

**\$17,852,057**  
**MISSION SPRINGS WATER DISTRICT**  
**INSTALLMENT SALE AGREEMENT DATED OCTOBER 13, 2023**  
**WITH BANC OF AMERICA PUBLIC CAPITAL CORP**

**CERTIFICATE OF THE MISSION SPRINGS WATER DISTRICT**  
**REGARDING PARITY DEBT**

The undersigned are the duly appointed President, General Manager, Director of Finance and Secretary of the Mission Springs Water District (the “**District**”).

This Certificate is delivered pursuant to the requirements of:

- (i) Section 5.4 of the Installment Purchase Agreement, dated as of January 1, 2023 (the “**2023 Agreement**”), by and between the District and Wells Fargo Municipal Capital Strategies, LLC;
- (ii) Section 4.7 of Loan Agreement #17-017, dated December 22, 2017 (the “**2017 Agreement**”), by and between the District and Municipal Finance Corporation (“**MFC**”);
- (iii) Section 4.08(b) of the Installment Sale Agreement, dated as of November 1, 2014 (the “**2014 Agreement**”), by and between the District and Compass Bank;
- (iv) Section 4.08(b) of the Installment Sale Agreement, dated as of December 1, 2013 (the “**December 2013 Agreement**”), by and between the District and MFC;
- (v) Section 6.2(b) of the Installment Purchase Agreement, dated as of June 1, 2013 (the “**June 2013 Agreement**”), by and between the District and Holman Capital Finance Corporation;
- (vi) Section 3.7(e) of the Project Finance Agreement (State Revolving Fund Project No. C-06-4250-310; Agreement No. 12-802-550), dated August 21, 2012 (as amended by Amendment No. 1 dated January 24, 2013, the “**2012 Agreement**”), by and between the District and the California State Water Resources Control Board (the “**SWRCB**”); and
- (vii) Section 4.10 of the Installment Sale Agreement, dated as of February 1, 2001 (the “**2001 Agreement**” and, together with the 2023 Agreement, the 2017 Agreement, the 2014 Agreement, the December 2013 Agreement, the June 2013 Agreement and the 2012 Agreement, the “**Parity Agreements**”), by and between the District and Mission Springs Water District Improvement Corporation;

in connection with the execution of the above-captioned obligation (the “**BofA Agreement**”).

The BofA Agreement constitutes a Contract under the 2023 Agreement, Parity Debt under the 2017 Agreement, the 2014 Agreement, the December 2013 Agreement, the June 2013 Agreement and the 2001 Agreement and parity debt under the 2012 Agreement. Each of the undersigned has reviewed the terms of the Parity Agreements as they relate to the delivery of this Certificate, the scheduled payments of principal of and interest on the BofA Agreement and other calculations prepared by the District and such other materials and data as they deemed necessary under the circumstances.

Capitalized terms that are used herein and not otherwise defined have the meanings that are set forth in the Parity Agreements, as applicable.

This Certificate is accompanied by: (a) the certificate of an Independent Certified Public Accountant that is referenced in Section 5.4(b) of the 2023 Agreement; (b) the certificate of an independent certified public accountant that is referenced in Section 4.7(b) of the 2017 Agreement; (c) the Accountant's Report that is referenced in Section 6.2(b)(2) of the June 2013 Agreement; and (d) the written opinion of an Independent Financial Consultant that is referenced in Section 4.10(a) of the 2001 Agreement. Such accompanying certificate, Accountant's Report and written opinion is attached hereto as Appendix B.

I hereby certify as follows:

(1) No Event of Default (as such term is defined in the 2023 Agreement) has occurred and is continuing.

(2) The Net Revenues of the Sewer System (as such terms are defined in the 2023 Agreement), as shown by the books of the District, for the period from July 1, 2022 through June 30, 2023 ("**Fiscal Year 2023**"), being a 12 consecutive calendar month period during the 18 calendar month period ending prior to the incurring of the BofA Agreement, amount to at least 125% of the Debt Service for all Bonds or Contracts (as such terms are defined in the 2023 Agreement) to be outstanding immediately after incurring the BofA Agreement, including Debt Service which would have been payable had the BofA Agreement been incurred at the beginning of such 12 month period.

(3) The District is not in default under the 2017 Agreement or the June 2013 Agreement.

(4) The Net Revenues (as such term is defined in the 2017 Agreement) of the District's water, sewer and wastewater Enterprise (as such term is defined in the 2017 Agreement), excluding connection charges, calculated in accordance with sound accounting principles, as shown by the books for the District for Fiscal Year 2023, being the latest complete Fiscal Year (as such term is defined in the 2017 Agreement) of the District, at least equal 115% of Maximum Annual Debt Service (as such term is defined in the 2017 Agreement).

(5) The District is in full compliance with all of the covenants and undertakings in connection with all debt and other obligations of the District then outstanding and payable from the Revenues or Net Revenues (as such term is defined in the 2014 Agreement) under the 2014 Agreement.

(6) The execution of the BofA Agreement has been duly authorized by a resolution of the District's Board of Directors adopted on October 5, 2023.

(7) The Net Revenues (as such term is defined in the 2014 Agreement and the December 2013 Agreement) of the water, sewer and wastewater System (as such term is defined in the 2014 Agreement and the December 2013 Agreement) for the period from July 1, 2021 through June 30, 2022 ("**Fiscal Year 2022**"), being the last Fiscal Year for which audited financial statements of the District are available (excluding connection fees and connection charges received during Fiscal Year 2022), are equal to at least 1.25 times the Maximum Annual Debt Service (as such term is defined in the 2014 Agreement and the December 2013 Agreement) on: (A) the Installment Payments (as such term is defined in the 2014 Agreement and the December 2013 Agreement) payable under the 2014 Agreement; plus (B) all Parity Debt (as such term is defined in the 2014 Agreement and the December 2013 Agreement) then outstanding; plus (C) the BofA Agreement.

(8) The BofA Agreement is being entered into only for the purpose of acquiring, constructing, improving, extending, reconstructing, maintaining or repairing the System (as such term is defined in the 2014 Agreement and the December 2013 Agreement).

(9) The District is in full compliance with all of the covenants and undertakings in connection with all debt and other obligations of the District then outstanding and payable from the Revenues or Net Revenues of the water, sewer and wastewater System (as such term is defined in the December 2013 Agreement) of the District.

(10) The Net Water Revenues (as such term is defined in the June 2013 Agreement) for Fiscal Year 2023, being the latest Fiscal Year, amount to at least 1.20 times the sum of: (A) the maximum annual debt service amount for the 2013 Installment Payments (as such term is defined in the June 2013 Agreement) becoming due and payable in the current and future Fiscal Years (as such term is defined in the June 2013 Agreement); (B) the maximum annual debt service on all currently outstanding Parity Debt (as such term is defined in the June 2013 Agreement) becoming due and payable in the current and future Fiscal Years; and (C) the maximum annual debt service on the BofA Agreement becoming due and payable in the current and future Fiscal Years, including all fees and costs incurred in the issuance of the BofA Agreement.

(11) The District's net sewer revenues are at least 1.2 times the highest year's debt service on all parity sewer obligations.

(12) As set forth in Appendix C, the Recipient is a disadvantaged community under Water Code Section 79505.5 and the District has obtained a determination from the Division of Financial Assistance of the SWRCB that it would be economically burdensome for the District to obtain nationally recognized ratings for its parity sewer obligations.

(13) The District has obtained the written consent of the United States Department of Agriculture to enter into the BofA Agreement. – [TO COME]

Dated: October 13, 2023.

MISSION SPRINGS WATER DISTRICT

By: \_\_\_\_\_  
President

MISSION SPRINGS WATER DISTRICT

By: \_\_\_\_\_  
General Manager

MISSION SPRINGS WATER DISTRICT

By: \_\_\_\_\_  
Director of Finance

MISSION SPRINGS WATER DISTRICT

By: \_\_\_\_\_  
Secretary

APPENDIX A

Calculation for Paragraphs (2) and (11)

	<b>Fiscal Year 2023</b>
Sewer System Revenues	\$8,525,107
Sewer System Operation and Maintenance Costs	<u>\$7,435,386</u>
Sewer System Net Revenues	\$1,089,721
Sewer System Debt Service	\$ 688,227
Coverage (125% Requirement)	_158%

Calculation for Paragraph (4)

	<b>Fiscal Year 2023</b>
Water, Sewer and Wastewater Enterprise Gross Revenues, Excluding Connection Charges	\$23,071,273
Water, Sewer and Wastewater Enterprise Maintenance and Operation Costs	<u>\$16,607,672</u>
Water, Sewer and Wastewater Enterprise Net Revenues	\$ 6,463,601
Maximum Annual Water, Sewer and Wastewater Enterprise Debt Service (Including Debt Service for BofA Agreement) [BOFA DEBT TO BE ADDED WHEN AMORTIZATION SCHEDULE FINALIZED]	\$ 3,159,826
Coverage (115% Requirement)	_205%

Calculation for Paragraph (7)

	<b>Fiscal Year 2022</b>
Water, Sewer and Wastewater System Revenues, excluding connection fees and connection charges	\$26,632,101
Water, Sewer and Wastewater System Operation and Maintenance Expense	<u>\$14,656,981</u>
Water, Sewer and Wastewater System Net Revenues	\$11,975,120
Maximum Annual Water, Sewer and Wastewater System Debt Service (Including Debt Service for BofA Agreement) [BOFA DEBT TO BE ADDED WHEN AMORTIZATION SCHEDULE FINALIZED]	\$ 3,159,826
Coverage (125% Requirement)	380%

Calculation for Paragraph (10)

	<b>Fiscal Year 2023</b>
Water Revenues	\$15,292,070
Water System Operation and Maintenance Costs	<u>\$13,388,303</u>
Net Water Revenues	\$ 1,903,767
Maximum Annual Water System Debt Service (Including Debt Service for BofA Agreement) [BOFA DEBT TO BE ADDED WHEN AMORTIZATION SCHEDULE FINALIZED]	\$ 1,110,652
Coverage (120% Requirement)	171%

APPENDIX B

**\$17,852,057**  
**MISSION SPRINGS WATER DISTRICT**  
**INSTALLMENT SALE AGREEMENT DATED OCTOBER 13, 2023**  
**WITH BANC OF AMERICA PUBLIC CAPITAL CORP**

**CERTIFICATE OF**  
**INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT**  
**REGARDING PARITY DEBT**

The undersigned is a duly authorized representative of Rogers, Anderson, Malody & Scott, LLP. We are an Independent Certified Public Accountant within the meaning of the 2023 Agreement (as such term is defined below) to the Mission Springs Water District (the “**District**”).

This Certificate is delivered pursuant to the requirements of:

- (i) Section 5.4(b) of the Installment Purchase Agreement, dated as of January 1, 2023 (the “**2023 Agreement**”), by and between the District and Wells Fargo Municipal Capital Strategies, LLC;
- (ii) Section 4.7(b) of Loan Agreement #17-017, dated December 22, 2017 (the “**2017 Agreement**”), by and between the District and Municipal Finance Corporation;
- (iii) Section 6.2(b) of the Installment Purchase Agreement, dated as of June 1, 2013 (the “**June 2013 Agreement**”), by and between the District and Holman Capital Finance Corporation; and
- (iv) Section 4.10 of the Installment Sale Agreement, dated as of February 1, 2001 (the “**2001 Agreement**” and, together with the 2023 Agreement, the 2017 Agreement and the June 2013 Agreement, the “**Parity Agreements**”), by and between the District and Mission Springs Water District Improvement Corporation in connection with the execution of the above-captioned obligation (the “**BofA Agreement**”).

The BofA Agreement constitutes a Contract under the 2023 Agreement and Parity Debt under the 2017 Agreement, the June 2013 Agreement and the 2001 Agreement. We have reviewed the terms of the Parity Agreements as they relates to our delivery of this Certificate, the scheduled payments of principal of and interest on the BofA Agreement and other calculations prepared by the District and such other materials and data as we deemed necessary under the circumstances.

Capitalized terms that are used herein and not otherwise defined have the meanings that are set forth in the Parity Agreements, as applicable.

This Certificate constitutes: (a) the certificate of an Independent Certified Public Accountant that is referenced in Section 5.4(b) of the 2023 Agreement; (b) the certificate of an independent certified public accountant that is referenced in Section 4.7(b) of the 2017 Agreement; (c) the Accountant’s Report that is referenced in Section 6.2(b)(2) of the June 2013 Agreement; and (d) the written opinion of an Independent Financial Consultant that is referenced in Section 4.10(a) of the 2001 Agreement. We hereby certify as follows:

(1) The Net Revenues of the Sewer System (as such terms are defined in the 2023 Agreement), as shown by the books of the District, for the period from July 1, 2022 through June 30, 2023 (“**Fiscal Year 2023**”), being a 12 consecutive calendar month period during the 18 calendar month period ending prior to the incurring of the BofA Agreement, amount to at least 125% of the Debt Service for all Bonds or Contracts (as such terms are defined in the 2023 Agreement) to be outstanding immediately after incurring the BofA Agreement, including Debt Service which would have been payable had the BofA Agreement been incurred at the beginning of such 12 month period.

(2) The Net Revenues (as such term is defined in the 2017 Agreement) of the District’s water, sewer and wastewater Enterprise (as such term is defined in the 2017 Agreement), excluding connection charges, calculated in accordance with sound accounting principles, as shown by the books for the District for Fiscal Year 2023, being the latest complete Fiscal Year (as such term is defined in the 2017 Agreement) of the District, at least equal 115% of Maximum Annual Debt Service (as such term is defined in the 2017 Agreement).

(3) The Net Water Revenues (as such term is defined in the June 2013 Agreement) for Fiscal Year 2023, being the latest Fiscal Year, amount to at least 1.20 times the sum of: (A) the maximum annual debt service amount for the 2013 Installment Payments (as such term is defined in the June 2013 Agreement) becoming due and payable in the current and future Fiscal Years (as such term is defined in the June 2013 Agreement); (B) the maximum annual debt service on all currently outstanding Parity Debt becoming due and payable in the current and future Fiscal Years; and (C) the maximum annual debt service on the BofA Agreement becoming due and payable in the current and future Fiscal Years, including all fees and costs incurred in the issuance of the BofA Agreement.

(4) Net Water Revenues (as such term is defined in the 2001 Agreement) for Fiscal Year 2023, being a twelve calendar month period in the eighteen months immediately preceding the execution of the BofA Agreement, without adjustments, equal at least 120% of the maximum annual amount of debt service with respect to the BofA Agreement.

(5) Net Water Revenues (as such term is defined in the 2001 Agreement) in each of Fiscal Years (as such term is defined in the 2001 Agreement) 2025, 2026 and 2027, without adjustments, will equal at least 120% of the maximum annual amount of debt service with respect to the BofA Agreement.

Dated: October 5, 2023

ROGERS, ANDERSON, MALODY & SCOTT, LLP

By: \_\_\_\_\_  
Its: \_\_\_\_\_



SCHEDULE A

Calculation for Paragraph (1)

	<b>Fiscal Year 2023</b>
Sewer System Revenues	\$8,525,107
Sewer System Operation and Maintenance Costs	<u>\$7,435,386</u>
Sewer System Net Revenues	\$1,089,721
Sewer System Debt Service	\$ 688,227
Coverage (125% Requirement)	_158%

Calculation for Paragraph (2)

	<b>Fiscal Year 2023</b>
Water, Sewer and Wastewater Enterprise Gross Revenues, Excluding Connection Charges	\$23,071,273
Water, Sewer and Wastewater Enterprise Maintenance and Operation Costs	<u>\$16,607,672</u>
Water, Sewer and Wastewater Enterprise Net Revenues	\$ 6,463,601
Maximum Annual Water, Sewer and Wastewater Enterprise Debt Service (Including Debt Service for BofA Agreement) [BOFA DEBT TO BE ADDED WHEN AMORTIZATION SCHEDULE FINALIZED]	\$ 3,159,826
Coverage (115% Requirement)	205%

Calculation for Paragraphs (3) and (4)

	<b>Fiscal Year 2023</b>
Water Revenues	\$15,292,070
Water System Operation and Maintenance Costs	<u>\$13,388,303</u>
Net Water Revenues	\$ 1,903,767
Maximum Annual Water System Debt Service (Including Debt Service for BofA Agreement) [BOFA DEBT TO BE ADDED WHEN AMORTIZATION SCHEDULE FINALIZED]	\$ 1,110,652
Coverage (120% Requirement)	171%

APPENDIX C

Disadvantaged Community Documentation