

## CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT dated August \_\_, 2020 (the “Disclosure Agreement”) is executed and delivered by the Santa Clara Valley Water District (“Valley Water”) and U.S. Bank National Association, as dissemination agent (the “Dissemination Agent”), in connection with the issuance of the Santa Clara Valley Water District Water System Refunding Revenue Bonds, Series 2020A and Taxable Series 2020B (the “Bonds”). The Bonds are being issued pursuant to Resolution No. 20-\_\_ adopted by the Board of Directors of Valley Water on August 25, 2020 (the “Resolution”) and an Indenture of Trust, dated as of August 1, 2020, by and between Valley Water and U.S. Bank National Association, as trustee (the “Indenture”). Valley Water and Dissemination Agent, covenant as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by Valley Water and U.S. Bank National Association, as Dissemination Agent, for the benefit of the Owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (as defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture and the Resolution, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by Valley Water pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

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

“Dissemination Agent” shall mean U.S. Bank National Association, or any successor Dissemination Agent designated in writing by Valley Water and which has filed with Valley Water a written acceptance of such designation.

“EMMA” shall mean the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System for municipal securities disclosures, maintained on the World Wide Web at <https://emma.msrb.org/>.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“Official Statement” shall mean the Official Statement relating to the Bonds dated August \_\_, 2020.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Repository” shall mean EMMA, or a successor repository designated by the Municipal Securities Rulemaking Board.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) Valley Water shall, or shall cause the Dissemination Agent to, not later than each April 1, commencing with the report due on April 1, 2021, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of Valley Water may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date.

(b) Not later than fifteen (15) Business Days prior to said due date of each Annual Report, Valley Water shall provide the Annual Report to the Dissemination Agent (if other than Valley Water). If Valley Water is unable to provide to the Repositories an Annual Report by the date required in subsection (a), Valley Water shall send, or cause to be sent, a notice to the Repository in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of the Repository, if any; and

(ii) if the Dissemination Agent is other than Valley Water, file a report with Valley Water certifying that the Annual Report has been provided pursuant to this Disclosure Agreement and stating the date it was provided.

SECTION 4. Content of Annual Reports. Valley Water’s Annual Report shall contain or include by reference the following:

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

(b) If not included in the audited financial statements, any change of the financial information and operating data with respect to Valley Water, for only the most recent fiscal year of Valley Water then ended, as described in the following tables in the Official Statement:

(i) DEBT STRUCTURE OF THE DISTRICT — Schedule of Long-Term Indebtedness;

(ii) WATER UTILITY SYSTEM — Historical Water Rates (Dollars (\$) per Acre-Foot);

(iii) WATER UTILITY SYSTEM — Historical Sales Revenues; and

(iv) FINANCIAL INFORMATION OF THE DISTRICT — Santa Clara Valley Water District Historical Operating Results & Debt Service Coverage; provided however if such operating results and debt service coverage can be derived from the audited financial statements required to be filed in section 4(a) above, failure to file a separate table under this Section 4(b) shall not constitute a default hereunder.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of Valley Water or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. Valley Water shall clearly identify each such other document so included by reference.

#### SECTION 5. Reporting of Significant Events.

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

1. principal and interest payment delinquencies;
2. unscheduled draws on debt service reserves reflecting financial difficulties;
3. unscheduled draws on credit enhancements reflecting financial difficulties;
4. substitution of credit or liquidity providers, or their failure to perform;
5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or Notices of Proposed Issue (IRS Form 5701 TEB);
6. tender offers;
7. defeasances;
8. ratings changes;
9. bankruptcy, insolvency, receivership or similar proceedings; and
10. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation, any of which reflect financial difficulties.

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

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

1. unless described in Section 5(a)(5), other notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other events affecting the tax status of the Bonds;
2. modifications to the rights of Bond holders;
3. optional, unscheduled or contingent Bond redemptions;
4. release, substitution or sale of property securing repayment of the Bonds;
5. non-payment related defaults;
6. the consummation of a merger, consolidation, or acquisition involving Valley Water or the sale of all or substantially all of the assets of Valley Water, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
7. appointment of a successor or additional trustee or the change of the name of a trustee; and
8. incurrence of a financial obligation, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect Bond holders.

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

(d) While the failure to file a notice of the occurrence of a Listed Event under Section 5(a)(8) shall constitute non-compliance with the terms hereof and may be required to be disclosed by Valley Water in accordance with the Rule, failure shall not constitute an event of default hereunder if (i) Valley Water did not receive written notice of such rating change from the respective rating agency, (ii) the rating change was a result of a change in the rating of a liquidity or credit

enhancement and the market was generally aware of the change in the rating of such liquidity or credit enhancer or (iii) the rating agency filed a notice of such rating change with the Repository.

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

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

SECTION 7. Dissemination Agent. Valley Water may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by Valley Water pursuant to this Disclosure Agreement. The Dissemination Agent may resign by providing thirty (30) days’ written notice to Valley Water; provided, however, that such resignation will not become effective until Valley Water has secured a successor Dissemination Agent in accordance with the terms of this Disclosure Agreement.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, Valley Water may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that, in the opinion of nationally recognized bond counsel, such amendment or waiver is permitted by the Rule. In the event of any amendment or waiver of a provision of this Disclosure Agreement, Valley Water shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by Valley Water. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent Valley Water from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If Valley Water chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, Valley Water shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of Valley Water to file an annual report under Section 4 hereof or to file a report of a significant event under Section 5 hereof, any Owners or Beneficial Owners of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause Valley Water to make such filing. Notwithstanding the foregoing, no action may be undertaken by Owners or Beneficial Owners of the Bonds with respect to the accuracy of the information contained in any such filing or otherwise without the approval in writing of Owners or Beneficial Owners of at least 50% of the aggregate principal amount of the Bonds. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture or the Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of Valley Water to comply with this Disclosure Agreement shall be an action to compel performance.

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

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied duties or obligations shall be read into this Disclosure Agreement against the Dissemination Agent, and Valley Water agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall be paid compensation by Valley Water for its services provided hereunder in accordance with its schedule of fees provided to Valley Water and all expenses, legal fees and costs of the Dissemination Agent made or incurred by the Dissemination Agent in the performance of its duties hereunder. The obligations of Valley Water under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent has no power to enforce the nonperformance on the part of Valley Water.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of Valley Water, the Dissemination Agent, the Participating Underwriter and Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: August \_\_, 2020

SANTA CLARA VALLEY WATER DISTRICT

By: \_\_\_\_\_  
Authorized Officer

U.S. BANK NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT**

Name of Obligated Person: SANTA CLARA VALLEY WATER DISTRICT

Name of Obligations: SANTA CLARA VALLEY WATER DISTRICT WATER  
SYSTEM REFUNDING REVENUE BONDS, SERIES  
2020A AND TAXABLE SERIES 2020B

Date of Issuance: August \_\_, 2020

NOTICE IS HEREBY GIVEN that Valley Water has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement executed by Valley Water on the date of execution and delivery of the Bonds. Valley Water anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

SANTA CLARA VALLEY WATER DISTRICT

By: [no signature required; form only]



## CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT dated August \_\_, 2020 (the “Disclosure Agreement”) is executed and delivered by the Santa Clara Valley Water District (“Valley Water”) and U.S. Bank National Association, as dissemination agent (the “Dissemination Agent”), in connection with the execution and delivery of the Santa Clara Valley Water District Revenue Certificates of Participation (Water Utility System Improvement Projects) Series 2020C (the “Series 2020C Certificates”) and Santa Clara Valley Water District Revenue Certificates of Participation (Water Utility System Improvement Projects), Taxable Series 2020D (the “Series 2020D Certificates” and together with the Series 2020C Certificates, the “Certificates”). The Certificates are being executed and delivered pursuant to Resolution No. PFFC-\_\_\_\_\_ adopted on August 19, 2020 (the “Resolution”) by the Board of Directors of the Santa Clara Valley Water District Public Facilities Financing Corporation (the “Corporation”) and a Trust Agreement, dated as of August 1, 2020, by and among Valley Water, the Corporation and U.S. Bank National Association, as trustee (the “Trust Agreement”). Valley Water and Dissemination Agent, covenant as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by Valley Water and U.S. Bank National Association, as Dissemination Agent, for the benefit of the Owners and Beneficial Owners of the Certificates and in order to assist the Participating Underwriter in complying with the Rule (as defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Trust Agreement and the Resolution, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by Valley Water pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Certificates for federal income tax purposes.

“Dissemination Agent” shall mean U.S. Bank National Association, or any successor Dissemination Agent designated in writing by Valley Water and which has filed with Valley Water a written acceptance of such designation.

“EMMA” shall mean the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System for municipal securities disclosures, maintained on the World Wide Web at <https://emma.msrb.org/>.

“Installment Purchase Agreement” shall mean the Installment Purchase Agreement, dated as of August 1, 2020, by and between Valley Water and the Corporation.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“Official Statement” shall mean the Official Statement relating to the Water System Refunding Revenue Bonds Series 2020A and Taxable Series 2020B and the Certificates dated September \_\_, 2020.

“Participating Underwriter” shall mean any of the original underwriters of the Certificates required to comply with the Rule in connection with offering of the Certificates.

“Repository” shall mean EMMA, or a successor repository designated by the Municipal Securities Rulemaking Board.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of California.

### SECTION 3. Provision of Annual Reports.

(a) Valley Water shall, or shall cause the Dissemination Agent to, not later than each April 1, commencing with the report due on April 1, 2021, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of Valley Water may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date.

(b) Not later than fifteen (15) Business Days prior to said due date of each Annual Report, Valley Water shall provide the Annual Report to the Dissemination Agent (if other than Valley Water). If Valley Water is unable to provide to the Repositories an Annual Report by the date required in subsection (a), Valley Water shall send, or cause to be sent, a notice to the Repository in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of the Repository, if any; and

(ii) if the Dissemination Agent is other than Valley Water, file a report with Valley Water certifying that the Annual Report has been provided pursuant to this Disclosure Agreement and stating the date it was provided.

SECTION 4. Content of Annual Reports. Valley Water’s Annual Report shall contain or include by reference the following:

(a) The audited financial statements of Valley Water for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If Valley Water’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format

similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they come available.

(b) If not included in the audited financial statements, any change of the financial information and operating data with respect to Valley Water, for only the most recent fiscal year of Valley Water then ended, as described in the following tables in the Official Statement:

(i) DEBT STRUCTURE OF THE DISTRICT — Schedule of Long-Term Indebtedness;

(ii) WATER UTILITY SYSTEM — Historical Water Rates (Dollars (\$) per Acre-Foot);

(iii) WATER UTILITY SYSTEM — Historical Sales Revenues; and

(iv) FINANCIAL INFORMATION OF THE DISTRICT — Santa Clara Valley Water District Historical Operating Results & Debt Service Coverage; provided however if such operating results and debt service coverage can be derived from the audited financial statements required to be filed in section 4(a) above, failure to file a separate table under this Section 4(b) shall not constitute a default hereunder.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of Valley Water or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. Valley Water shall clearly identify each such other document so included by reference.

#### SECTION 5. Reporting of Significant Events.

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

1. principal and interest payment delinquencies;
2. unscheduled draws on debt service reserves reflecting financial difficulties;
3. unscheduled draws on credit enhancements reflecting financial difficulties;
4. substitution of credit or liquidity providers, or their failure to perform;
5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or Notices of Proposed Issue (IRS Form 5701 TEB);
6. tender offers;
7. defeasances;

8. ratings changes;
9. bankruptcy, insolvency, receivership or similar proceedings; and
10. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation, any of which reflect financial difficulties.

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

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

1. unless described in Section 5(a)(5), other notices or determinations by the Internal Revenue Service with respect to the tax status of the Certificates or other events affecting the tax status of the Certificates;
2. modifications to the rights of Certificate holders;
3. optional, unscheduled or contingent Certificate prepayments;
4. release, substitution or sale of property securing repayment of the Certificates;
5. non-payment related defaults;
6. the consummation of a merger, consolidation, or acquisition involving Valley Water or the sale of all or substantially all of the assets of Valley Water, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
7. appointment of a successor or additional trustee or the change of the name of a trustee; and
8. incurrence of a financial obligation, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect Certificate holders.

(c) If Valley Water determines that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, Valley Water

shall file, or cause to be filed, a notice of such occurrence with EMMA in a timely manner not more than ten (10) Business Days after the event.

(d) While the failure to file a notice of the occurrence of a Listed Event under Section 5(a)(8) shall constitute non-compliance with the terms hereof and may be required to be disclosed by Valley Water in accordance with the Rule, failure shall not constitute an event of default hereunder if (i) Valley Water did not receive written notice of such rating change from the respective rating agency, (ii) the rating change was a result of a change in the rating of a liquidity or credit enhancement and the market was generally aware of the change in the rating of such liquidity or credit enhancer or (iii) the rating agency filed a notice of such rating change with the Repository.

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

**SECTION 6. Termination of Reporting Obligation.** Valley Water’s obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior prepayment or payment in full of all of the Certificates. If such termination occurs prior to the final maturity of the Certificates, Valley Water shall give, or cause to be given, notice of such termination in the same manner as for a Listed Event under Section 5(c).

**SECTION 7. Dissemination Agent.** Valley Water may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by Valley Water pursuant to this Disclosure Agreement. The Dissemination Agent may resign by providing thirty (30) days’ written notice to Valley Water; provided, however, that such resignation will not become effective until Valley Water has secured a successor Dissemination Agent in accordance with the terms of this Disclosure Agreement.

**SECTION 8. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, Valley Water may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that, in the opinion of nationally recognized bond counsel, such amendment or waiver is permitted by the Rule. In the event of any amendment or waiver of a provision of this Disclosure Agreement, Valley Water shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by Valley Water. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent Valley Water from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If Valley Water chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, Valley Water shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of Valley Water to file an annual report under Section 4 hereof or to file a report of a significant event under Section 5 hereof, any Owners or Beneficial Owners of the Certificates may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause Valley Water to make such filing. Notwithstanding the foregoing, no action may be undertaken by Owners or Beneficial Owners of the Certificates with respect to the accuracy of the information contained in any such filing or otherwise without the approval in writing of Owners or Beneficial Owners of at least 50% of the aggregate principal amount of the Certificates. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Installment Purchase Agreement, the Trust Agreement or the Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of Valley Water to comply with this Disclosure Agreement shall be an action to compel performance.

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

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied duties or obligations shall be read into this Disclosure Agreement against the Dissemination Agent, and Valley Water agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall be paid compensation by Valley Water for its services provided hereunder in accordance with its schedule of fees provided to Valley Water and all expenses, legal fees and costs of the Dissemination Agent made or incurred by the Dissemination Agent in the performance of its duties hereunder. The obligations of Valley Water under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Certificates. The Dissemination Agent has no power to enforce the nonperformance on the part of Valley Water.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of Valley Water, the Dissemination Agent, the Participating Underwriter and Owners and Beneficial Owners from time to time of the Certificates, and shall create no rights in any other person or entity.

Date: September \_\_, 2020

SANTA CLARA VALLEY WATER DISTRICT

By: \_\_\_\_\_  
Authorized Officer

U.S. BANK NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT**

Name of Obligated Person: SANTA CLARA VALLEY WATER DISTRICT

Name of Obligations: SANTA CLARA VALLEY WATER DISTRICT REVENUE  
CERTIFICATES OF PARTICIPATION (WATER UTILITY  
SYSTEM IMPROVEMENT PROJECTS) SERIES 2020C  
AND TAXABLE SERIES 2020D

Date of Execution and Delivery: August \_\_, 2020

NOTICE IS HEREBY GIVEN that Valley Water has not provided an Annual Report with respect to the above-named Certificates as required by the Continuing Disclosure Agreement executed by Valley Water on the date of execution and delivery of the Certificates. Valley Water anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated:\_\_\_\_\_

SANTA CLARA VALLEY WATER DISTRICT

By: \_\_[no signature required; form only]\_\_\_\_\_