section 5.07. Investments. All moneys in any of the funds or accounts established with the Trustee pursuant to this Indenture shall be invested by the Trustee solely in Permitted Investments. Such investments shall be directed by the Authority pursuant to a Request of the Authority filed with the Trustee at least three (3) Business Days in advance of the making of such investments (which directions shall be promptly confirmed to the Trustee in writing), such Request to specify which Permitted Investments are to be invested in. In the absence of any such directions from the Authority, the Trustee shall hold all such funds uninvested. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account.

All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the 2020B Bonds Interest Account unless otherwise provided in this Indenture. For purposes of acquiring any investments hereunder, the Trustee or an affiliate may act as principal or agent in the acquisition or disposition of any investment and the Trustee may commingle funds held by it hereunder upon the Request of the Authority. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability and shall not be responsible for any losses, fees, taxes or other charges arising from any investments, reinvestments or liquidation of investments made hereunder.

The Trustee shall furnish the Authority periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the Authority. Upon the Authority’s election, such statements will be delivered via the Trustee’s online service and upon electing such service, paper statements will be provided only upon request. The Authority waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The Authority further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee under this Indenture.

Section 5.08. Application of Funds and Accounts When No Bonds are Outstanding. On the date on which all Bonds shall be retired hereunder or provision made therefor pursuant to Article X and after payment of all amounts due the Trustee hereunder, all moneys then on deposit in any of the funds or accounts established with the Trustee pursuant to this Indenture shall be withdrawn by the Trustee and paid to the Authority for distribution in accordance with the DHCCP Activity Agreement.

Section 5.09. Payments Under the Bond Insurance Policy. **[TO COME FROM BOND INSURER IF BOND INSURANCE PURCHASED.]**

ARTICLE VI

PARTICULAR COVENANTS

Section 6.01. Punctual Payment. The Authority shall punctually pay or cause to be paid the principal and interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of Revenues and other moneys pledged for such payment as provided in this Indenture.

Section 6.02. Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full for the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Authority to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Section 6.03. Against Encumbrances. The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrances upon the Revenues and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by this Indenture and as permitted in Section 2.08 hereof. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, including other programs under the Joint Exercise of Powers Agreement, and reserves the right to issue other obligations for such purposes.

Section 6.04. Power to Issue Bonds and Make Pledge and Assignment. The Authority is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Revenues and other assets purported to be pledged and assigned under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be the legal, valid and binding special obligations of the Authority in accordance with their terms.

Section 6.05. Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with industry standards, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of Bonds, the Revenues and all funds and accounts established by it pursuant to this Indenture. Such books of record and account shall be available for inspection by the Authority and the Financing Participants upon reasonable prior written notice during business hours and under reasonable circumstances.

Section 6.06. Payments Under DHCCP Activity Agreement. The Authority shall promptly collect all amounts due from the Financing Participants pursuant to the sections of the DHCCP Activity Agreement described in the Granting Clause Third of this Indenture and, subject to the provisions of Article VIII, shall enforce, and take all steps, actions and proceedings which the Authority determines to be reasonably necessary for the enforcement of all of the obligations of the Financing Participants thereunder.

The Authority shall not enter into any amendments to the DHCCP Activity Agreement except as permitted in Section 15 of the DHCCP Activity Agreement. The Authority shall not enter into any amendment of the DHCCP Activity Agreement without the written consent of the Trustee and, so long as the Policy is in full force and effect and the Bond Insurer has not defaulted on its obligations thereunder, the Bond Insurer. The Trustee shall give written consent to an amendment to the DHCCP Activity Agreement only if: (a) such amendment, modification or termination will not materially adversely affect the interests of the Bond Owners; or (b) the Trustee first obtains the written consent of (i) the Owners of not less than fifty percent (50%) in aggregate principal amount of the Bonds then Outstanding or (ii) so long as the Policy is in full force and effect and the Bond Insurer has not defaulted on its obligations thereunder, the Bond Insurer, to such amendment, modification or termination.

Section 6.07. Waiver of Laws. The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority to the extent permitted by law.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

Section 7.01. Events of Default. The following events shall be Events of Default hereunder:

(a) Default by the Authority in the due and punctual payment of the principal of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by acceleration, or otherwise.

(b) Default by the Authority in the due and punctual payment of any installment of interest on any Bonds when and as the same shall become due and payable.

(c) Default by the Authority in the observance of any of the other covenants, agreements or conditions on its part contained in this Indenture or in the Bonds, if such default shall

have continued for a period of thirty (30) days after written notice thereof specifying such default and requiring the same to be remedied shall have been given to the Authority by the Trustee or by the Owners of not less than fifty percent (50%) in aggregate principal amount of Bonds Outstanding; provided, however, that if in the reasonable opinion of the Authority the default stated in the notice can be corrected, but not within such thirty (30) day period, and corrective action is instituted by the Authority within such thirty (30) day period and diligently pursued in good faith until the default is corrected, such default shall not be an Event of Default hereunder.

(d) The Authority 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 Authority 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 Authority or of the whole or any substantial part of its property.

(e) Payment of the principal of any obligation payable from Revenues on a parity with the Bonds is accelerated in accordance with its terms.

Section 7.02. Remedies Upon Event of Default. If any Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Trustee may, and at the written direction of the Owners of not less than fifty percent (50%) in aggregate principal amount of the Bonds at the time Outstanding shall, in each case subject to Section 7.10, upon notice in writing to the Authority and the Financing Participants, declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Bonds contained to the contrary notwithstanding.

Any such declaration is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Authority or one or more Financing Participants shall deposit with the Trustee a sum sufficient to pay all the principal of and installments of interest on the Bonds payment of which is overdue, with interest on such overdue principal at the rate borne by the respective Bonds to the extent permitted by law, and the reasonable charges and expenses of the Trustee, and any and all other Events of Default actually known to a Responsible Officer of the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured or provision adequate shall have been made therefor, then, and in every such case the Trustee shall, subject to Section 7.10, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences and waive such Event of Default; but no such rescission and annulment shall extend to or shall affect any subsequent Event of Default, or shall impair or exhaust any right or power consequent thereon.

Section 7.03. Application of Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, all Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of this Indenture shall be applied by the Trustee as follows and in the following order:

(i) To the payment of any expenses necessary to protect the interests of the Owners of the Bonds and obligations payable from Revenues on a parity with the Bonds and payment of reasonable charges and expenses of the Trustee (including reasonable fees, expenses and disbursements of its counsel) incurred in and about the performance of its powers and duties under this Indenture;

(ii) To the payment of the principal of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping or otherwise noting thereon of the payment if only partially paid, or surrender thereof if fully paid) in accordance with the provisions of this Indenture, and to the payment of the principal of and interest then due on obligations payable from Revenues on a parity with the Bonds in accordance with the provisions of the indenture or contract relating thereto, in the following order of priority:

First: To the payment to the persons entitled thereto of all installments of interest on the Bonds and obligations payable from Revenues on a parity with the Bonds then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference;

Second: To the payment to the persons entitled thereto of the unpaid principal of any Bonds and obligations payable from Revenues on a parity with the Bonds which shall have become due, whether at maturity or by acceleration or redemption, with interest on the overdue principal at the rate of eight percent (8%) per annum, and, if the amount available shall not be sufficient to pay in full all the Bonds and all amounts due on such obligations payable from Revenues on a parity with the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference; and

Third: If there shall exist any remainder after the foregoing payments, such remainder shall be paid to the Authority.

Section 7.04. Trustee to Represent Bond Owners. The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney in fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Bonds or this Indenture and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right of the Trustee to represent the Bond Owners, the Trustee in its reasonable judgment may, and upon the written request of the Owners of not less than fifty percent (50%) in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as shall be most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Owners under the Bonds or this Indenture or any other law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Revenues and other assets pledged under this Indenture, pending such proceedings. All rights of action under this Indenture or the Bonds or otherwise may be prosecuted and enforced

by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such Bonds, subject to the provisions of this Indenture.

Section 7.05. Bond Owners' Direction of Proceedings. Subject to Sections 7.10 and 11.04, the Owners of not less than fifty percent (50%) in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing issued to the Trustee, and upon indemnification of the Trustee to its satisfaction, to direct the method of conduct in all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture, and that the Trustee shall have the right to decline to follow any such direction which would be unjustly prejudicial to Bond Owners not parties to such direction, it being understood that the Trustee shall not have an affirmative duty to ascertain whether such action is prejudicial.

Section 7.06. Suit by Owners. No Owner of any Bonds shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the DHCCP Activity Agreement, the Joint Exercise of Powers Agreement or any other applicable law with respect to such Bonds, unless: (a) such Owners shall have given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of not less than fifty percent (50%) in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) such Owner or Owners shall have tendered to the Trustee indemnity against the costs, claims, expenses and liabilities to be incurred in compliance with such request; (d) the Trustee shall have failed to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee; and (e) no direction inconsistent with such written request shall have been given to the Trustee during such sixty (60) day period by the Owners of not less than fifty percent (50%) in aggregate principal amount of the Bonds then Outstanding.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture or the rights of any other Owners of Bonds, or to enforce any right under the Bonds, this Indenture, the DHCCP Activity Agreement, the Joint Exercise of Powers Agreement or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of this Indenture.

Section 7.07. Absolute Obligation of Authority. Nothing in this Section or in any other provision of this Indenture or in the Bonds contained shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the principal of and interest on the Bonds to the respective Owners of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Revenues and other assets herein pledged therefor, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

Section 7.08. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 7.09. No Waiver of Default. No delay or omission of the Trustee or of any Owner of the Bonds to exercise any right or power arising upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein.

Section 7.10. Bond Insurer's Rights. Anything in this Indenture to the contrary notwithstanding, so long as the Policy is in full force and effect and the Bond Insurer is not in default of its obligations thereunder, upon the occurrence and continuance of a default or an Event of Default, the Bond Insurer shall be deemed to be the sole Owner of the Bonds for all purposes of this Indenture, including but not limited to exercising remedies and approving amendments, and shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Bonds or the Trustee for the benefit of the Owners of the Bonds, and the Trustee may not waive any default or Event of Default or accelerate the Bonds without the Bond Insurer's written consent.

In addition, to the extent permitted by law, so long as the Policy is in full force and effect and the Bond Insurer is not in default of its obligations thereunder, any reorganization or liquidation plan with respect to the Authority must be acceptable to the Bond Insurer in writing and in the event of any reorganization or liquidation of the Authority, the Bond Insurer shall have the right to vote on behalf of all holders of the Bonds.

ARTICLE VIII

THE TRUSTEE

Section 8.01. Duties, Immunities and Liabilities of Trustee.

(a) The Trustee shall, prior to an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in this Indenture, and no implied covenants or duties shall be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) The Authority may remove the Trustee at any time, with the consent of the Bond Insurer so long as the Policy is in full force and effect and the Bond Insurer is not in default of its obligations thereunder, unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than fifty percent (50%) in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its

property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee and thereupon shall promptly appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the Authority and the Bond Insurer, and by giving the Bond Owners notice of such resignation by mail at the addresses shown on the Registration Books. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing; provided that, so long as the Policy is in full force and effect and the Bond Insurer is not in default of its obligations thereunder, the successor Trustee shall be approved by the Bond Insurer.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee; provided that, so long as the Policy is in full force and effect and the Bond Insurer is not in default of its obligations thereunder, no removal or resignation of the Trustee shall take effect until a successor Trustee that is approved by the Bond Insurer shall be qualified and appointed. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Bond Owner (on behalf of himself and all other Bond Owners) may, at the sole cost and expense of the Authority, petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Authority and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Request of the Authority or the written request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Authority shall mail or cause the successor Trustee to mail a notice of the succession of such Trustee to the trusts hereunder to each Rating Agency which is then maintaining a Rating on the Bonds and to the Bond Owners at the addresses shown on the Registration Books. If the Authority fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Authority.

(e) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be: (i) a trust company, banking association or bank having the powers of a trust company, which is supervised by the Office of the Comptroller of the Currency and having a designated corporate trust office in California, having a combined capital and surplus of at least Fifty Million Dollars (\$50,000,000), and subject to supervision or examination for federal or state authority. If such bank, banking association, or trust company publishes a report of condition at least

annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank, banking association, or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign promptly in the manner and with the effect specified in this Section.

(f) The Bond Insurer shall receive prior written notice from the Trustee of any name change of the Trustee.

Section 8.02. Merger or Consolidation. Any bank or trust company into which the Trustee may be merged or converted or with which it may be consolidated or any bank or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such bank or trust company shall be eligible under subsection (e) of Section 8.01, shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 8.03. Liability of Trustee.

(a) The recitals of facts contained herein and in the Bonds shall be taken as statements of the Authority, and the Trustee shall not assume responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of this Indenture, the Bonds or the DHCCP Activity Agreement, nor shall the Trustee incur liability or have any responsibility in respect thereof, other than as expressly stated herein in connection with the respective duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own gross negligence or willful misconduct. The Trustee may become the Owner of Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bond Owners, whether or not such committee shall represent the Owners of not less than fifty percent (50%) in principal amount of the Bonds then Outstanding.

(b) The Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than fifty percent (50%) (or such other percentage provided for herein) in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(d) The Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the rights or powers conferred upon it by this Indenture.

(e) The Trustee shall not be deemed to have knowledge of any Default or Event of Default hereunder or under a DHCCP Activity Agreement or any other event which, with the passage of time, the giving of notice, or both, would constitute an Event of Default hereunder, or under a DHCCP Activity Agreement, unless and until a Responsible Officer of the Trustee shall have actual knowledge of such event or the Trustee shall have been notified in writing, in accordance with Section 11.07, of such event by the Authority or the Owners of not less than fifty percent (50%) of the aggregate principal amount of Bonds then Outstanding. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance by the Authority or a Financing Participant of any of the terms, conditions, covenants or agreements herein, under a DHCCP Activity Agreement, of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default thereunder or an event which would, with the giving of notice, the passage of time, or both, constitute an Event of Default thereunder. The Trustee shall not be responsible for the validity, effectiveness or priority of any collateral given to or held by it.

(f) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder, or in the exercise of any of its rights or powers.

(g) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of Owners pursuant to this Indenture, unless such Owners shall have offered to the Trustee indemnity against the costs, expenses, claims and liabilities which might be incurred by it in compliance with such request or direction. No permissive power, right or remedy conferred upon the Trustee hereunder shall be construed to impose a duty to exercise such power, right or remedy.

(h) Whether or not herein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article VIII.

(i) The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

(j) The rights, indemnities, protections, privileges and immunities extended to the Trustee also extend to its directors, officers, employees and agents.

(k) The Trustee may execute any of the trusts or powers of the Indenture and perform any of its duties through attorneys, agents and receivers and shall not be answerable for the conduct of the same if appointed by it with reasonable care.

(l) The Trustee shall have the right to accept and act upon Instructions given pursuant to this Indenture and delivered using Electronic Means; provided, however, that the Authority shall provide to the Trustee an incumbency certificate listing officers with the Authority to provide such Instructions and containing specimen signatures of such officers, which incumbency certificate shall be amended by the Improvement Area whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee Instructions using Electronic Means and the Trustee in its reasonable judgment elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Authority understands and

agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall be entitled to conclusively presume without liability that directions that purport to have been sent by an officer listed on the incumbency certificate provided to the Trustee have been sent by such officer. The Authority shall be responsible for ensuring that only officers transmit such Instructions to the Trustee and that the Authority and all 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 Authority. The Trustee shall not be liable for any losses, costs claims, or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding the fact that such directions conflict or are inconsistent with a subsequent written instruction. The Authority agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority; (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 Trustee in writing immediately upon learning of any compromise or unauthorized use of the security procedures.

(m) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, pandemics, recognized public emergencies, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, source of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the Project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event or occurrences beyond the control of the Trustee.

Section 8.04. Right to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, requisition, request, consent, order, certificate, report, opinion, notes or other paper or document believed by them to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel of its selection, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee may treat the Owners of the Bonds appearing in the Registration Books as the absolute owners of the Bonds for all purposes and the Trustee shall not be affected by any notice to the contrary.

Whenever in the administration of the trusts imposed upon it by this Indenture it shall be necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate, Request or Requisition of

the Authority, and such Certificate, Request or Requisition shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Certificate, Request or Requisition, but in its reasonable judgment the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence shall be reasonable.

In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

Section 8.05. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, each Financing Participant and any Bond Owner, and their agents and representatives duly authorized in writing, at reasonable hours, under reasonable conditions and upon reasonable prior written notice.

Section 8.06. Compensation and Indemnification. To the extent permitted by law, the Authority shall pay to the Trustee from time to time compensation, as previously agreed upon in writing, for all services rendered under this Indenture, and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Indenture.

The Authority shall indemnify, defend and hold harmless the Trustee, its officers, employees, directors and agents from and against any loss, costs, claims, liability or expense (including fees and expenses of its attorneys and advisors) incurred without gross negligence or willful misconduct on its part, arising out of or in connection with the execution of this Indenture, acceptance or administration of this trust, including costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder. The rights of the Trustee and the obligations of the Authority under this Section 8.06 shall survive removal or resignation of the Trustee hereunder or the discharge of the Bonds and this Indenture.

ARTICLE IX

MODIFICATION OR AMENDMENT OF THE INDENTURE

Section 9.01. Amendments Permitted.

(a) This Indenture and the rights and obligations of the Authority and of the Owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time by an indenture or indentures supplemental thereto, which the Authority and the Trustee may enter into when written consent of the Owners of not less than fifty percent (50%) in aggregate principal amount of all Bonds then Outstanding shall have been filed with the Trustee, together with the written consent of the Bond Insurer, so long as the Policy is in full force and effect and the Bond Insurer has not defaulted on its obligations thereunder. No such modification or amendment shall: (1) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or premium (if any) thereon, or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each Bond so affected; or (2) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on

the Revenues and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture except as permitted herein, or deprive the Owners of the Bonds of the lien created by this Indenture on such Revenues and other assets except as permitted herein, without the consent of the Owners of all of the Bonds then Outstanding. It shall not be necessary for the consent of the Bond Owners to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the Authority and the Trustee of any Supplemental Indenture pursuant to this subsection (a), the Trustee shall mail a notice, prepared by the Authority, setting forth in general terms the substance of such Supplemental Indenture, to each Rating Agency and the Owners of the Bonds at the respective addresses shown on the Registration Books. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

(b) This Indenture and the rights and obligations of the Authority, the Trustee and the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority and the Trustee may enter into without the consent of any Bond Owners or the Bond Insurer, only if the Trustee receives an opinion of Bond Counsel to the effect that the provisions of such Supplemental Indenture shall not materially adversely affect the interests of the Owners of the Outstanding Bonds, including, without limitation, for any one or more of the following purposes:

(1) to add to the covenants and agreements of the Authority contained in this Indenture other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Authority;

(2) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Indenture, or in regard to matters or questions arising under this Indenture, as the Authority may deem necessary or desirable; or

(3) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereunder in effect, and to add such other terms conditions and provisions as may be permitted by said act or similar federal statute.

(c) The Trustee and the Bond Insurer may, but shall not be obligated to, enter into any such Supplemental Indenture which materially adversely affects the Trustee's or the Bond Insurer's own rights, duties or immunities under this Indenture or otherwise, as applicable.

(d) Prior to the Trustee entering into any Supplemental Indenture hereunder, there shall be delivered to the Trustee an opinion of Bond Counsel stating, in substance, that such Supplemental Indenture has been adopted in compliance with the requirements of this Indenture and that the adoption of such Supplemental Indenture will not, in and of itself, adversely affect the exclusion of interest on the Bonds from federal income taxation and from state income taxation.

(e) The Authority shall send copies of any amendments to this Indenture to the Bond Insurer and each Rating Agency which is then maintaining a Rating on the Bonds.

Section 9.02. Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to this Article, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Authority, the Trustee and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced thereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 9.03. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the execution of any Supplemental Indenture pursuant to this Article may bear a notation by endorsement or otherwise in form approved by the Authority as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand on the Owner of any Bonds Outstanding at the time of such execution and presentation of his or her Bonds for the purpose at the Office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Bonds. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the Authority, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the Authority and authenticated by the Trustee, and upon demand on the Owners of any Bonds then Outstanding shall be exchanged at the Office of the Trustee, without cost to any Bond Owner, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amount of the same maturity.

Section 9.04. Amendment of Particular Bonds. The provisions of this Article shall not prevent any Bond Owner from accepting any amendment as to the particular Bonds held by him.

ARTICLE X

DEFEASANCE

Section 10.01. Discharge of Indenture. The Bonds may be paid by the Authority in any of the following ways, provided that the Authority also pays or causes to be paid any other sums payable hereunder by the Authority:

- (a) by paying or causing to be paid the principal of and interest and redemption premiums (if any) on the Bonds, as and when the same become due and payable;
- (b) by depositing with the Trustee, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem all Bonds then Outstanding; or
- (c) by delivering to the Trustee, for cancellation by it, all of the Bonds then Outstanding.

If the Authority shall also pay or cause to be paid all other sums payable hereunder by the Authority, then and in that case, at the election of the Authority (evidenced by a Certificate of the Authority, filed with the Trustee, signifying the intention of the Authority to discharge all such indebtedness and this Indenture), and notwithstanding that any Bonds shall not have been surrendered for payment, this Indenture and the pledge of Revenues and other assets made under this Indenture and all covenants, agreements and other obligations of the Authority under this Indenture

shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon the Request of the Authority, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver all moneys or securities or other property held by it pursuant to this Indenture which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption to the Authority.

Section 10.02. Discharge of Liability on Bonds. Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem any Outstanding Bonds (whether upon or prior to the maturity or the redemption date of such Bonds), provided that, if such Outstanding Bonds are to be redeemed prior to maturity, notice of such redemption shall have been given as provided in Article IV or provisions satisfactory shall have been made for the giving of such notice, then all liability of the Authority in respect of such Bonds shall cease, terminate and be completely discharged, and the Owners thereof shall thereafter be entitled only to payment out of such money or securities deposited with the Trustee as aforesaid for their payment, subject however, to the provisions of Section 10.04.

The Authority may at any time surrender to the Trustee for cancellation by it any Bonds previously issued and delivered, which the Authority may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Section 10.03. Deposit of Money or Securities with Trustee. Whenever in this Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to this Indenture and shall be:

(a) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as provided in Article IV or provisions satisfactory shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount of such Bonds and all unpaid interest and premium, if any, thereon to the redemption date; or

(b) Defeasance Securities the principal of and interest on which when due will, together with other money then on deposit with the Trustee under this Indenture, provide money sufficient to pay the principal of and all unpaid interest to maturity, or to the redemption date (with premium, if any), as the case may be, on the Bonds to be paid or redeemed, as such principal, interest and premium, if any, become due, provided that in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in Article IV or provision satisfactory shall have been made for the giving of such notice; provided, in each case, that: (i) the Trustee shall have been irrevocably instructed (by the terms of this Indenture or by Request of the Authority) to apply such money to the payment of such principal, interest and premium, if any, with respect to such Bonds; and (ii) the Authority shall have delivered to the Trustee an opinion of Bond Counsel addressed to the Authority and Trustee, to the effect that such Bonds have been discharged in accordance with this Indenture.

Section 10.04. Payment of Bonds After Discharge of Indenture. Notwithstanding any provisions of this Indenture, any moneys held by the Trustee in trust for the payment of the principal

of, or interest on, any Bonds and remaining unclaimed for two (2) years after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Indenture), if such moneys were so held at such date, or two (2) years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid to the Authority free from the trusts created by this Indenture upon receipt of an indemnification agreement acceptable to the Authority and the Trustee indemnifying the Trustee with respect to claims of Owners of Bonds which have not yet been paid, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the Authority as aforesaid, the Trustee shall at the written direction of the Authority (at the cost of the Authority) first mail to the Owners of Bonds which have not yet been paid, at the addresses shown on the Registration Books, a notice, in such form as shall be appropriate with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Authority of the moneys held for the payment thereof.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Liability of Authority Limited to Revenues. Notwithstanding anything in this Indenture or the Bonds, the Authority shall not be required to advance any moneys derived from any source other than the Revenues and other moneys pledged under this Indenture for any of the purposes in this Indenture mentioned, whether for the payment of the principal of or interest on the Bonds or for any other purpose of this Indenture. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes hereof any funds of the Authority which may be made available to it for such purposes.

The Bonds are not a debt of the members of the Authority, the State or any of its political subdivisions (other than the Authority), and neither the members of the Authority, said State nor any of its political subdivisions (other than the Authority) is liable herein. In no event shall the Bonds be payable out of any funds or properties of the Authority other than the Revenues and other amounts pledged hereunder. No Financing Participants shall have any liability or obligation with respect to amounts payable under the DHCCP Activity Agreement except with respect to payments to be made pursuant to Section 4.2 of the DHCCP Activity Agreement executed by such Financing Participant. The Bonds shall not constitute an indebtedness of the Authority in contravention of any constitutional or statutory debt limit or restriction.

Section 11.02. Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture either the Authority or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all of the covenants and agreements contained in this Indenture by or on behalf of the Authority or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.03. Limitation of Rights to Parties and Bond Owners. Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the Authority, the Trustee, the Bond Insurer, the Financing Participants and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Trustee, the Bond Insurer, the Financing Participants and the Owners of the Bonds.

Section 11.04. Waiver of Notice; Requirement of Mailed Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Whenever in this Indenture any notice shall be required to be given by mail, such requirement shall be satisfied by the deposit of such notice in the United States mail, postage prepaid, by first class mail.

Section 11.05. Destruction of Bonds. Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the Authority of any Bonds, the Trustee shall destroy such Bonds as may be allowed by law, and deliver a certificate of such destruction to the Authority.

Section 11.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

Section 11.07. Notices. Any notice to or demand upon the Authority or the Trustee shall be deemed to have been sufficiently given or served for all purposes by being sent by facsimile or by being deposited, first class mail, postage prepaid, in a post office letter box, addressed, as the case may be, to the Authority, P.O. Box 2157, Los Banos, California 93635, Attention: Executive Director (or such other address as may have been filed in writing by the Authority with the Trustee), Facsimile (209) 826-9698, or to the Trustee at its Office by first class mail.

Any notice to or demand upon the Bond Insurer shall be deemed to have been sufficiently given or served for all purposes by being sent by facsimile or by being deposited, first class mail, postage prepaid, in a post office letter box, addressed to the Bond Insurer at _____, _____, _____, _____, _____, Attention: _____, Re: Policy No. _____, Telephone: _____, Email: _____.

Notwithstanding the foregoing provisions of this Section 11.07, the Trustee shall not be deemed to have received, and shall not be liable for failing to act upon the contents of, any notice unless and until the Trustee actually receives such notice.

Section 11.08. Evidence of Rights of Bond Owners. Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by Bond Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bond Owners in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any person of Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and the Authority if made in the manner provided in this Section.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The Ownership of Bonds shall be proved by the Registration Books.

Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority in accordance therewith or reliance thereon.

Section 11.09. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are actually known by a Responsible Officer of the Trustee to be owned or held by or for the account of the Authority, or by any other obligor on the Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee. Upon request, the Authority shall certify to the Trustee in writing those Bonds that are disqualified pursuant to this Section.

Section 11.10. Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest, principal or premium due on any date with respect to particular Bonds (or portions of Bonds in the case of registered Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 10.04 hereof but without any liability for interest thereon.

Section 11.11. Funds and Accounts. Any fund or account required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with industry standards to the extent practicable, and with due regard for the requirements of Section 6.05.

Section 11.12. Waiver of Personal Liability. No member, officer, agent, employee, consultant or attorney of the Authority or a Financing Participant shall be individually or personally liable for the payment of the principal of or premium or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member, officer, agent, employee, consultant or attorney from the performance of any official duty provided by law or by this Indenture.

Section 11.13. Execution in Several Counterparts and Electronic Execution. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument. The exchange of copies of the Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of the Indenture as to the parties hereto and may be used in lieu of the original Indenture and signature pages for all purposes. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Indenture are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or email electronic signatures.

Section 11.14. CUSIP Numbers. The Authority in issuing the Bonds may use “CUSIP” numbers (if then generally in use), and, if so, the Trustee shall use “CUSIP” numbers in notices of redemption as a convenience to Owners; provided that the Trustee shall have no liability for any defect in the “CUSIP” numbers as they appear on any Bond, notice or elsewhere, and, provided further that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Bonds, and any such redemption shall not be affected by any defect in or omission of such numbers. The Authority shall promptly notify the Trustee in writing of any change in CUSIP numbers.

Section 11.15. Choice of Law. THIS INDENTURE SHALL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

Section 11.16. U.S.A. Patriot Act. The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to this Indenture agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the U.S.A. Patriot Act.

IN WITNESS WHEREOF, the San Luis & Delta-Mendota Water Authority has caused this Indenture to be signed in its name by its Chairman and attested by its Secretary, and MUFG Union Bank, N.A., in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officers thereunto duly authorized, all as of the day and year first above written.

SAN LUIS & DELTA-MENDOTA WATER
AUTHORITY

By: _____
Its: Chairman

Attest:

Its: Secretary

MUFG UNION BANK, N.A., as Trustee

By: _____
Its: Authorized Officer

EXHIBIT A
[FORM OF BOND]

No. _____ \$ _____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
REFUNDING REVENUE BONDS (DHCCP DEVELOPMENT PROJECT), SERIES 2020B

INTEREST RATE	MATURITY DATE	ORIGINAL ISSUE DATE	CUSIP
____%	March 1, 20__	December __, 2020	798544__
REGISTERED OWNER	CEDE & CO.		
PRINCIPAL AMOUNT:	_____ DOLLARS		

The SAN LUIS & DELTA-MENDOTA WATER AUTHORITY, a joint exercise of powers agency duly organized and existing under the laws of the State of California (the "Authority"), for value received, hereby promises to pay to the Registered Owner specified above or registered assigns (the "Registered Owner"), on the Maturity Date specified above (subject to any right of prior redemption hereinafter provided for), the Principal Amount specified above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this Bond (unless: (i) this Bond is authenticated after the fifteenth day of the calendar month preceding an interest payment date, whether or not such day is a Business Day, and on or before the following interest payment date, in which event it shall bear interest from such interest payment date; or (ii) this Bond is authenticated on or before February 15, 2021, in which event it shall bear interest from the Original Issue Date identified above; provided, however, that if as of the date of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on this Bond), at the Interest Rate per annum specified above, payable on each March 1 and September 1, commencing March 1, 2021, calculated on the basis of a 360 day year composed of twelve 30 day months. Principal hereof and premium, if any, upon early redemption hereof are payable by check of the Trustee upon presentation and surrender hereof at the Office (as defined in the hereinafter described Indenture) of MUFG Union Bank, N.A., as trustee (the "Trustee"). Interest hereon is payable by check of the Trustee sent by first class mail to the Registered Owner hereof at the Registered Owner's address as it appears on the Registration Books as of the close of business on the fifteenth day of the month preceding each interest payment date (except that in the case of a Registered Owner of one million dollars (\$1,000,000) or more in principal amount, such payment may, at such Registered Owner's option, be made by wire transfer of immediately available funds to an account in the United States in accordance with written instructions provided to the Trustee by such Registered Owner prior to the fifteenth (15th) day of the month preceding such interest payment date).

This Bond is not a debt of the members of the Authority, the State of California, or any of its political subdivisions (other than the Authority), and neither the members of the Authority or said

State, nor any of its political subdivisions (other than the Authority), is liable hereon, nor in any event shall this Bond be payable out of any funds or properties of the Authority other than the Revenues (as such term is defined in the Indenture of Trust, dated as of December 1, 2020 (the “Indenture”), by and between the Authority and the Trustee) and other amounts pledged therefor under the Indenture. The obligation of each Financing Participant to make payments in accordance with its DHCCP Activity Agreement is a limited obligation of such Financing Participant as set forth in the DHCCP Activity Agreement (as such terms are defined in the Indenture) and no Financing Participants shall have any liability or obligation in connection therewith except with respect to payments to be made pursuant to a DHCCP Activity Agreement executed by such Financing Participant. The Bonds do not constitute an indebtedness of the Authority in contravention of any constitutional or statutory debt limitation or restriction.

This Bond is one of a duly authorized issue of bonds of the Authority designated as the “San Luis & Delta-Mendota Water Authority Refunding Revenue Bonds (DHCCP Development Project), Series 2020B” (the “Bonds”), of an aggregate principal amount of _____ Million _____ Thousand Dollars (\$_____), all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers or interest rates) and all issued pursuant to the provisions of the Amended and Restated Joint Exercise of Powers Agreement -- SAN LUIS & DELTA-MENDOTA WATER AUTHORITY, dated as of January 1, 1992 (the “Joint Exercise of Powers Agreement”), by and among the members of the Authority and the laws of the State of California, including but not limited to Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, and pursuant to the Indenture and the resolution authorizing the issuance of the Bonds. Reference is hereby made to the Indenture (copies of which are on file at the office of the Authority) and all supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Revenues, and the rights thereunder of the Owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Authority hereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees. The Bonds have been issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof.

The Bonds have been issued by the Authority to refinance certain development costs for capital improvements and related costs, as more fully described in the Indenture. The Indenture permits the issuance of additional indebtedness payable from Revenues on a parity with the Bonds on the terms and conditions set forth in the Indenture.

This Bond and the interest, premium, if any, hereon and all other Bonds and the interest and premium, if any, thereon (to the extent set forth in the Indenture) are special obligations of the Authority, and are payable from, and are secured by a pledge and lien on the Revenues, including all amounts received by the Authority or the Trustee pursuant to Section 4.2 of the DHCCP Activity Agreement and any other amounts on deposit in certain funds and accounts created under the Indenture. As and to the extent set forth in the Indenture, all of the Revenues are irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture, to the payment of the principal of and interest and premium (if any) on the Bonds.

The Indenture and the rights and obligations of the Authority and of the Owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time by an indenture or indentures supplemental thereto, subject to and as provided in the Indenture. No such modification or amendment shall: (1) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or premium (if any) thereon, or extend the time of payment, or change the method of

computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each Bond so affected; or (2) reduce the percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under the Indenture prior to or on a parity with the lien created by the Indenture except as permitted therein, or deprive the Owners of the Bonds of the lien created by the Indenture on such Revenues and other assets except as permitted therein, without the consent of the Owners of all of the Bonds then Outstanding.

The Bonds maturing on or after March 1, 20__ shall be subject to redemption prior to their respective stated maturities, as a whole or in part on any date in the order of maturity as directed by the Authority in a Written Request provided to the Trustee at least 45 days (or such lesser number of days acceptable to the Trustee in the reasonable judgment of the Trustee, such notice for the convenience of the Trustee) prior to such date and by lot within each maturity in integral multiples of \$5,000, on or after March 1, 20__, at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium.

The Bonds are subject to redemption prior to March 1, 20__ at the option of the Authority, as a whole or in part on any Business Day in the order of maturity as directed by the Authority in a Written Request provided to the Trustee at least thirty-five (35) days (or such lesser number of days acceptable to the Trustee in the reasonable judgment of the Trustee, such notice for the convenience of the Trustee) prior to such date and by lot within each maturity in integral multiples of \$5,000, at the "Make-Whole Redemption Price." "Make-Whole Redemption Price" means the greater of (1) 100% of the principal amount of the Bonds being redeemed, and (2) the sum of the present values of the remaining unpaid scheduled payments of principal and interest on any Bonds being redeemed, not including any portion of those payments of interest accrued and unpaid to the date of redemption, discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined below) plus __ basis points, plus accrued and unpaid interest on the Bonds to be redeemed on the redemption date.

The Bonds with stated maturities on March 1, 20__ are subject to mandatory sinking fund redemption in part (by lot) on each March 1 on and after March 1, 20__, in integral multiples of \$5,000 at a Redemption Price of the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

<i>Redemption Date (March 1)</i>	<i>Principal Amount</i>
--------------------------------------	-----------------------------

* Final Maturity.

As provided in the Indenture, notice of redemption shall be mailed by first class mail not less than twenty (20) nor more than sixty (60) days before any Redemption Date, to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Registration Books, to the Securities Depositories and to the Information Services; provided that, in the case of notice of optional redemption not related to an advance or current refunding, such notice may be given only if sufficient funds have been deposited with the Trustee to pay the applicable Redemption

Price of the Bonds to be redeemed, provided that such notice may be cancelled by the Authority upon written request delivered to the Trustee not less than five (5) days prior to such Redemption Date. Each notice of redemption shall state the redemption date, the place or places of redemption, whether less than all of the Bonds are to be redeemed, the distinctive numbers of the Bonds to be redeemed, and in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on the redemption date there will become due and payable on each of said Bonds or parts thereof designated for redemption the Redemption Price thereof, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be surrendered. Neither the failure to receive any notice nor any defect therein shall affect the validity of the proceedings for such redemption or the cessation of accrual of interest from and after the redemption date. Notice of redemption of Bonds shall be given by the Trustee, at the written direction and at the expense of the Authority, for and on behalf of the Authority.

Any notice of optional redemption of Bonds may further state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed and that, if such moneys shall not have been so received, said notice shall be of no force and effect and the Trustee shall not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made, and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all of the Bonds and the interest accrued thereon may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

This Bond is transferable by the Registered Owner hereof, in person or by his or her duly authorized attorney in writing, at said Office of the Trustee but only in the manner subject to the limitations and upon payment of the taxes and charges provided in the Indenture and upon surrender and cancellation of this Bond. Upon registration of such transfer, a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount of the same maturity will be issued to the transferee in exchange therefor.

Bonds may be exchanged at said Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations, but only in the manner, subject to the limitations and upon payment of the taxes and charges provided in the Indenture.

The Trustee shall not be required to register the transfer or exchange of any Bond during the period in which the Trustee is selecting Bonds for redemption or any Bond that has been selected for redemption.

The Authority and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the Joint Exercise of Powers Agreement and the laws of the State of California and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit under any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the SAN LUIS & DELTA-MENDOTA WATER AUTHORITY has caused this Bond to be executed in its name and on its behalf with the manual or facsimile signature of its Chairman and attested to by the manual or facsimile signature of its Secretary, all as of this ___th day of December, 2020.

SAN LUIS & DELTA-MENDOTA WATER
AUTHORITY

By: _____
Its: Chairman

Attest:

Its: Secretary

STATEMENT OF INSURANCE

[TO COME FROM BOND INSURER IF BOND INSURANCE PURCHASED]

(FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
TO APPEAR ON BONDS)

This is one of the Bonds described in the within-mentioned Indenture.

Dated: December __, 2020

MUFG UNION BANK, N.A., as Trustee

By: _____
Its: Authorized Signatory

(FORM OF ASSIGNMENT)

For value received the undersigned hereby sells, assigns and transfers unto _____

(Name, Address and Tax Identification or
Social Security Number of Assignee)

the within registered Bond and hereby irrevocably constitute(s) and appoint(s) _____
attorney, to transfer the same on the registration books of the Trustee with full power of substitution
in the premises.

Dated: _____

Note: The signature(s) on this Assignment must
correspond with the name(s) as written on the
face of the within Bond in every particular
without alteration or enlargement or any
change whatsoever.

Signature Guaranteed:

Note: Signature guarantee shall be made by a
guarantor institution participating in
the Securities Transfer Agents
Medallion Program or in such other
guarantee program acceptable to the
Trustee.

EXHIBIT B

AUTHORITY FINANCING PARTICIPANTS

1. [Broadview Water District]
2. [Byron Bethany Irrigation District]
3. [Eagle Field Water District]
4. [Laguna Water District]
5. [Mercy Springs Water District]
6. [Pacheco Water District]
7. Panoche Water District
8. San Luis Water District
9. Westlands Water District

EXHIBIT B
FORM OF PURCHASE CONTRACT

§ _____
SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
REFUNDING REVENUE BONDS (DHCCP DEVELOPMENT PROJECT), SERIES 2020B

PURCHASE CONTRACT

December _____, 2020

San Luis & Delta-Mendota Water Authority
842 Sixth Street
Los Banos, California

Ladies and Gentlemen:

Citigroup Global Markets Inc. (the “Underwriter “), acting on behalf of itself and not as an agent or representative of you, offers to enter into this Purchase Contract (the “Purchase Contract”) with the San Luis & Delta-Mendota Water Authority (the “Authority”), a joint exercise of powers agency duly organized and existing under and pursuant to the Constitution and laws of the State of California, which Purchase Contract will be binding upon the Authority and the Underwriter upon the acceptance hereof by the Authority. This offer is made subject to its acceptance by the Authority, by the execution of this Purchase Contract and its delivery to the Underwriter on or before 5:00 p.m., California time, on December _____, 2020.

Capitalized terms used herein and not otherwise defined shall have the respective meanings given to such terms in the hereinafter defined Indenture or the DHCCP Activity Agreement (as such term is defined in the Indenture).

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriter hereby agrees to purchase for offering to the public, and the Authority hereby agrees to cause to be delivered to the Underwriter all (but not less than all) of the \$ _____ aggregate principal amount of the San Luis & Delta-Mendota Water Authority Refunding Revenue Bonds (DHCCP Development Project), Series 2020B (the “Bonds”). The Underwriter will purchase the Bonds for the aggregate purchase price of \$ _____ (representing the aggregate principal amount of the Bonds of \$ _____ and 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 December 1, 2020 (the “Indenture”) by and between the Authority and MUFG Union Bank, N.A., as trustee (the “Trustee” or “MUFG”). The Bonds shall mature on the date and in the amount and bear interest at the rate set forth in Exhibit A hereto and all as more particularly in the Indenture. The Bonds will be subject to redemption and contain such further terms as set forth in the Indenture. The Bonds are special obligations of the Authority.

The Bonds are payable solely from Revenues and from certain other amounts on deposit in funds and accounts under the Indenture. Revenues will consist primarily of (i) payments received by the Authority pursuant to the San Luis & Delta-Mendota Water Authority Delta Habitat Conservation and Conveyance Program Activity Agreement, dated as of March 1, 2009, as amended (the “DHCCP Activity Agreement”), entered into by the Authority with various public agencies and entities (each a “Project Member”) and (ii) all interest or gain derived from the investment of amounts in any of the funds or accounts established under the Indenture. Project Members which have elected to confirm their obligations with respect to the hereinafter defined Refunded Bonds are collectively referred to herein as the “Financing Participants.” While all Financing Participants have elected to finance their portion of DHCCP Development Costs (as defined below) through the Authority, Westlands Water District (“Westlands”) has obligated itself pursuant to its DHCCP Activity Agreement (the “Westlands DHCCP Activity Agreement”) to pay 100% of the interest and principal of the Bonds when due. The Authority will apply payments from the Financing Participants to reimburse Westlands for the portion of the principal of and interest on the Bonds paid by Westlands. Such payments, if and when received by the Authority from Financing Participants, will also constitute Revenues pledged to secure the payment of the principal of and interest on the Bonds and will be applied to the payment of principal of and interest on the Bonds in the event that Westlands fails to make payments due under the Westlands DHCCP Activity Agreement.

The Bonds are being issued to (i) refund the outstanding San Luis & Delta Mendota Water Authority Refunding Revenue Bonds (DHCCP Development Project), Series 2013A (the “Refunded Bonds”), [(ii) pay the premium with respect to a municipal bond insurance policy and pay the premium with respect to a surety bond (the “Surety Bond”) for deposit to a debt service reserve fund,] and (iii) pay costs of issuance of the Bonds.

In order to effect the refunding of the Refunded Bonds, the Authority will enter into the Escrow Agreement (2013A Bonds) dated as of December 1, 2020 (the “Escrow Agreement”) by and between the Authority and MUFG, as escrow agent (the “Escrow Agent”).

[Payment of the principal and interest on the Bonds when due will be guaranteed by a municipal bond insurance policy (the “Policy”) to be issued simultaneously with the delivery of the Bonds by _____ (the “Insurer”).]

3. Public Offering. The Underwriter agrees to make an initial public offering of all the Bonds at the public offering prices (or yields) set forth in the hereinafter defined Official Statement. Subsequent to the initial public offering, the Underwriter reserves the right to change the initial public offering prices (or yields) as the Underwriter shall deem necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth in Exhibit A hereto. The Bonds may be offered and sold to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than initial public offering prices set forth in the Official Statement. The Underwriter also reserves 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. Delivery of Official Statement. Pursuant to the authorization of the Authority, the Underwriter has distributed copies of the Preliminary Official Statement dated December _____, 2020 and relating to the Bonds, which, together with the cover page and appendices thereto, is herein called the “Preliminary Official Statement.” By its acceptance of this proposal, the Authority hereby approves and ratifies the distribution and use by the Underwriter of the Preliminary Official Statement. The Authority agrees to execute and deliver a final Official Statement (the “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 Westlands, if such changes are contained in Appendix D to the Preliminary Official Statement (the “Westlands Portion”), and the Underwriter, and to provide copies thereof to the Underwriter as set forth in paragraph 6(n) hereof. The Authority hereby authorizes the Underwriter to use and distribute, in connection with the offer and sale of the Bonds: the Preliminary Official Statement, the Official Statement, the Indenture, the Escrow Agreement, the DHCCP Activity Agreement, and other documents or contracts to which 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 Authority to the Underwriter in connection with the transactions contemplated by this Purchase Contract.

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

6. The Authority’s Representations. The Authority represents to the Underwriter that:

(a) The Authority is a joint exercise of powers agency duly organized and existing under the Constitution and the laws of the State of California (the “State”) with

full right, power and authority to execute, deliver and perform its obligations under, the Indenture, the Escrow Agreement, the DHCCP Activity Agreement, and this Purchase Contract (collectively, the “Authority Documents”) and to carry out and consummate the transactions on its part contemplated by the Official Statement and the Authority Documents.

(b) 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 on its part contained in 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 of the Authority Documents and the Bonds will constitute legally valid and binding obligations of the Authority, enforceable against the Authority and in accordance with their respective terms, except as enforcement may be limited by bankruptcy, in solvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors’ rights generally, or by the exercise of judicial discretion and the limitations on legal remedies against entities such as the Authority.

(c) The Preliminary Official Statement was as of its date and as of the date hereof, and the Official Statement is as of the date hereof, true and correct in all material respects, and the Preliminary Official Statement and the Official Statement contain no misstatement of any material fact and do 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 Insurer, the Policy and the Surety Bond, or to] DTC, DTC’s book-entry system or the Westlands Portion).

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

(e) 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 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 Underwriter, an amended or supplemented 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 Underwriter a reasonable number of copies of such amendment or supplement. The Underwriter hereby agrees to deposit the Official

Statement with a nationally recognized municipal securities information repository. The Underwriter acknowledges that the end of the “underwriting period” will be the date of Closing.

(f) As of the time of acceptance hereof, except as otherwise disclosed in the Official Statement, the Authority is not in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State, the United States, or any applicable judgment or decree or any indenture, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Authority is a party or is otherwise subject which breach or default would have a material adverse effect on the ability of the Authority to perform its obligations under the Authority Documents and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and, as of such time, except as disclosed in the Official Statement, the authorization, execution and delivery by the Authority of the Authority Documents and compliance by the Authority with the provisions of each of Authority Documents does not to any material extent conflict with or constitute a breach of or default by the Authority 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, indenture, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which it or any of its properties is bound; nor will any such authorization, execution, delivery or compliance result in the creation or imposition or 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 Authority Documents.

(g) As of the time of acceptance hereof, except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory authority, public board or body, pending threatened (i) in any way questioning the existence of the Authority or the titles of the officers of the Authority to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the execution or delivery of any of the Bonds, or the payment, collection, assignment or pledge of Revenues or the principal of and interest with respect to the Bonds, or in any way contesting or affecting the validity of the Bonds, the Authority Documents or the consummation of the transactions contemplated thereby, or contesting the exclusion of the interest on the Bonds from gross income for federal income tax purposes, or contesting the powers of the Authority and its authority to pledge the Revenues or contesting the powers of the Authority; (iii) which, except as described in the Official Statement, may result in any material adverse change to the financial condition of the Authority or to its ability to pay debt service on the Bonds when due; or (iv) contesting the completeness or accuracy of the Official Statement or any supplement or amendment thereto or asserting that 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 (i) through (iv) of

this sentence (except no representation is made with respect to the Westlands Portion with respect to the matters set forth in this paragraph 6(g).

(h) [The Authority has not previously entered into any continuing disclosure undertaking pursuant to Rule 15c2-12.]

(i) The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (1) 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 Underwriter may designate and (2) 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 qualification in effect so long as required for distribution of the Bonds; provided, however, that the Authority will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in jurisdiction.

(j) Except as may be required under Blue Sky or other securities laws of any state, there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority having jurisdiction over the Authority required for the execution, delivery and sale of the Bonds or the consummation by the Authority of the other transactions contemplated by the Official Statement and this Purchase Contract.

(k) Except for the Refunded Bonds, the Authority does not have outstanding any indebtedness that is secured by a lien on the Revenues that is superior to or on a parity with the lien of the Bonds.

(l) Between the date of this Purchase Contract and the date of Closing and except as otherwise disclosed in the Official Statement, the Authority will not, without the prior written consent of the Underwriter, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, directly or contingently payable from the Revenues, other than the Authority's Revenue Bonds (OM&R Project), Series 2020A.

(m) Any certificate signed by any official of the Authority and delivered to the Underwriter shall be deemed to be a representation and warranty by the Authority to the Underwriter as to the statements made therein.

(n) The Preliminary Official Statement heretofore delivered to the Underwriter has previously been deemed final by the Authority as of its date and as of the date hereof, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(i) of Rule 15c2-12; provided, however that the Authority makes no representation with respect to information relating to the Westlands Portion contained in the Preliminary Official Statement. The Authority hereby covenants and agrees that, not later than two business days prior to the date of Closing, the Authority shall cause a final form of the Official Statement to be delivered to the Underwriter in

sufficient quantity to comply with paragraph (b)(4) of Rule 15c2-12 and Rules of the Municipal Securities Rulemaking Board with such copies as shall reasonably be requested by the Underwriter .

7. Closing Conditions. The Underwriter has entered into this Purchase Contract in reliance upon the representations, warranties and covenants herein and the performance by the Authority of its obligations hereunder, both as of the date hereof and as of the date of the Closing. The Underwriter's obligations under this Purchase Contract to purchase and pay for the Bonds shall be subject to the following additional conditions:

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

(b) At the time of the Closing (i) 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 Underwriter, (ii) there shall be in full force and effect such resolutions of the Authority (the "Authority Resolution") as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated by the Authority Documents, (iii) the Authority shall perform or have performed its obligations required or specified in the Authority Documents to be performed at or prior to Closing, (iv) Westlands shall perform or have performed its obligations required or specified in the Westlands DHCCP Activity Agreement to be performed at or prior to Closing, (v) Westlands shall undertake, pursuant to a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate" and together with the Westlands DHCCP Activity Agreement, the "Westlands Documents"), to provide annual reports and notices of certain events in accordance with the requirements of Rule 15c2-12, the form of which Continuing Disclosure Certificate is set forth as Appendix F to the Official Statement, and (vi) the Official Statement shall not have been supplemented or amended, except pursuant to paragraphs 6(d) and 6(e) hereof or as otherwise may have been agreed to in writing by the Underwriter.

(c) 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 Authority Resolution, the Authority Documents or any other agreement or document pursuant to which any of the Authority's financial obligations was issued and the Authority 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 Authority to pay debt service on the Bonds.

(d) The Underwriter shall have the right to terminate this Purchase Contract, without liability therefor, by written notification to the Authority 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 Underwriter, 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 Authority or Westlands; 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 Underwriter, 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 over 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, 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 materially adversely affect the Underwriter's ability to 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 materially adversely affects the ability of the Underwriter to market, sell or trade the Bonds; or

(vii) the United States has become engaged in hostilities beyond currently existing 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 Underwriter, materially adversely affect the ability of the Underwriter to market or deliver the Bonds; or

(viii) any rating of the securities of the Authority or Westlands [or the Insurer] reflecting the creditworthiness of the Authority or Westlands [or the Insurer] shall have been downgraded, suspended or withdrawn by a national rating service, which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Bonds; or

(ix) the commencement of any action, suit or proceeding described in paragraph 6(g) hereof which, in the reasonable judgment of the Underwriter, materially adversely affects the market price or marketability of the Bonds; or

(x) there shall be in force a general suspension of trading on the New York Stock Exchange, which suspension materially adversely affects the ability of the Underwriter to market, sell or deliver the Bonds.

(e) At or prior to the Closing, the Underwriter shall receive with respect to the Bonds (unless the context otherwise indicates) the following documents:

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

(ii) A supplemental opinion or opinions of Bond Counsel addressed to the Underwriter and substantially in the form attached hereto as Exhibit B.

(iii) An opinion of Rebecca R. Akroyd, General Counsel to the Authority, addressed to the Underwriter and substantially in the form attached hereto as Exhibit C.

(iv) An opinion of Jon Rubin, Esq., general counsel to Westlands, dated the date of the Closing and addressed to the Underwriter and substantially in the form attached hereto as Exhibit D:

(v) An opinion of Gilmore & Bell, P.C., Salt Lake City, Utah, counsel to the Underwriter (“Underwriter’s Counsel”), dated the date of Closing and addressed to the Underwriter 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) 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 Official Statement, such counsel has participated in conferences with representatives of and counsel for the Authority, Westlands, and Bond Counsel and representatives of the Underwriter at which the contents of the Official Statement were discussed and revised; based on such counsel’s representation of the Underwriter 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, 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 the Insurer, the Policy and the Surety Bond, or DTC and its book-entry system, and (iii) the information contained in [Appendices A, C, E, or G] to the Official Statement); and

(C) The provisions of the Continuing Disclosure Certificate comply with the provisions of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended;

(vi) An opinion of counsel to MUFG, dated the date of the Closing, addressed to the Underwriter and the Authority, and in form and substance acceptable to Bond Counsel, the Underwriter and Underwriter’s Counsel to the effect that:

(A) MUFG is a national banking association, duly organized and validly existing under and by virtue of the laws of the United States of America, having full power and authority to authenticate and deliver the Bonds and to enter into, accept and administer the trust and duties created under the Indenture;

(B) the Indenture has been duly authorized, executed and delivered by MUFG and the Indenture constitutes the legal, valid and binding obligation of MUFG enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought;

(C) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over MUFG that has not been obtained is or will be required for the authentication and delivery of the Bonds, the execution and delivery of the Indenture or the consummation of the transactions contemplated by the Bonds or the Indenture;

(D) to its best knowledge after due inquiry, there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental agency, public board or body pending against MUFG or threatened against MUFG which in the reasonable judgment of MUFG would affect the existence of MUFG, or in any way contesting or affecting the validity or enforceability of the Bonds or the Indenture or contesting the powers of MUFG or its authority to authenticate and deliver the Bonds or enter into and perform its obligations under the Indenture; and

(E) the authentication and delivery of the Bonds and the execution and delivery of the Indenture and compliance with the provisions on MUFG's part contained therein will not conflict with or constitute a breach of or default under the Articles of Association or Bylaws of MUFG or any law, administrative regulation, judgment decree, resolution or other instrument to which MUFG is a party or is otherwise subject;

(vii) The opinion of counsel to the Escrow Agent, dated the date of the Closing, addressed to the Underwriter, to the effect that:

(A) The Escrow Agent is a national banking association, duly organized and validly existing under the laws of the United States of America, having full corporate power to enter into the Escrow Agreement;

(B) The Escrow Agreement has been duly authorized, executed and delivered by the Escrow Agent and, assuming due authorization, execution and delivery by the other party thereto, the Escrow Agreement constitutes the valid and binding obligation of the Escrow Agent enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought;

(C) The Escrow Agent's actions in executing and delivering the Escrow Agreement are in full compliance with, and do not conflict with any applicable law or governmental regulation and, to the best of such counsel's knowledge, after reasonable inquiry with respect thereto, do not conflict with or violate any contract to which the Escrow Agent is a party or any administrative or judicial decision by which the Escrow Agent is bound; and

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

(viii) a certificate of the Authority, dated the date of the Closing, signed on behalf of the Authority by the Chair of the Authority or other authorized officer of the Authority to the effect that:

(A) the representations and warranties of the Authority contained in this 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 therein with respect to the Authority, in the light of the circumstances under which they were made, not misleading in any material respect, except the certificate need not include representations relating to The Depository Trust Company, the book-entry only system[, the Insurer, the Policy or the Surety Bond]; 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.

(ix) a certificate of Westlands, dated the date of Closing and signed by an authorized officer of Westlands [substantially in the form attached hereto as Exhibit [#] *[form of certificate to be provided]*] [that contains such matters in form and substance satisfactory to Bond Counsel, the Underwriter, and Underwriter's Counsel substantially to the following effect:

(A) Westlands is a California water district duly organized and existing under and pursuant to the Constitution and laws of the State of California;

(B) The Westlands Documents have been duly authorized, executed and delivered by Westlands. The Westlands Documents constitute the valid, legal and binding agreements of Westlands enforceable against Westlands in accordance with their terms and Westlands has the power and authority to carry out and consummate all transactions contemplated by the Westlands Documents and the Westlands Resolution and Westlands has complied with the provisions of the Westlands Documents in all matters relating to such transactions;

(C) The Westlands Resolution was duly adopted at a meeting of the governing body of Westlands, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and the Westlands Resolution is in full force and effect and has not been modified, amended or rescinded;

(D) The adoption of the Westlands Resolution and compliance with the provisions thereof and the Westlands Documents, under the circumstances contemplated thereby, do not and will not, in any respect which will have a material adverse impact on the transactions contemplated by the Westlands Resolution and the Westlands Documents, conflict with, or constitute on the part of Westlands a breach of or default under any material agreement or other instrument to which Westlands is a party or by which it is bound or any existing law, regulation, court order or consent decree to which Westlands is subject;

(E) The adoption of the Westlands Resolution and the execution and delivery of the Westlands Documents and compliance with the provisions of the Westlands Resolution and the Westlands Documents, under the circumstances contemplated thereby, do not and will not, in any respect which will have a material adverse impact on

the transactions contemplated by the Westlands Resolution and the Westlands Documents, conflict with or constitute a breach of or default under any term or provision of the Constitution of the State of California or any statute, administrative rule or regulation, judgment, decree, order, license, permit, agreement or instrument to which Westlands is subject or by which Westlands or any of its property is bound;

(F) No additional authorization, approval, consent, waiver or any other action by any person, board or body, public or private, not previously obtained is required as of the date hereof for Westlands to adopt the Westlands Resolution or enter into the Westlands Documents or to perform its obligations thereunder or under the Westlands Resolution or the Westlands Documents;

(G) There is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental agency, or body, pending or threatened, against Westlands challenging the creation, organization or existence of Westlands, or the validity or the Westlands Documents or seeking to restrain or enjoin adoption of the Westlands Resolution or in any way contesting or affecting the validity of the Westlands Resolution or the Westlands Documents or any of the transactions referred to therein or contemplated thereby or contesting the authority of Westlands to perform its obligations under the Westlands Resolution or the Westlands Documents, or, except as otherwise described in the Official Statement under the heading “APPENDIX D—INFORMATION CONCERNING WESTLANDS WATER DISTRICT—LITIGATION,” under which a determination adverse to Westlands would have a material adverse effect upon the financial condition or the revenues of Westlands, or which in any manner, questions or affects the right or the ability of Westlands to adopt the Westlands Resolution or enter into the Westlands Documents;

(H) The information relating to Westlands and contained in Appendix D to the Preliminary Official Statement was as of its date, and the information relating to Westlands and contained in Appendix D to the Official Statement is true and correct in all material respects, and the information relating to Westlands and contained in Appendix D to the Preliminary Official Statement and the information relating to Westlands and contained in Appendix D to the Official Statement contain no misstatement of any material fact and do 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 Insurer, the Policy and the Surety Bond);

(I) Except as otherwise described in the Official Statement, there shall not have been any material adverse changes in the financial condition of Westlands since [February 29, 2020];

(J) The obligation of Westlands under the Westlands DHCCP Activity Agreement is a limited obligation of Westlands payable from revenues of its water system as an operating and maintenance expense prior to any of Westlands' bonds, notes or other evidences of indebtedness; and

(K) During the past five years, Westlands has been in compliance with each undertaking it has entered into pursuant to Rule 15c2-12.]

(x) A certificate of MUFG dated the date of Closing, in form and substance acceptable to Bond Counsel, the Underwriter and Underwriter's Counsel, to the following effect that: (A) MUFG is duly organized, validly existing as a national banking association and in good standing, having the full duties under the Indenture; (B) MUFG is duly authorized to enter into the Indenture; (C) MUFG has duly executed and delivered the Indenture and authenticated and delivered the Bonds by duly authorized officers; and (D) there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental authority, public board or body pending against MUFG or threatened against MUFG which in the reasonable judgment of MUFG would affect the existence of MUFG, or in any way contesting or affecting the validity or enforceability of the Bonds or the Indenture or contesting the powers of MUFG or its authority to authenticate and deliver the Bonds or enter into and perform its obligations under the Indenture as Trustee;

(xi) A certificate, dated the date of Closing, signed by a duly authorized official of the Escrow Agent satisfactory in form and substance to the Underwriter, to the effect that: (A) The Escrow Agent 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 Escrow Agreement; (B) The Escrow Agent is duly authorized to enter into the Escrow Agreement and has duly executed and delivered the Escrow Agreement, and assuming due authorization and execution by the other parties thereto, the Escrow Agreement is legal, valid and binding upon the Escrow Agent, and enforceable against the Escrow Agent in accordance with its terms; and (C) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Escrow Agent that has not been obtained is or will be required for the execution and delivery of the Bonds or the consummation by the Escrow Agent of its obligations under the Escrow Agreement.

(xii) An original executed copy of each of the Authority Documents and each of the Westlands Documents;

(xiii) Copies of the Authority Resolution and the Westlands Resolution;

(xiv) Evidence from S&P Global Ratings (“S&P”) that the Bonds have been assigned an [insured] rating of “_____,” and evidence from S&P and Fitch Ratings, Inc. (“Fitch”) that the Bonds have been assigned underlying (unenhanced) ratings of “_____” and “_____,” respectively;

(xv) Preliminary and final California Debt and Investment Advisory Commission filings;

(xvi) One copy of the executed Letter of Representations to The Depository Trust Company from the Authority;

(xvii) One Specimen Bond;

(xviii) A certificate of the Authority “deeming final” the Preliminary Official Statement for purposes of Rule 15c2-12; provided that no representation need be made with respect to information relating to Westlands and contained in the Preliminary Official Statement;

(xix) A certificate of Westlands “deeming final” the Westlands Portion in the Preliminary Official Statement for purposes of Rule 15c2-12;

(xx) [The Policy duly executed by the Insurer;]

(xxi) [The Surety Bond duly executed by the Insurer;]

(xxii) [A copy of the Debt Service Reserve Fund Agreement relating to the Surety Bond between the Authority and the Insurer;]

(xxiii) [The opinion of counsel to the Insurer, dated the date of Closing and addressed to the Underwriter and the District, in form and substance satisfactory to Bond Counsel, the Underwriter and Underwriter’s Counsel;]

(xxiv) [A certificate or certificates of the Insurer, dated the date of Closing, as to the accuracy of the information relating to the Insurer, the Policy and the Surety Bond included in the Official Statement and such other matters reasonably required by Bond Counsel.]

(xxv) An escrow verification report executed by [_____], relating to the sufficiency of amounts deposited pursuant to the Escrow Agreement to refund the Refunded Bonds.

(xxvi) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter’s Counsel and Bond Counsel may reasonably request to evidence (A) compliance by the Authority and Westlands with legal requirements, (B) the truth and accuracy, as of the time of Closing, of the Authority’s representations herein contained, (C) the accuracy, as

of the time of Closing, of the information contained in the Official Statement and (D) the due performance or satisfaction by the Authority and Westlands at or prior to such time of all acts and agreements, including their performance under the Authority Documents and the Westlands Documents, respectively, then to be performed and of all conditions then to be satisfied by the Authority and Westlands. All of the opinions, letters, certificates, instruments and documents shall be deemed to be in compliance with the provisions of this Purchase Contract if, but only if, in the reasonable judgment of the Underwriter, they are satisfactory in form and substance as set forth in this Purchase Contract.

If the Authority shall be unable to satisfy the conditions contained in this Purchase Contract, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and none of the Underwriter nor the Authority shall be under any further obligation hereunder.

8. Expenses. The Underwriter shall be under no obligation to pay and the Authority shall pay or cause to be paid the expenses incident to the performance of the obligations of the Authority 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 Authority Documents and the cost of preparing, issuing, and delivering the Bonds, [(b) the premiums with respect to the Policy and the Surety Bond,] (c) the fees and disbursements of any counsel, municipal advisors, accountants, or other experts or consultants retained by the Authority, (d) the fees and disbursements of Bond Counsel, (e) the cost of printing the Preliminary Official Statement and the Official Statement and any supplements and amendments thereto, including the requisite number of copies thereof for distribution by the Underwriter, (f) charges of rating agencies for any rating with respect to the Bonds, (g) CUSIP Service Bureau fees and charges, (h) Trustee's fees and expenses, and (i) expenses (included in the expense component of the Underwriter's spread) incurred on behalf of the Authority'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.

The Underwriter is required to pay the fees of the California Debt and Investment Advisory Commission in connection with the offering of the Bonds. Notwithstanding that such fees are solely the legal obligation of the Underwriter, the Authority agrees to reimburse the Underwriter for such fees.

Furthermore, the Underwriter shall be under no obligation to pay the expenses of Westlands incident to the performance of its obligations in connection with the issuance of the Bonds including but not limited to (a) the fees and disbursements of any counsel, financial advisors, accountants, or other experts or consultants retained by Westlands, and (b) expenses (including in the expense component of the Underwriter's spread) incurred on behalf of Westlands' 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.

The Underwriter 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; (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 Underwriter in connection with the public offering of the Bonds, including the fees and disbursements of Underwriter's Counsel.

9. Notice. 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 the San Luis & Delta-Mendota Water Authority, 842 Sixth Street, Los Banos, California 93635, Attention: Executive Director. Any notice or other communication to be given to the Underwriter may be given by delivering the same, in writing, to Citigroup Global Markets Inc., 300 South Grand Avenue, Suite 3110 Los Angeles, California 90071; Attention: Cameron Parks, Director.

10. Entire Agreement. This Purchase Contract, when accepted by the Authority shall constitute the entire agreement among the Authority and the Underwriter with respect to the subject matter hereof.

11. No Advisory or Fiduciary Role. The Authority acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction between the Authority and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent, advisor or fiduciary of the Authority, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Authority with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Authority on other matters) and the Underwriter has no obligation to the Authority with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Contract, (iv) the Underwriter is not acting as municipal advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended), and (v) the Authority has consulted its own legal, financial and other advisors to the extent they deemed appropriate in connection with the offering of the Bonds.

12. Benefit. This Purchase Contract is made solely for the benefit of the Authority and the Underwriter (including the successors of the Underwriter) and no other person, partnership or association, shall acquire or have any right hereunder or by virtue hereof. All representations and agreements by 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 Underwriter and shall survive the delivery of and payment of the Bonds.

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 of California Law Governs. THE VALIDITY, 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 Underwriter or the Authority without the prior written consent of the other parties hereto.

Very truly yours,

CITIGROUP GLOBAL MARKETS INC.

By: _____
Managing Director

Accepted as of the date
first stated above:

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

By: _____
Executive Director

EXHIBIT A

\$ _____

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
REFUNDING REVENUE BONDS (DHCCP DEVELOPMENT PROJECT), SERIES 2020B

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

Upon the initial issuance of the Bonds, Stradling Yocca Carlson & Rauth, Bond Counsel, proposes to deliver a supplemental opinion to the Underwriter in substantially the form set forth below:

[LETTERHEAD OF BOND COUNSEL]

_____, 2020

Citigroup Global Markets, Inc.,
300 South Grand Avenue, Suite 3110
Los Angeles, CA 90071

Re: *San Luis & Delta-Mendota Water Authority
Refunding Revenue Bonds (DHCCP Development Project), Series 2020B*

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the San Luis & Delta-Mendota Water Authority (the “Authority”) of \$ _____ aggregate principal amount of San Luis & Delta-Mendota Water Authority Refunding Revenue Bonds (DHCCP Development Project), Series 2020B (the “Bonds”), under and pursuant to the provisions relating to the joint exercise of powers found in Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, as amended (the “Government Code”) and Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (collectively, the “Act”), and under and pursuant to an Indenture of Trust (the “Indenture”), dated as of December 1, 2020 by and between the Authority and MUFG Union Bank, N.A., as trustee. Capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Indenture.

On the date hereof, we delivered to the Authority our opinion relating to, among other things, the validity of the Bonds and the Indenture (the “Approving Opinion”). The Underwriter is authorized to rely upon the Approving Opinion as if addressed to the Underwriter.

Based upon the foregoing and our review of such other information, documents and matters of law as we considered necessary and in reliance on the foregoing, as appropriate, we are of the opinion that:

(i) The Purchase Contract, dated December __, 2020 (the “Purchase Contract”), by and between the Authority and Citigroup Global Markets, Inc. (the “Underwriter”), relating to the Bonds, has been duly authorized, executed and delivered by the Authority, and assuming due authorization, execution and delivery by the Underwriter, is a valid and binding agreement of the Authority enforceable in accordance with its terms;

(ii) The statements contained in the Official Statement dated December __, 2020 for the Bonds (the “Official Statement”) under the captions “INTRODUCTION,” “THE BONDS,” “SECURITY FOR THE BONDS,” “FLOW OF FUNDS,” “TAX MATTERS,” in APPENDIX

C – “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS,” and in APPENDIX D – “PROPOSED FORM OF OPINION OF BOND COUNSEL,” insofar as such statements purport to summarize certain provisions of the Bonds and certain provisions of the Indenture and our Approving Opinion with respect to certain federal and state income tax matters related to the Bonds, are accurate in all material respects; and

(iii) The Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. We call attention to the fact that the rights and obligations under the Purchase Contract, the Indenture and the Bonds are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer 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 of California.

By delivering this letter, we are not expressing any opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the Indenture or the Bonds, nor are we expressing any opinion with respect to the state or quality of title to or interest in any assets described in or as subject to the lien of the Indenture or the Bonds, or the accuracy or sufficiency of the description of such assets, or the remedies available to enforce liens on, any such assets.

Except as expressly set forth in the Approving Opinion, we express no opinion regarding any tax consequences with respect to the Bonds. No opinion is expressed herein with respect to the compliance with, or applicability of, any “blue sky” laws of any state as they relate to the offer or sale of the Bonds.

This opinion is limited to matters governed by the laws of California and federal securities laws, and we assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

This letter is being furnished to the Underwriter solely for its benefit in connection with the Underwriter’s purchase of the Bonds in accordance with the Purchase Contract and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person without our prior written consent. This letter is not intended to and may not be relied upon by owners of the Bonds or any beneficial interest therein or any other party to which it is not addressed. The Underwriter has been represented in connection with the purchase of the Bonds by separate counsel; and no attorney-client relationship has existed or exists between the Underwriter and our firm in connection therewith or by virtue of this letter.

Respectfully submitted,

EXHIBIT C

FORM OF OPINION OF AUTHORITY GENERAL COUNSEL

Upon the initial issuance of the Bonds, Authority General Counsel proposes to deliver on opinion to the Underwriter in substantially the form set forth below.

San Luis & Delta-Mendota Water Authority



P.O. Box 2157
Los Banos, CA 93635
Phone: (209) 826-9696
Fax: (209) 826-9698

[GENERAL COUNSEL LETTERHEAD]

_____, 2020

Citigroup Global Markets, Inc.
300 South Grand Avenue, Suite 3110
Los Angeles, CA 90071

*Re: San Luis & Delta-Mendota Water Authority
Refunding Revenue Bonds (DHCCP Development), Series 2020B*

Ladies and Gentlemen:

I am General Counsel to the San Luis & Delta-Mendota Water Authority (the “Authority”). The Authority has entered into a Purchase Contract dated December __, 2020 (the “Purchase Contract”), with Citigroup Global Markets, Inc., relating to the San Luis & Delta-Mendota Water Authority Refunding Revenue Bonds (DHCCP Development Project), Series 2020B (the “Bonds”). Among other things, the Purchase Contract states that Authority General Counsel shall provide assurances as set forth below.

The following opinion is presented to you in satisfaction of the requirements of Section 7(e)(iii) of the Purchase Contract. In arriving at the opinions expressed below, I have examined and am familiar with: (i) documents relating to the existence, organization and operation of the Authority; (ii) the certificate of the Authority dated the date hereof, and executed by the Authority’s Executive Director or other duly authorized officer regarding the Authority and the above-referenced transaction pursuant to Section 7(e)(iii) of the Purchase Contract; (iii) documentation of the Authority relating to the authorization, execution and delivery of the above referenced transaction, including Resolution 2020-__ of the Authority adopted on October 8, 2020 and Resolution 2020-__ of the Authority adopted on November 6, 2020 (herein referred to as the “Authorizing Resolutions”); (iv) the Authority Documents; and (v) such other documents,

records and instruments and made such investigations of law and fact as I have deemed necessary to render the opinions expressed herein. Capitalized terms used herein and not defined shall have the meanings given to such terms in the Purchase Contract.

In connection with my role as General Counsel to the Authority, I examined the law and such certified proceedings and other documents as I deemed necessary to render this opinion. As to questions of fact material to such opinions, I relied upon representations and information supplied to me by the Authority and its officials, other employees, and representatives and upon representations and certificates of various other public officials. In the course of my representation, nothing has come to my attention that caused me to believe that any of the factual representations upon which I have relied are untrue, but I have made no other factual investigations.

When used herein, the phrase "to my current actual knowledge" means that, during the course of my representation of the Authority, no information that would give me current actual knowledge of the inaccuracy of such statement has come to my attention. However, I have not undertaken any independent investigation or inquiry to determine the accuracy of such statement other than as detailed herein.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, it is my opinion that:

1. The Authority is a joint exercise of powers agency duly organized under the Amended and Restated Joint Exercise of Powers Agreement-SAN LUIS & DELTA-MENDOTA WATER AUTHORITY, dated as of January 1, 1992, by and between the Authority and certain districts and other public agencies with the power, among others, to finance, develop, operate and maintain water supply facilities (the "JPA Agreement"), and under the laws of the State of California, and has full legal right, power and authority to enter into the Authority Documents, to adopt the Authorizing Resolutions and to carry out and consummate the transactions contemplated by the Authority Documents and the Authorizing Resolutions and by proper action has duly authorized the execution and delivery and due performance of the Authority Documents.
2. The Authority Documents have been duly authorized, executed and delivered by the Authority, and the Authority has full right, power and authority to carry out and consummate all transactions contemplated by the Authority Documents as of the date of the Official Statement and as of the date hereof.
3. The Authorizing Resolutions were duly adopted at meetings of the governing body of the Authority, which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and the Authorizing Resolutions are in full force and effect and have not been modified, amended or rescinded.
4. To my current actual knowledge, the execution and delivery of the Authority Documents and compliance with the provisions thereof, under the circumstances contemplated thereby, will not constitute, or with the giving of notice or the passage of time would not constitute, on the part of the Authority a breach of or default under, any material agreement or other instrument to which the Authority is a party or by which it is bound or any existing law, administrative rule, regulation, order, decree, judgment, license or permit to which the Authority is subject

(excluding, however, any opinion as to compliance with any applicable federal securities laws), or by which the Authority or any of its property is bound.

5. No additional authorization, approval, consent, waiver or any other action by any person, board or body, public or private, not previously obtained is required as of the date hereof for the Authority to adopt the Authorizing Resolutions or enter into the Authority Documents or to perform its obligations thereunder.

6. The Official Statement has been prepared by, or on behalf of, the Authority under the supervision of the Authority's Executive Director and executed on its behalf by the Chair of the Board of Directors and the Executive Director.

7. Based on the information made available to me in my role as General Counsel to the Authority, and without having undertaken to determine independently or assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement (excluding Appendix B thereto), nothing has come to my attention which would lead me to believe that the Preliminary Official Statement as of its date or the Official Statement as of its date and as of the date hereof (excluding therefrom the Excluded Information, as to which no opinion is expressed) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

8. No additional authorization, approval, consent, waiver or any other action by any person, board or body, public or private, not previously obtained is required as of the date hereof for the Authority to enter into the Authority Documents or to perform its obligations thereunder.

9. To my current actual knowledge, except as set forth in the Official Statement, I know of 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 my current actual knowledge, threatened, against the Authority challenging the creation, organization or existence of the Authority, or the validity of the Authorizing Resolutions or the Authority Documents or seeking to restrain or enjoin the payment of debt service on the Bonds or in any way contesting or affecting the validity of the Authorizing Resolutions or the Authority Documents or any of the transactions referred to therein or contemplated thereby or contesting the authority of the Authority to enter into or perform its obligations under any of the Authority Documents, or under which a determination adverse to the Authority would have a material adverse effect upon the receipts by the Authority of amounts due from the Financing Participants under the DHCCP Activity Agreements, or which, in any manner, questions or affects the right or ability of the Authority to enter into the Authority Documents or affects in any manner the right or ability of the Authority to pay debt service on the Bonds.

The opinions expressed herein are based upon an analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. I call attention to the fact that the rights and obligations under the Authority Documents and the Bonds are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer 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 of California.

The opinions set forth above are further qualified as follows:

a. My opinions are limited to the matters expressly set forth herein and no opinion is to be implied or may be inferred beyond the matters expressly so stated;

b. I am licensed to practice law in the State of California; accordingly, the foregoing opinions only apply insofar as the laws of the State of California and the United States may be concerned, and I express no opinion with respect to the laws of any other jurisdiction;

c. I express no opinion as to the enforceability under certain circumstances of contractual provisions respecting various summary remedies without notice or opportunity for hearing or correction, especially if their operation would work a substantial forfeiture or impose a substantial penalty upon the burdened party;

d. I express no opinion as to the effect or availability of any specific remedy provided for in the Authority Documents under particular circumstances, except that I believe such remedies are, in general, sufficient for the practical realization of the rights intended thereby;

e. I disclaim any obligation to update this opinion for events occurring after the date hereof.

f. By delivering this letter, I am not expressing any opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the Authority Documents or the Bonds, nor am I expressing any opinion with respect to the state or quality of title to or interest in any assets described in or as subject to the lien of the Authority Documents or the Bonds, or the accuracy or sufficiency of the description of such assets, or the remedies available to enforce liens on, any such assets.

This letter is being furnished to the Underwriter solely for its benefit in connection with the Underwriter's purchase of the Bonds in accordance with the Purchase Contract and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person without my prior written consent. This letter is not intended to and may not be relied upon by owners of the Bonds or any beneficial interest therein or any other party to which it is not addressed. The Underwriter has been represented in connection with the purchase of the Bonds by separate counsel; and no attorney-client relationship has existed or exists between the Underwriter and me in connection therewith or by virtue of this letter.

Respectfully submitted,

Rebecca R. Akroyd
General Counsel
San Luis & Delta-Mendota Water Authority

EXHIBIT D

FORM OF OPINION OF WESTLANDS GENERAL COUNSEL

Upon the initial issuance of the Bonds, Authority General Counsel proposes to deliver on opinion to the Underwriter in substantially the form set forth below.

[Letterhead of the General Counsel]

December __, 2020

Citigroup Global Markets, Inc.
300 South Grand Avenue, Suite 3110
Los Angeles, California

Re: \$_____ San Luis & Delta-Mendota Water Authority Refunding Revenue
 Bonds (DHCCP Development Project), Series 2020B (the “Bonds”)

Ladies and Gentlemen:

I have acted as general counsel to the Westlands Water District (the “District”) in connection with the issuance of the above-referenced Bonds by the San Luis & Delta-Mendota Water Authority (the “Authority”) pursuant to an Indenture of Trust dated as of December 1, 2020 by and between the Authority and MUFG Union Bank, N.A., as trustee. This opinion is rendered pursuant to Section 7(e)(iv) of the Purchase Contract (the “Purchase Contract”) dated December __, 2020, by and between Citigroup Global Markets Inc. (the “Underwriter”) and the Authority. Capitalized terms used herein and not defined shall have the meanings given to such terms in the Purchase Contract.

I have been furnished with and have examined copies of (i) Resolution No.123-20, adopted by the Board of Directors of the District (the “Board”) on September 15, 2020, and Resolution _____, adopted by the Board on November 17, 2020, approving the District Portion of the Official Statement (as such term is defined below), (ii) the Delta Habitat Conservation and Conveyance Program Activity Agreement dated as of March 1, 2009 (the “DHCCP Activity Agreement”), by and between the District and the Authority, (iii) the Continuing Disclosure Certificate of the District dated the date hereof (the “Disclosure Certificate”), and (iv) the District Portion of the Official Statement dated _____, 2020, relating to the Bonds (the “Official Statement”), and (iv) matters of law considered necessary to render the opinions set forth below. The DHCCP Activity Agreement and the Disclosure Certificate are collectively referred to herein as the “District Documents.”

In connection with my role as counsel to the District, I examined the law and, in addition to that referenced in the paragraph above, such other documents as I deemed necessary to render this opinion. As to questions of fact material to such opinions, I relied upon representations and information supplied to me by the District and its officials, other employees, and representatives

and upon representations and certificates of various other public officials. In the course of my representation, nothing has come to my attention that caused me to believe that any of the factual representations upon which we have relied are untrue, but I have made no other factual investigations.

When used herein, the phrase “to my current actual knowledge” means that, during the course of my representation of the District, no information that would give me current actual knowledge of the inaccuracy of such statement has come to my attention. However, I have not undertaken any independent investigation or inquiry to determine the accuracy of such statement other than as detailed herein.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, it is my opinion that:

1. The District is a California water district organized and lawfully existing under the laws and Constitution of the State of California (the “State”);

2. The Disclosure Certificate has been duly authorized by all necessary action on the part of the District, executed and delivered by the District and, assuming its due authorization, execution, and delivery by and enforceability against the other parties thereto, the District Documents constitute the valid and binding obligations of the District enforceable in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium, or other laws relating to or affecting the enforcement of creditors’ rights generally; by the application of general principles of equity, including without limitation concepts of materiality, reasonableness, good faith, and fair dealing, regardless of whether considered in a proceeding in equity or at law; the possible unavailability of specific performance or injunctive relief; and by the limitations imposed on actions against governmental entities in the State;

3. To the best of my current actual knowledge, except as described in the District Portion of the Official Statement, 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 threatened, against the District challenging the creation, organization, or existence of the District, or the validity of the District Documents or seeking to restrain or enjoin the payment by the District to the Authority of amounts under the DHCCP Activity Agreement or in any way contesting or affecting the validity of the District Documents or any of the transactions referred to therein or contemplated thereby or contesting the authority of the District to enter into the Disclosure Certificate or perform its obligations under any of the District Documents, or under which a determination adverse to the District would have a material adverse effect upon the financial condition or the revenues of the District, or which, in any manner, questions or affects the right or ability of the District to enter into the Disclosure Certificate or affects in any manner the right or ability of the District to make payments with respect to the DHCCP Activity Agreement in accordance therewith;

4. To the best of my current actual knowledge, the execution and delivery of the Disclosure Certificate by the District and performance of its obligations under the District Documents do not and will not, in any respect that would have a material adverse effect on the transactions contemplated by the District Documents, (i) violate applicable provisions of

statutory law or regulation, (ii) breach or otherwise violate any existing obligation of the District under any court order or consent decree, or (iii) constitute a breach of or default under any material agreement or instrument to which the District is a party or by which it is bound. For purposes of this opinion, we have deemed an agreement to be material only if it obligates the District to payments in any year of more than \$50,000; and

5. The District Portion of the Official Statement has been duly authorized by the Board of Directors of the District and has been executed on its behalf by the President of the District's Board of Directors.

The opinions set forth above are further qualified as follows:

a. My opinions are limited to the matters expressly set forth herein and no opinion is to be implied or may be inferred beyond the matters expressly so stated;

b. I am licensed to practice law in the State of California; accordingly, the foregoing opinions only apply insofar as the laws of the State of California and the United States may be concerned, and we express no opinion with respect to the laws of any other jurisdiction;

c. I express no opinion as to the enforceability under certain circumstances of contractual provisions respecting various summary remedies without notice or opportunity for hearing or correction, especially if their operation would work a substantial forfeiture or impose a substantial penalty upon the burdened party;

d. I express no opinion as to the effect or availability of any specific remedy provided for in the District Documents under particular circumstances, except that I believe such remedies are, in general, sufficient for the practical realization of the rights intended thereby;

e. I express no opinion as to the enforceability of any indemnification, contribution, choice of law, choice of forum, or waiver provisions contained in the District Documents; and

f. I disclaim any obligation to update this opinion for events occurring after the date hereof.

I hereby confirm to you that, based on the information made available to me as general counsel to the District in connection with the execution and delivery of the Bonds, and without having undertaken to determine independently or having assumed any responsibility for the accuracy, completeness or fairness of the statements contained therein, the information in the Official Statement relating to the District under the caption "INTRODUCTION" and in the District Portion of the Official Statement is true and accurate to the best of my current actual knowledge at and as of the date of the Official Statement and at and as of the date of Closing.

This letter is furnished by me as general counsel to the District. No attorney-client relationship has existed or exists between us and the Underwriter in connection with the District Documents or by virtue of this letter. This letter is delivered to the addressees solely for their benefit for the purpose contemplated by the Purchase Agreement and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to be relied upon by owners of Bonds or the owners of any beneficial interest in the Bonds.

Sincerely,

General Counsel
Westlands Water District

EXHIBIT C
FORM OF ESCROW AGREEMENT

ESCROW AGREEMENT (2013A BONDS)

THIS ESCROW AGREEMENT (2013A BONDS), dated as of December 1, 2020 (the “Agreement”), by and between the San Luis & Delta-Mendota Water Authority (the “Authority”) and MUFG Union Bank, N.A., as escrow agent (the “Escrow Agent”) and as 2013A Trustee (as hereinafter defined), is entered into in accordance with Resolution No. 2020-_____ of the Authority adopted on October 8, 2020 and the Indenture of Trust, dated as of March 1, 2013 (the “2013A Indenture”), by and between the Authority and MUFG Union Bank, N.A. (formerly known as Union Bank, N.A.), as trustee (the “2013A Trustee”), to redeem the portion of the Outstanding San Luis & Delta-Mendota Water Authority Refunding Revenue Bonds (DHCCP Development Project), Series 2013A (the “2013A Bonds”) described in Schedule A hereto (the “Refunded 2013A Bonds”).

WITNESSETH:

WHEREAS, the Authority previously authorized the execution and delivery of the 2013A Bonds pursuant to the 2013A Indenture; and

WHEREAS, the Authority has determined that a portion of the proceeds of the \$_____ aggregate principal amount of the San Luis & Delta-Mendota Water Authority Refunding Revenue Bonds (DHCCP Development Project), Series 2020B (the “2020B Bonds”) issued pursuant to an Indenture of Trust, dated as of December 1, 2020 (the “2020 Indenture”), by and between the Authority and MUFG Union Bank, N.A., as trustee (the “2020 Trustee”), will be used to pay the regularly scheduled principal and interest payments due on the Refunded 2013A Bonds on and prior to March 1, 2023 (the “Redemption Date”) and to pay on the Redemption Date the principal with respect to the Refunded 2013A Bonds maturing after the Redemption Date, without premium (the “Redemption Price”); and

WHEREAS, the irrevocable deposit with the Escrow Agent of moneys (as permitted by, in the manner prescribed by, and all in accordance with the 2013A Indenture), which moneys will be fully sufficient to pay the regularly scheduled principal and interest due on the Refunded 2013A Bonds on and prior to the Redemption Date and to redeem the Refunded 2013A Bonds maturing after the Redemption Date on the Redemption Date; and

WHEREAS, capitalized terms herein used and not herein defined shall have the respective meaning ascribed to them in the 2013 Indenture;

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

SECTION 1. Deposit of Moneys. The Authority hereby instructs the 2013A Trustee to transfer to the Escrow Agent \$_____ from the funds and accounts maintained under the 2013A Indenture. The Authority hereby instructs the Escrow Agent to deposit \$_____ received from the Authority, constituting a portion of the proceeds of the 2020B Bonds, \$_____ received from the Authority, constituting amounts received from one or more parties to the DHCCP Activity Agreement (as defined in the 2020 Indenture), and \$_____ received from the 2013A Trustee, constituting amounts held in funds and accounts maintained under the 2013A Indenture, in the Escrow Fund established hereunder. The Escrow Agent shall hold all such amounts in irrevocable escrow separate and apart from other funds of the Authority 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 Authority represents that the moneys set forth above are at least equal to an amount sufficient to purchase the Defeasance Securities listed in Schedule B hereto, and to hold \$ _____ uninvested as cash.

SECTION 2. Investment of Moneys. The Escrow Agent acknowledges receipt of the moneys described above and agrees promptly to invest such moneys in the Defeasance Securities described in Schedule B hereto, and to deposit such Defeasance Securities in the Escrow Fund. The Escrow Agent shall be entitled to conclusively rely upon the conclusion of Robert Thomas CPA, LLC (the "Verification Agent"), that the Defeasance Securities listed on Schedule B hereto 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 the regularly scheduled principal and interest payments due on the Refunded 2013A Bonds on and prior to the Redemption Date and to pay on the Redemption Date the Redemption Price of the Refunded 2013A Bonds.

SECTION 3. Investment of Any Remaining Moneys. At the written direction of the Authority, the Escrow Agent shall reinvest any other amount of principal and interest, or any portion thereof, received from the Defeasance Securities prior to the date on which such payment is required for the purposes set forth herein, in noncallable securities qualifying as "Defeasance Securities" in accordance with the 2013A Indenture, such written direction to specify which Defeasance Securities are to be invested in, 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 Authority, 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 the regularly scheduled principal and interest due on the Refunded 2013A Bonds on and prior to the Redemption Date and to redeem the Refunded 2013A Bonds maturing after the Redemption Date on the Redemption Date, and provided that the Authority has obtained and delivered to the Escrow Agent and to Build America Mutual Assurance Company, as insurer (the "Insurer") 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 on the 2013A 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, 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 tax-exempt obligations of political subdivisions, shall be paid to the Authority promptly upon the receipt of such interest income by the Escrow Agent. The determination of the Authority as to whether an accountant qualifies under this Escrow Agreement shall be conclusive.

SECTION 4. Substitution of Securities. Upon the written request of the Authority, 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 Defeasance Securities, such written request to specify which Defeasance Securities are to be disposed of, provided that there are substituted therefor from the proceeds of the Defeasance Securities other securities qualifying as Defeasance Securities in accordance with the 2013A Indenture, but only after the Authority has obtained and delivered to the Escrow Agent and to the Bond Insurer (defined in the 2013A Indenture): (i) a verification report of a nationally recognized independent financial analyst or firm of 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 the regularly scheduled principal and interest due on the Refunded 2013A Bonds on and prior to the Redemption Date and to redeem the Refunded 2013A Bonds maturing after the Redemption Date on the Redemption Date, (ii) the delivery of a an unqualified opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, to the effect that such substitution will not adversely affect the exclusion from gross income of the holders of the 2013A Bonds for federal income tax purposes, and (iii) the prior written consent of the Bond Insurer. The Escrow Agent shall not be liable or responsible for any losses, fees, taxes or other charges resulting from any reinvestment made pursuant to this Agreement and in full compliance with the provisions hereof.

SECTION 5. Payment of Refunded 2013A Bonds.

(a) Payment. From the maturing principal of the Defeasance Securities and the investment income and other earnings thereon and other moneys on deposit in the Escrow Fund, the Escrow Agent shall transfer the amounts on deposit in the Escrow Fund to the 2013A Trustee to pay the regularly scheduled principal and interest due on the Refunded 2013A Bonds on and prior to the Redemption Date and to redeem the Refunded 2013A Bonds maturing after the Redemption Date on the Redemption Date.

(b) Irrevocable Instructions to Provide Notice. The forms of the notice required to be provided pursuant to Sections 4.03 and 10.03 of the 2013A Indenture are substantially in the forms attached hereto as Exhibits A and B. The Authority hereby irrevocably instructs the Escrow Agent to provide a notice of redemption and a notice of defeasance of the Refunded 2013A Bonds, via mail, facsimile or electronic mail, in accordance with Sections 4.03 and 10.03, respectively, of the 2013A Indenture to the Owners of the Refunded 2013A Bonds and the Bond Insurer (as such term is defined in the 2013A Indenture), as required to provide for the redemption of the Refunded 2013A Bonds in accordance with this Section 5. The Escrow Agent agrees that it shall file notices of redemption and defeasance with respect to the Refunded 2013A Bonds with the Municipal Securities Rulemaking Board (which is located at <http://emma.msrb.org/>).

(c) Unclaimed Moneys. Any moneys which remain unclaimed for 60 days after the Redemption Date or are not needed to pay the regularly scheduled principal and interest due on the Refunded 2013A Bonds on and prior to the Redemption Date and to redeem the Refunded 2013A Bonds maturing after the Redemption Date on the Redemption Date shall be transferred by the Escrow Agent to the 2020 Trustee for deposit in the Revenue Fund established pursuant to Section 5.01 of the 2020 Indenture for payment of the debt service on the 2020B Bonds.

(d) Priority of Payments. The Owners of the Refunded 2013A Bonds shall have a first and exclusive lien on all moneys and securities, if any, in the Escrow Fund until such moneys are used and applied as provided in this Agreement.

SECTION 6. Application of Certain Terms of the 2013A Indenture. All of the terms of the 2013A Indenture relating to the making of payments of principal with respect to the Refunded 2013A Bonds and relating to the exchange or transfer of the Refunded 2013A Bonds are incorporated in this Agreement as if set forth in full herein. The procedures set forth in Article VIII of the 2013A Indenture relating to the resignation and removal and merger of the 2013A Trustee under the 2013A Indenture 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 with no implied duties 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 1 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 held hereunder.

SECTION 9. Indemnity. The Authority 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, officers, directors and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees, expenses 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 Authority 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, if any, deposited therein, the retention of the proceeds thereof and any payment, transfer or other application of moneys or securities, if any, by the Escrow Agent in accordance with the provisions of this Agreement; provided, however, that the Authority 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 Authority 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 and the earlier removal or resignation 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 and securities, if any, deposited therein, the sufficiency of the moneys on deposit in the Escrow Fund to pay the Refunded 2013A 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 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 Authority, 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 redemption of the Refunded 2013A Bonds or to the validity of this Agreement as to the Authority 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, 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 of its selection, who may or may not be counsel to the Authority, 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 it shall be 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 Authority.

The Escrow Agent undertakes to perform only such duties as are expressly set forth in this Escrow Agreement and no implied duties, covenants, or obligations shall be read into this Escrow Agreement against the Escrow Agent. In no event shall the Escrow Agent be liable for any special, punitive, indirect or consequential damages.

The Escrow Agent may conclusively rely as to the truth and accuracy of the statements and correctness of any opinions or calculations provided to it in connection with this Escrow Agreement and shall be protected in acting, or refraining from acting, upon any notice, instruction, request, certificate, document, opinion or other writing furnished to the Escrow Agent in connection with this Escrow Agreement and reasonably believed by the Escrow Agent to be signed by the proper party, and it need not investigate any fact or matter stated therein.

None of the provisions of this Escrow Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder. The Escrow Agent shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term “force majeure” means an occurrence that is beyond the control of the Escrow Agent and could not have been avoided by exercising due care. Force majeure shall include acts of God or of the public enemy or terrorists, acts of a government, fires, floods, epidemics, pandemics, recognized public emergencies, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, source of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the Project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event or occurrences beyond the control of the Trustee.

The Escrow Agent may at any time resign by giving sixty (60) days written notice of resignation to the Authority. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor and, upon the acceptance by the successor of such appointment, release the resigning Escrow Agent from its obligations hereunder by written instrument, a copy of which instrument shall be delivered to each of the Authority, the resigning Escrow Agent and the successor. If no successor shall have been so appointed and have accepted appointment within sixty (60) days after the giving of such notice of resignation, the resigning Escrow Agent may, at the sole cost and expense of the Authority, petition any court of competent jurisdiction for the appointment of a successor.

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 Authority shall provide to the Escrow Agent an incumbency certificate listing officers with the Authority to provide such Instructions and containing specimen signatures of such officers, which incumbency certificate shall be amended by the Authority whenever a person is to be added or

deleted from the listing. If the Authority elects to give the Escrow Agent Instructions using Electronic Means and the Escrow Agent in its reasonable judgment elects to act upon such Instructions, the Escrow Agent's understanding of such Instructions shall be deemed controlling. The Authority understands and agrees that the Escrow Agent cannot determine the identity of the actual sender of such Instructions and that the Escrow Agent shall be entitled to conclusively presume without liability that directions that purport to have been sent by an officer listed on the incumbency certificate provided to the Escrow Agent have been sent by such officer. The Authority shall be responsible for ensuring that only officers transmit such Instructions to the Escrow Agent and that the Authority and all 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 Authority. The Escrow Agent shall not be liable for any losses, costs claims, 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 Authority agrees: (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 it is 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 Authority; (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 in writing immediately upon learning of any compromise or unauthorized use of the security procedures.

The Escrow Agent will furnish the Authority periodic transaction statements which include detail for all investment transactions made by the Escrow Agent hereunder; 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 Authority'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 Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority specifically waives receipt of such confirmations to the extent permitted by law. The Authority further understands 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.

SECTION 11. Amendments. This Agreement is made for the benefit of the Authority, the Insurer and the Owners from time to time of the Refunded 2013A Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such Owners, the Escrow Agent, the Bond Insurer and the Authority; provided, however, that the Authority 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 2013A 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 Refunded 2013A 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, provided that the Authority shall not amend this Agreement

or enter into a forward purchase agreement or other agreement with respect to rights granted in this Agreement without the prior written consent of the Insurer. 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 Refunded 2013A Bonds 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 Refunded 2013A 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 Refunded 2013A Bonds are redeemed 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 in writing by the Escrow Agent and the Authority and any other reasonable fees and expenses of the Escrow Agent approved by the Authority; 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 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 Authority 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 and Electronic Execution. 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. The exchange of copies of the Agreement and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of the Agreement as to the parties hereto and may be used in lieu of the original Agreement and signature pages for all purposes. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or email electronic signatures.

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 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 Authority in writing, of the amount thereof and the reason therefor to the extent actually known to it. The Escrow Agent shall have no responsibility regarding any such deficiency.

SECTION 19. Notice to Authority 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 office of the Escrow Agent at 350 California Street, 17th Floor, San Francisco, California 94104, Attn: Corporate Trust Department, Facsimile (415) 273-2492, Email: SFCT@unionbank.com. Any notice to or demand upon the Authority 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 at P.O. Box 2157, Los Banos, California 93635, Attention: Chief Operating Officer, Facsimile (209) 826-9698 (or such other address as may have been filed in writing by the Authority 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 and attested as of the date first above written.

SAN LUIS & DELTA-MENDOTA WATER
AUTHORITY

By: _____
Executive Director

MUFG UNION BANK, N.A., as Escrow Agent
and 2013A Trustee

By: _____
Authorized Officer

SCHEDULE A

Refunded 2013A Bonds

<i>Maturity (March 1)</i>	<i>Principal Amount to be Redeemed</i>	<i>Interest Rate</i>	<i>CUSIP</i>
2021	\$ 800,000	5.00%	798544AV4
2022	840,000	5.00	798544AW2
2023	880,000	5.00	798544AX0
2024	925,000	5.00	798544AY8
2025	970,000	5.00	798544AZ5
2026	1,020,000	5.00	798544BA9
2027	1,070,000	5.00	798544BB7
2028	1,125,000	5.00	798544BC5
2029	1,180,000	5.00	798544BD3
2033	5,340,000	5.00	798544BE1
2038	8,315,000	5.00	798544BF8
2043	6,470,000*	5.00	798544BG6

* Partial maturity, of which \$4,145,000 was previously defeased pursuant to that certain Escrow Agreement (2013A Bonds) dated as of May 24, 2017, by and between the Authority and the Escrow Agent.

SCHEDULE B

Defeasance Securities

<i>Security</i>	<i>Maturity</i>	<i>Principal Amount</i>	<i>Yield</i>
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EXHIBIT A

NOTICE OF REDEMPTION

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY REFUNDING REVENUE BONDS (DHCCP DEVELOPMENT PROJECT), SERIES 2013A

BASE CUSIP 798544

NOTICE IS HEREBY GIVEN to the owners of the above-captioned Bonds (the “Bonds”) of the San Luis & Delta-Mendota Water Authority (the “Authority”) pursuant to the Indenture of Trust, dated as of March 1, 2013 (the “2013A Indenture”), by and between the Authority and MUFG Union Bank, N.A. (formerly known as Union Bank, N.A.), as trustee (the “2013A Trustee”), that the Bonds in the aggregate principal amount of \$28,935,000 as more specifically described below have been called for redemption on March 1, 2023 (the “Redemption Date”).

<i>CUSIP</i>	<i>Maturity (March 1)</i>	<i>Amount</i>	<i>Rate</i>	<i>Redemption Price</i>
AY8	2024	\$ 925,000	5.00%	100%
AZ5	2025	970,000	5.00	100
BA9	2026	1,020,000	5.00	100
BB7	2027	1,070,000	5.00	100
BC5	2028	1,125,000	5.00	100
BD3	2029	1,180,000	5.00	100
BE1	2033	5,340,000	5.00	100
BF8	2038	8,315,000	5.00	100
BG6	2043	6,470,000	5.00	100

The Bonds will be payable on the Redemption Date at a redemption price of 100% of the principal amount (the “Redemption Price”) without premium. The Redemption Price of the Bonds will become due and payable on the Redemption Date. Interest with respect to the Bonds to be prepaid will cease to accrue on and after the Redemption Date, and such Bonds will be surrendered to the 2013A Trustee.

All Bonds are required to be surrendered to the designated corporate office of the 2013A Trustee, on the Redemption Date at the following location. If the Bonds are mailed, the use of registered, insured mail is recommended:

MUFG Union Bank, N.A.
Corporate Trust Department
445 South Figueroa Street, Suite 401
Los Angeles, California 90071

If the Owner of any Bonds subject to optional redemption fails to deliver such Bond to the 2013A Trustee on the Redemption Date, such Bond shall nevertheless be deemed prepaid on the Redemption Date and the Owner of such Bond shall have no rights in respect thereof except to receive payment of the Redemption Price from funds held by the 2013A Trustee for such payment.

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

MUFG UNION BANK, N.A., as Trustee

DATED this ____ day of _____, 20__.

EXHIBIT B

NOTICE OF DEFEASANCE

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
REFUNDING REVENUE BONDS (DHCCP DEVELOPMENT PROJECT), SERIES 2013A

BASE CUSIP 798544

NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds (as further defined below, the “Refunded 2013A Bonds”), of the San Luis & Delta-Mendota Water Authority (the “Authority”), that the Authority has deposited with MUFG Union Bank, N.A. (formerly known as Union Bank, N.A.), as trustee (the “2013A Trustee”) under the Indenture of Trust, dated as of March 1, 2013, by and between the 2013A Trustee and the Authority (the “2013A Indenture”), cash and Defeasance Securities, the principal of and interest on which when paid will provide moneys sufficient to pay regularly scheduled principal and interest when due on and prior to March 1, 2023 and to pay on March 1, 2023, the principal with respect to the Refunded 2013A Bonds maturing after March 1, 2023, without premium.

The Refunded 2013A Bonds to be defeased are as follows:

<i>CUSIP</i>	<i>Maturity (March 1)</i>	<i>Principal Amount</i>	<i>Rate</i>
AV4	2021	\$ 800,000	5.00%
AW2	2022	840,000	5.00
AX0	2023	880,000	5.00
AY8	2024	925,000	5.00
AZ5	2025	970,000	5.00
BA9	2026	1,020,000	5.00
BB7	2027	1,070,000	5.00
BC5	2028	1,125,000	5.00
BD3	2029	1,180,000	5.00
BE1	2033	5,340,000	5.00
BF8	2038	8,315,000	5.00
BG6	2043	6,470,000	5.00

In accordance with the 2013A Indenture, the Refunded 2013A Bonds are deemed to have been paid in accordance with Section 10.01 thereof and the obligations of the Authority with respect to the payment of the Refunded 2013A Bonds shall thereupon cease, terminate, become void and be completely discharged and satisfied.

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

MUFG UNION BANK, N.A., as Trustee

DATED this [17th day of December], 2020.

Exhibit B-1

EXHIBIT D
GOOD FAITH ESTIMATES

Refunding Revenue Bonds, Series 2020B

Good Faith Estimates

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 are based on market conditions as of September 28, 2020 and 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 2.78%, 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 \$572,380.
- (c) Proceeds of the Bonds expected to be received by the Authority for the sale of the Bonds, less the finance charge described in (b) above and any capitalized interest or reserves paid from proceeds of the bonds (if any), is equal to \$32,877,620.
- (d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$43,233,094.

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.