

**PRELIMINARY OFFICIAL STATEMENT DATED JULY 27, 2020**

**NEW ISSUE – BOOK ENTRY ONLY**

**Insured Bonds Rating: S&P: “AA”  
Underlying Rating: S&P: “A-”  
(See “RATINGS” herein.)**

*In the opinion of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming compliance with certain covenants in the documents pertaining to the Bonds and requirements of the Internal Revenue Code of 1986, as amended, as described herein, interest on the Bonds is not included in the gross income of the owners thereof for federal income tax purposes. In the further opinion of Bond Counsel, interest on the Bonds is not treated as an item of tax preference for purposes of the alternative minimum tax. Bond Counsel is also of the opinion that, under existing law, interest on the Bonds is exempt from personal income taxes of the State of California. See “CONCLUDING INFORMATION—Tax Matters” herein.*



**\$11,250,000\***  
**NIPOMO COMMUNITY SERVICES DISTRICT**  
**ASSESSMENT DISTRICT NO. 2020-1**  
**(BLACKLAKE SEWER CONSOLIDATION)**  
**LIMITED OBLIGATION IMPROVEMENT BONDS**  
**Series 2020**

**Dated: Date of Delivery**

**Due: September 2, as shown inside cover**

The Nipomo Community Services District Assessment District No. 2020-1 (Blacklake Sewer Consolidation) Limited Obligation Improvement Bonds, Series 2020 (the “Bonds”) are limited obligations of the Nipomo Community Services District (the “District”) secured by special assessments to be levied on real property located within the Nipomo Community Services District Assessment District No. 2020-1 (Blacklake Sewer Consolidation) (the “Assessment District”).

The design, acquisition, and construction of certain public capital facilities needed to combine the District’s two sewer systems serving the town of Nipomo and the Blacklake community (the “Improvements”) are being financed by the Assessment District and the levy of special assessments will be undertaken as provided by the Municipal Improvement Act of 1913. The Bonds are issued pursuant to provisions of the Improvement Bond Act of 1915 and a Fiscal Agent Agreement dated as of August 1, 2020 (the “Fiscal Agent Agreement”) by and between the District and The Bank of New York Mellon Trust Company, N.A., as Fiscal Agent (the “Fiscal Agent”) to (i) fund the Reserve Fund for the Bonds, (ii) finance capitalized interest on the Bonds through September 2, 2022, (iii) pay costs of issuance, (iv) reimburse the District for costs of forming the Assessment District, and (v) pay the costs of the Improvements. See “ESTIMATED SOURCES AND USES OF FUNDS” and “THE ASSESSMENT DISTRICT” herein.

The Bonds are being issued in fully registered book-entry only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”) in the denomination of \$5,000 or any integral multiple thereof. Interest is payable semiannually on March 2 and September 2 of each year, commencing March 2, 2021. Purchasers will not receive certificates representing their interest in the Bonds. Payments of principal and interest on the Bonds will be paid by the Fiscal Agent directly to the registered owner of the Bonds. Upon receipt of payments of principal and interest on Bonds registered to its nominee, DTC is to remit such principal and interest to DTC Participants (as defined herein) for subsequent disbursement to the beneficial owners of such Bonds. See APPENDIX F—“BOOK-ENTRY ONLY SYSTEM.”

The Bonds are subject to redemption prior to maturity as described under “THE BONDS—Redemption of Bonds” herein.

Under the provisions of the Improvement Bond Act of 1915, installments of principal and interest sufficient to meet annual Bond debt service will be levied by the District and billed by the County of San Luis Obispo (the “County”) to owners of property within the Assessment District against which there are unpaid assessments. Upon receipt by the District from the County, these annual assessment installments are to be deposited into the Assessment Fund to be held by the District and used to pay debt service on the Bonds as they become due. The Bonds will be secured by a first pledge on the Assessments and moneys on deposit in the Assessment Fund, the Redemption Fund and the Reserve Fund.

**Unpaid assessments constitute fixed liens on the parcels assessed within the Assessment District and do not constitute a personal indebtedness of the respective owners of such parcels. Accordingly, in the event of a delinquency, proceedings may be taken only against the real property securing the delinquent assessment. Thus, the value of land within the Assessment District is a critical factor in determining the investment quality of the Bonds. See “THE ASSESSMENT DISTRICT—Value-to-Assessment Lien Ratios” and “BONDOWNERS’ RISKS—Land Values” herein.**

The Fiscal Agent will establish a Reserve Fund and deposit therein Bond proceeds in the amount of the Reserve Requirement to provide funds for payment of principal and interest on the Bonds in the event of any delinquent assessment installments. The District’s obligation to advance funds to the Redemption Fund as a result of delinquent installments is limited to the balance in the Reserve Fund. The District has covenanted to initiate judicial foreclosure in the event of a delinquency in certain circumstances unless the District receives 100% of the assessment installments it levies under the County’s Teeter Plan, as described herein. See “SECURITY FOR THE BONDS—Covenant to Foreclose and Court Foreclosure Proceedings.”

The scheduled payment of principal of and interest on the Bonds maturing on September 2 of the years \_\_\_\_\_ through \_\_\_\_\_, inclusive, with CUSIP #(s) \_\_\_\_\_ (the “Insured Bonds”) when due will be guaranteed under a Municipal Bond Insurance Policy for the Bonds (the “Policy”) to be issued concurrently with the delivery of the Bonds by Build America Mutual Assurance Company, as set forth in “APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY.” See also “BOND INSURANCE.”



**NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE NIPOMO COMMUNITY SERVICES DISTRICT, THE COUNTY OF SAN LUIS OBISPO, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE SPECIAL OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM THE SOURCES DESCRIBED IN THE FISCAL AGENT AGREEMENT.**

*This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement, including, without limitation, “BONDOWNERS’ RISKS,” to obtain information essential to the making of an informed investment decision.*

*The Bonds are offered when, as and if issued and delivered to the Underwriter subject to the approval as to their legality by Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel and certain other conditions. Certain matters will be passed upon for the District by Norton Rose Fulbright US LLP, Los Angeles, California, as Disclosure Counsel and by Richards, Watson & Gershon, A Professional Corporation, San Luis Obispo, California, as District Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California. It is anticipated that the Bonds will be available for delivery to The Depository Trust Company in New York, New York on or about August 19, 2020.*



Dated: August \_\_, 2020

\*Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

\$11,250,000\*  
**NIPOMO COMMUNITY SERVICES DISTRICT**  
**ASSESSMENT DISTRICT NO. 2020-1 (BLACKLAKE SEWER CONSOLIDATION)**  
**Limited Obligation Improvement Bonds**  
**Series 2020**

BASE CUSIP†: \_\_\_\_\_

**MATURITY SCHEDULE**

<i>Maturity Date (September 2)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>	<i>CUSIP†</i>
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\$ \_\_\_\_\_ % Term Bonds due September 2, 20\_\_, Yield \_\_\_\_\_ % Price: \_\_\_\_\_ – CUSIP†: \_\_\_\_\_

\$ \_\_\_\_\_ % Term Bonds due September 2, 20\_\_, Yield \_\_\_\_\_ % Price: \_\_\_\_\_ – CUSIP†: \_\_\_\_\_

C Priced to par call on September 2, 20\_\_.

\_\_\_\_\_  
 \* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the District, the Underwriter or the Municipal Advisor and are included solely for the convenience of the holders of the Bonds. None of the District, the Underwriter or the Municipal Advisor is responsible for the selection or use of these CUSIP numbers and no representation is made as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Bonds.

**NIPOMO COMMUNITY SERVICES DISTRICT  
COUNTY OF SAN LUIS OBISPO, CALIFORNIA**

Dan Allen Gaddis, *President*  
Craig Armstrong, *Vice President*  
Bob Blair, *Director*  
Ed Eby, *Director*  
Dan Woodson, *Director*

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**DISTRICT OFFICIALS**

Mario Iglesias, *General Manager*  
Lisa Bognuda, *Finance Director/Treasurer*  
Peter Sevcik, *Director of Engineering and Operations*  
Craig A. Steele, *District Counsel*

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**PROFESSIONAL SERVICES**

***Bond Counsel and Disclosure Counsel***

Norton Rose Fulbright US LLP  
Los Angeles, California

***District Counsel***

Richards Watson & Gershon, A Professional Corporation  
San Luis Obispo, California

***Assessment Engineer***

Willdan Financial Services  
Irvine, California

***Municipal Advisor***

Columbia Capital Management, LLC  
Glendale, California

***Fiscal Agent***

The Bank of New York Mellon Trust Company, N.A.  
Los Angeles, California

No dealer, broker, salesperson or other person has been authorized by the District, the Fiscal Agent or the Underwriter to give any information or to make any representations in connection with the offer or sale of the Bonds other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the District, the Fiscal Agent or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers or Owners of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. This Official Statement, including any supplement or amendment hereto, is intended to be deposited with a nationally recognized municipal securities depository.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information set forth herein which has been obtained by the District from third party sources is believed to be reliable but is not guaranteed as to accuracy or completeness by the District or the Fiscal Agent. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District, the landowners within the District or any other parties described herein since the date hereof. All summaries of the Fiscal Agent Agreement or other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the District for further information in connection therewith.

While the District maintains an internet website for various purposes, none of the information on that website is incorporated by reference herein or intended to assist investors in making any investment decision or to provide any continuing information with respect to the Bonds or any other bonds or obligations of the District.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget” or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information under the caption “THE ASSESSMENT DISTRICT.”

Build America Mutual Assurance Company (“BAM”) makes no representation regarding the Insured Bonds or the advisability of investing in the Insured Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “BOND INSURANCE” and “APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY.” See also “BOND INSURANCE”.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

**THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.**

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**NIPOMO COMMUNITY SERVICES DISTRICT  
VICINITY MAP**



**\$11,250,000\***  
**NIPOMO COMMUNITY SERVICES DISTRICT**  
**ASSESSMENT DISTRICT NO. 2020-1 (BLACKLAKE SEWER CONSOLIDATION)**  
**LIMITED OBLIGATION IMPROVEMENT BONDS**  
**SERIES 2020**

**INTRODUCTION**

**Purpose**

The purpose of this Official Statement, which includes the cover page, the table of contents and the attached appendices (collectively, the “Official Statement”), is to provide certain information concerning the issuance by the Nipomo Community Services District (the “District”) of the \$11,250,000\* Nipomo Community Services District Assessment District No. 2020-1 (Blacklake Sewer Consolidation) Limited Obligation Improvement Bonds Series 2020 (the “Bonds”). The proceeds of the Bonds will be used to (i) fund the Reserve Fund for the Bonds, (ii) finance capitalized interest on the Bonds through September 2, 2022, (iii) pay costs of issuance, (iv) reimburse the District for the costs of forming the Assessment District, and (v) pay the costs for the design, acquisition and construction of certain public capital facilities needed to combine the Town sewer system and the Blacklake sewer system within the District (the “Improvements”) for the benefit of properties within the Nipomo Community Services District Assessment District No. 2020-1 (Blacklake Sewer Consolidation) (the “Assessment District”). See “ESTIMATED SOURCES AND USES OF FUNDS” and “THE ASSESSMENT DISTRICT” herein.

The Bonds are to be issued pursuant to a Fiscal Agent Agreement by and between the District and The Bank of New York Mellon Trust Company, N.A. (the “Fiscal Agent”), dated as of August 1, 2020 (the “Fiscal Agent Agreement”). The Bonds are secured under the Fiscal Agent Agreement by a pledge of and lien upon the Assessments (as defined therein) and all moneys on deposit in the Assessment Fund, the Redemption Fund and the Reserve Fund. See “SECURITY FOR THE BONDS.”

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by more complete and detailed information contained in, this entire Official Statement and the documents summarized or described herein. A full review should be made of the entire Official Statement. The sale and delivery of Bonds to potential investors is made only by means of the entire Official Statement. All capitalized terms used in this Official Statement and not defined herein shall have the meanings set forth in APPENDIX C— “SUMMARY OF THE FISCAL AGENT AGREEMENT—Definitions” herein.

**Forward Looking Statements**

Certain statements included or incorporated by reference in this Official Statement constitute “forward- looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as a “plan,” “expect,” “estimate,” “project,” “budget” or similar words. Such forward-looking statements include, but are not limited to certain statements contained in the information under the caption “THE ASSESSMENT DISTRICT.”

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS,

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\* Preliminary, subject to change.

UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

### **The District**

The District was formed in 1965 as a community services district under the Community Services District Law, found in Division 3 of Title 6 of the Government Code of the State of California, for purposes of supplying water for domestic irrigation, sanitation, industrial, commercial, recreation and fire suppression use. The District is located off of Highway 101 on the central coast of California between San Francisco and Los Angeles, in the rural area of San Luis Obispo County (the “County”), south of the City of San Luis Obispo and north of the City of Santa Maria, in the unincorporated community of Nipomo, located in the southwest section of the County near the City of Arroyo Grande and the community of Oceano. The town of Nipomo includes approximately 14.9 square miles of land. See “THE DISTRICT” and “APPENDIX D – COUNTY OF SAN LUIS OBISPO DEMOGRAPHIC AND ECONOMIC DATA.”

The District’s service area includes portions of unincorporated area of the County. The District includes approximately 4,450 acres of land comprising 7 square miles serving a portion of the town of Nipomo. The District currently has a population of approximately 13,614, and provides water service for approximately 4,450 service connections and approximately 3,200 sewer connections for residential and commercial customers.

### **The Assessment District**

The District’s sewer enterprise consists of two systems (the Town Sewer System and the Blacklake Sewer System). The Blacklake Sewer System was constructed as part of the Blacklake development in 1984 to serve only the Blacklake Specific Plan area. In 1992, the Blacklake Specific Plan area was annexed into the District along with the separate Blacklake Sewer System.

The existing Blacklake gravity sewer collection system consists of seven miles of gravity pipeline, three lift stations and force main. All flow is conveyed to the Blacklake Water Reclamation Facility. The Town Sewer System consists of approximately thirty miles of gravity sewer, ten lift stations and four miles of force main. All flow from the Town Sewer System is conveyed to the Southland Wastewater Treatment Facility, rebuilt in 2015. The Blacklake Sewer System serves 559 parcels while the Town Sewer System serves over 3,000 parcels.

Since annexation, the sewer rates for the residents served by the Blacklake Sewer System have exceeded the rates for customers served by the Town Sewer System. Currently, the estimated annual sewer cost for a single-family residence served by the Blacklake Sewer System is \$1,382 compared to \$624 for a single-family residence served by the Town Sewer System.

In an effort to reduce overall sewer costs for the Blacklake area, in Fall 2019, the District looked at consolidating the two systems by decommissioning the existing Blacklake Water Reclamation Facility and conveying wastewater from the Blacklake community to the Southland Wastewater Treatment Facility, resulting in a new lift station and force main connecting the Blacklake Sewer System to the Town Sewer System. Following consolidation, the expected costs for sewer for residents of the Assessment District (consisting of Town Sewer rates plus the Assessment Installment) is expected to be



less than the District's projected future sewer rates for the Blacklake Sewer System in the absence of consolidation.

The Assessment District boundaries are coterminous with the boundaries of the Blacklake Specific Plan and consists of a fully developed residential community of 555 homes built around the 27-hole Blacklake Golf Resort in Nipomo, California; located in south San Luis Obispo County, generally bounded by Willow Road on the south, Pomeroy Road on the east, Black Lake Canyon on the north and Via Concha on the west. Blacklake Village consists of seven individual developments, each with their own homeowner's association, including Crown Pointe, The Estates, The Fairways, The Legends, The Oaks, Tourney Hills, and Villagio.

Assessment proceedings were initiated by the Board of Directors of the District pursuant to the Municipal Improvement Act of 1913, Division 12 of the California Streets and Highways Code (the "Act") by adoption of Resolution No. 2020-1547 on March 11, 2020 (the "Resolution of Intention"), declaring its intention to form the Assessment District. Willdan Financial Services, Inc. (the "Assessment Engineer"), prepared a written report which contained among other things, the proposed assessment for each parcel of land in the Assessment District. The written report was filed and preliminarily approved by the Board of Directors by the Resolution of Intention (the "Engineer's Report"). On May 13, 2020, a public hearing was duly held as noticed, and all persons interested and desiring to be heard were given an opportunity to speak and be heard, and all matters pertaining to the levy were fully heard and considered by the Board of Directors, and all oral statements and all written protests or communications were duly considered. Following the public hearing, the assessment ballots were tabulated by the Assessment Engineer and the Secretary and it was found that a majority protest as defined by Article XIID of the California Constitution did not exist (22% protest). On May 13, 2020, the Board of Directors adopted its resolution confirming the assessments. The District confirmed a total assessment of \$13,210,000 and recorded such confirmed assessments. After confirmation and recordation, the assessments became liens against the various assessed parcels.

There are 559 parcels in the Assessment District (487 single family detached residential, 68 condominium residential, 1 homeowner association parcel, 2 parcels owned by the Blacklake Golf Resort, and 1 other commercial parcel in use as a restaurant/market).

All property owners in the Assessment District were given mailed notice of the opportunity to pay all or a portion of their assessments in cash. During the cash prepayment period, 46 parcels fully prepaid their assessments. There remains 513 parcels with unpaid assessments (448 single family detached residential, 61 condominium residential, as well as the HOA parcel, the 2 golf course parcels and the 1 other commercial parcel), resulting in \$12,131,632.58 of unpaid assessments securing the Bonds (the "Assessments"). All parcels with unpaid Assessments have been developed. See "SECURITY FOR THE BONDS" and "THE ASSESSMENT DISTRICT" herein.

### **Property Values and Value-to-Assessment Lien Ratios**

The aggregate assessed value of the parcels in the Assessment District with unpaid Assessments, as shown in the County of San Luis Obispo assessor's roll for fiscal year 2019-20, was \$250,101,772. The ratio of the assessed value of such parcels to the total amount of the unpaid Assessments, is approximately 20.62\* to 1 (not including any overlapping debt of other taxing entities with respect to such properties). See "THE ASSESSMENT DISTRICT— Value-to-Lien Assessment Ratios" for certain value-to-lien information with respect to the parcels within the Assessment District.

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\* Preliminary, subject to change. Assessment Lien may be reduced depending on pricing of the Bonds.

## **The Improvements**

Bond proceeds will primarily be used to provide design, acquisition and construction of certain public capital facilities needed to combine the Town Sewer and the Blacklake Sewer Systems within the District, which the District has determined will be of benefit to the properties within the Assessment District. See “THE ASSESSMENT DISTRICT – The Improvements” and APPENDIX B - “ENGINEER’S REPORT.”

## **No Additional Bonds**

The District is not authorized to issue additional bonds (other than the Bonds or any refunding bonds) secured by the Assessments and has covenanted in the Fiscal Agent Agreement not to commence any proceedings to impose supplemental assessments.

## **Professionals Involved in the Offering**

The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, will act as Fiscal Agent under the Fiscal Agent Agreement. Columbia Capital Management, LLC, Glendale, California, will act as Municipal Advisor to the District in connection with the Bonds. The legal proceedings in connection with the issuance and delivery of the Bonds are subject to the approval as to their legality of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel. Certain matters will be passed upon for the District by Norton Rose Fulbright US LLP, as Disclosure Counsel, and by Richards, Watson & Gershon, A Professional Corporation, San Luis Obispo, California, as District Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California. Other professional services have been performed by Willdan Financial Services, Irvine, California, as Assessment Engineer.

For information concerning financial or other interests which certain of the above-mentioned professionals, advisors, counsel and agents may have in the offering of the Bonds, see “CONCLUDING INFORMATION—Financial Interests” herein.

## **Continuing Disclosure**

The District has agreed to provide, or cause to be provided, to each nationally recognized municipal securities information repository and any public or private repository or entity designated by the State as a state repository for purposes of Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission, certain annual financial information and operating data. The District has further agreed to provide notice of certain enumerated events. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5). See “CONCLUDING INFORMATION—Continuing Disclosure” herein and Appendix G hereto for a description of the specific nature of the annual reports and notices of enumerated events to be provided by the District.

## **Bond Owners’ Risks**

Certain events could affect the timely repayment of the principal of and interest on the Bonds when due. See the section of this Official Statement entitled “BONDOWNERS’ RISKS” for a discussion of certain factors which should be considered, in addition to other matters set forth herein, in evaluating an investment in the Bonds. The purchase of the Bonds involves risks, and the Bonds are not suitable investments for some types of investors. See “BONDOWNERS RISKS” herein.

## Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Brief descriptions of the Bonds and the Fiscal Agent Agreement are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Fiscal Agent Agreement, the Bonds and the constitution and laws of the State as well as the proceedings of the Board of Directors of the District, are qualified in their entirety by references to such documents, laws and proceedings, and with respect to the Bonds, by reference to the Fiscal Agent Agreement. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Fiscal Agent Agreement.

Copies of the Fiscal Agent Agreement, the Continuing Disclosure Certificate and other documents and information referred to herein are available for inspection and (upon request and payment to the Fiscal Agent of a charge for copying, mailing and handling) for delivery from the Fiscal Agent.

## ESTIMATED SOURCES AND USES OF FUNDS

The Fiscal Agent will receive the proceeds from the sale of the Bonds upon delivery of such Bonds to the purchasers thereof. The proceeds of the Bonds will be applied as set forth in the following table:

### SOURCES:

Par Amount of Bonds  
Plus Net Original Issue Premium  
Less Underwriter's Discount  
Total Sources

### USES:

Improvement Fund<sup>(1)</sup>  
Costs of Issuance Fund<sup>(2)</sup>  
Capitalized Interest Account<sup>(3)</sup>  
Reserve Fund  
Total Uses

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(1) Amounts to be used to finance the construction of the Improvements.

(2) Includes costs of issuance, such as Fiscal Agent, Municipal Advisor, Bond Counsel and Disclosure Counsel fees and costs, printing costs, rating fees, insurance premium and other related costs for the issuance of Bonds, reimbursable expenses of the District, certain upfront design and engineering costs and the costs of the formation of the Assessment District.

(3) To fund interest on the Bonds through September 2, 2022.

## THE BONDS

### Bond Insurance

The scheduled payment of principal of and interest on the Bonds maturing on September 2, 20\_\_ through September 2, 20\_\_ (the “Insured Bonds”), when due, will be guaranteed under a Municipal Bond Insurance Policy for the Insured Bonds (the “Policy”) to be issued concurrently with the delivery of the Bonds by Build America Mutual Assurance Company, as set forth in “APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY.” See “BOND INSURANCE” herein.

### General

The \$11,250,000\* aggregate principal amount of the Bonds was authorized for issuance by a resolution adopted by the Board of Directors of the District and are being issued by the District pursuant to the Act and the Fiscal Agent Agreement between the District and the Fiscal Agent.

The Bonds will be dated their date of delivery and mature on September 2 in the years and in the amounts shown on the cover page of this Official Statement. Interest shall be payable semiannually on March 2 and September 2 of each year until maturity commencing March 2, 2021. The Bonds are issued as fully registered bonds, with authorized denominations of \$5,000 and any increment of \$5,000 in excess thereof.

Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated after a Record Date and on or before the immediately succeeding Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) it is authenticated before the close of business on the first Record Date, in which event it shall bear interest from its dated date; provided, however, that if at the time of authentication of a Bond, interest is in default thereon, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon or from the date of original delivery of the Bonds, if no interest has previously been paid or made available for payment on the Outstanding Bonds.

Interest on the Bonds is payable by the Fiscal Agent on each Interest Payment Date, until the principal amount of a Bond including mandatory sinking fund payments thereon, if any, has been paid or made available for payment, to the registered Owner thereof at such registered Owner’s address as it appears on the registration books maintained by the Fiscal Agent at the close of the Business Day on the Record Date preceding the Interest Payment Date. The Bonds will be held in book-entry form and registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), all interest payments will be made directly to DTC for distribution to the beneficial owners in accordance with DTC’s procedures. See APPENDIX F -“BOOK-ENTRY ONLY SYSTEM” herein.

### Redemption of Bonds\*

***Mandatory Redemption from Assessment Prepayments.*** Whenever, as of an Interest Payment Date, there are sufficient funds in the Prepayment Account of the Redemption Fund from the proceeds of prepayments of Assessments, the Bonds shall be called for redemption as provided in Part 11.1 of the Improvement Bond Act of 1915 (the “1915 Act”). Each Bond, or any portion thereof, in the principal amount of \$5,000 or any integral multiple thereof, may be redeemed and paid in advance of maturity on any Interest Payment Date in any year pro rata among maturities, by giving notice to the Owner thereof and by paying the principal amount thereof, plus interest to the date of redemption, unless sooner

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\* Preliminary, subject to change.

surrendered, in which event said interest will be paid to the date of payment, together with a redemption premium (expressed as percentages of the principal amount of the Bonds to be redeemed) at the following redemption prices:

<i>Redemption Date</i>	<i>Redemption Prices</i>
Interest Payment Dates on or prior to September 2, 2025	103%
March 2, 2026 and September 2, 2026	102
March 2, 2027 and September 2, 2027	101
March 2, 2028 and any Interest Payment Date thereafter	100

Mandatory redemption from prepayments of Assessments could reduce the otherwise expected yield on the Bonds. See “BONDOWNERS’ RISKS – Potential Early Redemption of Bonds from Prepayments or Other Sources.”

***Optional Redemption of Bonds from Refunding Bonds.*** The Bonds maturing on or after September 2, 2031 are subject to redemption prior to their stated maturity dates on any Interest Payment Date on and after September 2, 2030 from such maturities as selected by the District, from proceeds of any bonds issued to refund the Bonds pursuant to the Refunding Act of 1984 for 1915 Improvement Act (the “Refunding Bond Proceeds”), at the redemption price equal to the principal amount being redeemed, without premium, together with accrued interest to the date of redemption.

***Optional Redemption of Bonds from Surplus Funds.*** The Bonds are subject to redemption prior to their stated maturity dates in part, on any date on and after September 2, 2026, among such maturities as selected by the District, from any source of funds other than prepayment of Assessments and Refunding Bond Proceeds, including, but not limited to, surplus monies on deposit in the Improvement Fund and in lieu charges credited to the Assessment District, at the redemption price of \_\_\_% (expressed as a percentage of the principal amount being redeemed), together with accrued interest to the date of redemption. Design for the Improvements is expected to formally begin in August 2020 with bidding of the construction contract expected by January 2022. Award of the bid is anticipated by May 2022 and commencement of construction of the Improvements is estimated by July 2022. All improvements are expected to be completed by 2026. See “THE ASSESSMENT DISTRICT - Description of Improvements” herein.

***Mandatory Sinking Fund Redemption.*** The Term Bonds maturing on September 2, 20\_\_, and on September 2, 20\_\_ are subject to mandatory redemption, in part by lot, on September 2 in each year commencing September 2, 20\_\_ with respect to the Term Bonds maturing on September 2, 20\_\_, and with respect to the Term Bonds maturing on September 2, 20\_\_, at redemption prices equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the dates fixed for redemption.

Term Bond Maturing September 2, 20\_\_

<i>Redemption Date</i> (September 2)	<i>Principal Amount</i> <i>to be Redeemed</i>
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\*Maturity.

Term Bond Maturing September 2, 20

<i>Redemption Date</i> (September 2)	<i>Principal Amount</i> <i>to be Redeemed</i>
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\*Maturity.

If some but not all of the Term Bonds have been redeemed pursuant to extraordinary or optional redemptions, the total amount of sinking fund payments to be made subsequent to such redemption shall be reduced in an amount equal to the principal amount of the Term Bonds so redeemed by reducing each such future sinking fund payment on a pro rata basis (as nearly as practicable) in integral multiples of \$5,000 (for extraordinary redemptions) or as determined by the District (for optional redemptions), in each case as shall be designated pursuant to written notice filed by the District with the Fiscal Agent.

**Purchase of Bonds**

In lieu of payment at maturity or redemption, moneys in the Redemption Fund may be used and withdrawn by the Fiscal Agent for purchase of outstanding Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may Bonds be purchased at a price in excess of the principal amount thereof, plus the premium, if any, which would be paid upon redemption, plus interest accrued to the date of purchase.

**Notice of Redemption**

With respect to the Bonds held in book-entry form, notices of redemption will be mailed only to The Depository Trust Company and not to any beneficial owner of the Bonds.

The Fiscal Agent shall cause notice of any redemption to be mailed by registered or certified mail, postage prepaid, at least 30 days but not more than 60 days prior to the date fixed for redemption, to the securities depository and to certain information services, and to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books maintained by the Fiscal Agent; but the actual receipt of any notice shall not be a condition precedent to such redemption and failure to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such Bonds, or the cessation of interest on the redemption date.

A notice of redemption for optional redemption may be conditioned on the receipt by the District of sufficient funds to effect the redemption. If sufficient funds are not received by the District by the redemption date, the redemption shall not occur and the Bonds will remain outstanding under the Fiscal Agent Agreement. If any redemption is cancelled due to lack of sufficient funds, the Fiscal Agent shall mail a notice to the Bondowners stating that such redemption was cancelled and did not occur.

**Selection of Bonds for Redemption**

Whenever provision is made in the Fiscal Agent Agreement for the redemption of less than all of the Bonds, the District shall select the Bonds for redemption in such a way that the ratio of Outstanding Bonds to issued Bonds shall be approximately the same in each maturity of the Bonds insofar as possible.

The Fiscal Agent shall select the particular Bonds to be redeemed from each maturity by lot if the Bonds of such maturity are not then in book-entry form.

If, at the time of a redemption of less than all of the Bonds of a maturity, the Bonds of such maturity are registered in book-entry only form and the securities depository, or its nominee, is the sole Owner of such Bonds, the Bonds of such maturity will be redeemed on a “Pro-Rata Pass Through Distribution of Principal” basis in accordance with the securities depository’s procedures; provided, however, that such redemption will be made in accordance with the operational arrangements of the securities depository then in effect. The underwriters of the Bonds have advised the District that the Bonds will be made eligible, in the case of a partial redemption of a maturity thereof, to be treated by the securities depository in accordance with its rules and procedures, as a “pro rata pass-through distribution of principal.” The Fiscal Agent will send notice to the securities depository in accordance with such rules and procedures to effect a pro rata reduction of principal of the applicable Bonds to accomplish partial redemption of the Bonds through a pass-through distribution of principal. In connection with each such redemption, the Fiscal Agent will include in the notice of redemption sent by the Fiscal Agent the dollar amount per \$5,000 principal amount payable on account of principal and accrued interest to effect a pro-rata reduction through a pass-through distribution of principal on the related redemption date. The securities depository will be responsible for distributing the principal and accrued interest among its direct participants, as applicable, pro rata in accordance with its rules and procedures for a pro rata pass through distribution of principal based upon the beneficial interest in the Bonds being redeemed that the securities depository’s records list as owned by each securities depository direct participant as of the record date for such payment. Any failure of the Fiscal Agent to make such selection or of the securities depository or its participants or any other intermediary, to make such selection or proportional allocation, for whatever reason, will not affect the sufficiency of the validity of the redemption of the Bonds.

If, at the time of a redemption of less than all of the Bonds of a maturity, the Bonds of such maturity are registered in book-entry only form and the securities depository, or its nominee, is the sole Owner of such Bonds, but the securities depository’s operational arrangements do not allow for allocation of such redemption on a pro rata pass-through distribution of principal bases, the portion of the Bonds of such maturity to be redeemed will be selected in accordance with the securities depository’s then existing rules and procedures and may be by lot.

### **Refunding Bonds**

Pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds (Division 11.5 of the Streets and Highways Code) (the “1984 Act”), the District may issue refunding bonds for the purpose of redeeming the Bonds. The District may issue and sell refunding bonds without giving notice to and conducting a hearing for the owners of property in the Assessment District or giving notice to the owners of the Bonds if the Board of Directors makes the findings required in the 1984 Act.

### **Registration, Exchange or Transfer**

The registration of any Bond may, in accordance with its terms, be transferred upon the Bond Register by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Fiscal Agent, accompanied by delivery of a written instrument of transfer in a form acceptable to the Fiscal Agent and duly executed by the Bondowner or his or her duly authorized attorney.

Bonds may be exchanged at the office of the Fiscal Agent for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity. The Fiscal Agent will not charge the Owner for any new Bond issued upon any exchange or transfer, but shall require the Owner requesting

such exchange or transfer to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer. The cost of printing any Bonds and any services rendered or any expenses incurred by the Fiscal Agent in connection with any exchange or transfer shall be paid by the District as Administrative Expenses. Whenever any Bond or Bonds shall be surrendered for registration of transfer or exchange, the District shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond or Bonds of the same maturity for a like aggregate principal amount; provided, that the Fiscal Agent shall not be required to register transfers or make exchanges of Bonds (a) 15 days prior to the date established by the Fiscal Agent for selection of Bonds for redemption, or (b) with respect to a Bond after such Bond has been selected for redemption.

### **Annual Debt Service**

Table 1 below sets forth the annualized debt service on the Bonds based on the maturity schedule and interest rates set forth on the cover page of this Official Statement assuming no earlier redemption thereof (other than mandatory sinking fund redemption, if any).



**TABLE 1**  
**ANNUALIZED DEBT SERVICE<sup>(1)</sup>**

<i>Year Ending September 2</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2021 <sup>(2)</sup>			
2022 <sup>(2)</sup>			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
<b>Total</b>			

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<sup>(1)</sup> Assumes no redemption prior to maturity.

<sup>(2)</sup> To be paid from capitalized interest.

## SECURITY FOR THE BONDS

### Limited Obligation

The obligation of the District relating to the Bonds is not a general obligation of the District, but is a limited obligation, payable solely from the Assessments and from the funds pledged therefor under the Fiscal Agent Agreement. Neither the faith and credit nor the taxing power of the District, the County or the State of California, or any political subdivision thereof, is pledged to the payment of the Bonds. **Notwithstanding any other provision of the Fiscal Agent Agreement, the District is not obligated to advance available surplus funds from the District treasury to cure any deficiency in the Redemption Fund.**

### Assessment Liens and Installments

The Bonds are issued upon and secured by and payable from the unpaid Assessments on parcels of property within the Assessment District together with interest thereon, and such unpaid Assessments, together with interest thereon, constitute a fund for the redemption and payment of the principal, including mandatory sinking fund payments, if any, of the Bonds and the interest thereon and premium, if any. The Bonds are secured by the moneys in the Assessment Fund, the Redemption Fund and the Reserve Fund created pursuant to the Fiscal Agent Agreement.

**THE BONDS ARE NOT SECURED BY THE GENERAL TAXING POWER OF THE DISTRICT, THE COUNTY OF SAN LUIS OBISPO OR THE STATE OF CALIFORNIA, OR ANY OF ITS POLITICAL SUBDIVISIONS, NOR IS THE FULL FAITH AND CREDIT OF THE DISTRICT, THE COUNTY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS PLEDGED TO THE PAYMENT OF THE BONDS.**

Although the unpaid Assessments constitute fixed liens on the parcels assessed, they do not constitute a personal indebtedness of the respective owners of such parcels. There can be no assurance as to the ability or the willingness of such owners to pay the unpaid Assessments when due. See “BONDOWNERS’ RISKS” herein.

The unpaid Assessments will be collected in annual installments, together with interest, on the County secured tax roll on which general taxes on real property are collected (the “Assessment Installments”), commencing with property tax year 2022-23. The Annual Installments will also include an amount for the payment of administrative expenses in the amount set forth in the Engineer’s Report; such amounts are not available to pay debt service on the Bonds. The Assessment Installments are payable and become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do general taxes. The properties upon which the Assessments are levied are subject to the same provisions for sale and redemption as are properties for nonpayment of general taxes. The District shall immediately deposit the annual Assessment Installments into the Assessment Fund held by the District upon receipt from the County. Amounts in the Assessment Fund shall secure the payment of debt service on the Bonds. . On or prior to the 25<sup>th</sup> day of February and August of each year, commencing February 25, 2023, the District shall transfer to the Fiscal Agent for deposit into the Redemption Fund and the Reserve Fund the amount required in the Fiscal Agent Agreement.

The Assessment Installments billed against each of the parcels in the Assessment District each year represent a pro rata share of the total principal, including mandatory sinking fund payments, if any, and interest coming due on all of the Bonds that year, including any amounts needed to replenish the Reserve Fund. The amount billed against each parcel is based on the percentage which the unpaid

Assessment against the property bears to the total of unpaid Assessments in the Assessment District. The failure of a property owner to pay an annual Assessment Installment will not result in an increase in Assessment Installments against other property in the Assessment District.

Each property owner has a statutory right to prepay the Assessment on a parcel in whole or in part on any date. Amounts received as prepaid Assessments will be deposited in the Prepayment Account of the Redemption Fund and shall be used solely for the purpose of redeeming Bonds. See “THE BONDS—Redemption of Bonds— *Mandatory Redemption from Assessment Prepayments.*”

### **Tax Loss Reserve Fund – Teeter Plan**

Some California counties, including the County since 1993-94, operate under the provisions of Sections 4701 through 4717, inclusive, of the Revenue and Taxation Code of the State of California, commonly referred to as the “Teeter Plan,” with respect to property tax collection and disbursement procedures. These sections provide an alternative method of apportioning secured taxes whereby agencies levying taxes or assessments through county tax billings may receive from the county 100% of their taxes or assessments at the time they are levied.

The Assessment Installments are expected to be collected under the County’s Teeter Plan commencing with property tax year 2022-23. So long as the County maintains its policy of collecting taxes and assessments pursuant to said procedures and the District meets the Teeter Plan requirements, the District will receive 100% of the annual unpaid Assessment Installments levied on the County’s secured property tax rolls without regard to actual collections. There is no assurance, however, that the County Board of Supervisors will maintain its policy of apportioning assessments pursuant to the aforementioned procedures. The Board of Supervisors of the County may discontinue the procedures under the Teeter Plan altogether, or with respect to any tax or assessment levying agency in the County under certain circumstances.

### **Limited Obligation Upon Delinquency**

THE BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT AND ARE PAYABLE SOLELY FROM THE ASSESSMENTS AND FROM THE FUNDS PLEDGED THEREFOR UNDER THE FISCAL AGENT AGREEMENT. THE DISTRICT HAS DETERMINED NOT TO OBLIGATE ITSELF AND HAS NO LEGAL OR MORAL OBLIGATION TO ADVANCE AVAILABLE FUNDS FROM THE DISTRICT TREASURY TO PAY BOND DEBT SERVICE IN THE EVENT OF DELINQUENT ASSESSMENT INSTALLMENTS. BONDOWNERS SHOULD NOT RELY UPON THE DISTRICT TO ADVANCE AVAILABLE FUNDS FROM THE DISTRICT TREASURY TO THE REDEMPTION FUND. NOTWITHSTANDING THE FOREGOING, THE DISTRICT MAY, AT ITS SOLE OPTION AND IN ITS SOLE DISCRETION, ELECT TO ADVANCE SUCH FUNDS.

### **Reserve Fund**

The Fiscal Agent Agreement provides that a Reserve Fund must be maintained. As established by the Fiscal Agent Agreement, the Reserve Fund is to be held by the Fiscal Agent. The amount to be maintained in the Reserve Fund is to equal the Reserve Requirement. The Reserve Requirement means, as of any date of calculation, 50% of the then Maximum Annual Debt Service due on the Bonds. Upon

issuance of the Bonds, the Reserve Requirement shall be \$ \_\_\_\_\_. Thereafter, the Treasurer shall transfer sufficient funds from the Assessment Fund pursuant to the Fiscal Agreement in order to maintain the Reserve Requirement in the Reserve Fund at all times. On or before each February 15 and August 15, the Fiscal Agent shall determine whether the amount on deposit in the Reserve Fund equals the Reserve Requirement. Moneys in the Reserve Fund shall be held for the benefit of the Owners of the Bonds as a reserve for the payment of the principal of, including mandatory sinking fund payments, if any, and interest on the Bonds and shall be subject to a lien in favor of the Owners of the Bonds. See APPENDIX C - "SUMMARY OF FISCAL AGENT AGREEMENT."

In connection with an Assessment prepayment, the amount of each Assessment prepaid shall be reduced by the amount the Fiscal Agent is required to transfer from the Reserve Fund for deposit in the Prepayment Account of the Redemption Fund. Under the Fiscal Agent Agreement, the Fiscal Agent is to transfer the portion of the balance then in the Reserve Fund equal to the proportion that the Assessment prepaid bears to the total of all Assessments remaining unpaid as of such date. The District shall notify, or shall cause the Fiscal Agent to be notified of the amount so transferred. After each such transfer, the Reserve Requirement shall be reduced by the amount of the related transfer.

Whenever there are insufficient funds in the Redemption Fund to meet the next maturing installment of principal of, including mandatory sinking fund payments, if any, or interest on the Bonds, the Fiscal Agent shall transfer from the Reserve Fund for deposit into the Redemption Fund an amount necessary to satisfy such deficiency. The District agrees in the Fiscal Agent Agreement that if such insufficiency was caused by delinquent payment of Assessment Installments, then an amount equal to the amount so transferred shall be reimbursed and transferred by the District to the Fiscal Agent, for deposit in the Reserve Fund from the proceeds of redemption or sale of the delinquent parcel.

If at any time the amount of interest earned by the investment of any portion of the Reserve Fund, together with the principal amount in the Reserve Fund, shall exceed the Reserve Requirement, such excess shall, at the written direction of the District, be transferred by the Fiscal Agent to the Redemption Fund and shall be credited by the District upon the unpaid Assessments in the manner set for the in the 1913 Act.

Whenever the balance in the Reserve Fund and the Redemption Fund is sufficient to retire all the remaining outstanding Bonds, the Fiscal Agent shall transfer at the written direction of the District the balance in the Reserve Fund to the Redemption Fund and the District shall cease the collection of the principal and interest on the unpaid Assessments. In such case, the District shall credit the balance so transferred against the Assessments remaining unpaid in the manner set forth in the 1915 Act.

THE DISTRICT HAS NO OBLIGATION TO REPLENISH THE RESERVE FUND EXCEPT TO THE EXTENT THAT DELINQUENT ASSESSMENT INSTALLMENTS ARE PAID OR PROCEEDS FROM FORECLOSURE SALES ARE REALIZED, OR AS OTHERWISE REQUIRED PURSUANT TO THE FISCAL AGENT AGREEMENT.

### **Covenant to Foreclose and Court Foreclosure Proceedings**

The 1913 Act provides that in the event any Assessment or installment thereof or any interest thereon is not paid when due, the District may order the institution of a court action to foreclose the lien of the unpaid Assessment. In such an action, the real property subject to the Assessment may be sold at judicial foreclosure sale. This foreclosure sale procedure is not mandatory. However, pursuant to the Indenture, the District will covenant for the benefit of the Owners to commence foreclosure proceedings no later than October 1 of the fiscal year immediately following the fiscal year in which delinquency in the payment of an Assessment Installment occurs, except the District need not commence such

proceedings with respect to any property other than property owned by a single property owner who is delinquent in excess of \$3,000 in the payment of Assessment Installments if both (a) the aggregate amount of such delinquent Assessment Installments does not exceed five percent (5%) of the Assessment Installments posted to the tax roll for the preceding Fiscal Year and (b) the balance on deposit in the Reserve Fund is not less than the Reserve Requirement. The District will also covenant to diligently prosecute any such foreclosure action to judgment and foreclosure sale unless such delinquency is paid prior thereto. Upon the redemption or sale of the real property responsible for such delinquencies, the District will first deposit to the Reserve Fund the amount of any delinquency advanced therefrom and then disburse the remaining amount as set forth in the judgment of foreclosure or as required by law.

Commencement of any foreclosure proceedings includes the District's efforts to collect the delinquent Assessment Installments by sending subsequent notice of delinquency and a demand for immediate payment thereof. The District may treat any delinquent Assessment Installment sold to an independent third-party or to any funds of the District for at least 100% of the delinquent amount as having been paid. Proceeds of any such sale up to 100% of the delinquent amount shall be deposited in the Assessment Fund. Notwithstanding the above, as long as the Assessment Installments are the subject of the County's Teeter Plan and the District is receiving 100% of the Assessment Installments it levies, the District shall not have any obligation to commence judicial foreclosure proceedings as described above.

The 1913 Act provides that the court in a foreclosure proceeding has the power to order property securing delinquent Assessment Installments to be sold for an amount not less than all Assessment Installments, interest, penalties, costs, fees and other charges that are delinquent at the time the foreclosure action is ordered and certain other fees and amounts as provided in the 1913 Act. The court may also include subsequent delinquent Assessment Installments and all other delinquent amounts.

If the property to be sold fails to sell for the minimum price described above, the District may petition the court to modify the judgment so that the property may be sold at a lesser price or without a minimum price. In certain circumstances, the court may modify the judgment after a hearing if the court makes certain determinations, including, but not limited to, a determination that the sale at less than the minimum price will not result in an ultimate loss to the Owners of the Bonds or a determination that the Owners of at least 75% of the principal amount of the Bonds outstanding have consented to the petition and the sale will not result in an ultimate loss to the non-consenting Bond Owners. Neither the property owner, nor any holder of a security interest in the property, nor any defendant in the foreclosure action, nor any agent thereof may purchase the property at the foreclosure sale for less than the minimum price.

For any lot or parcel with not more than four dwelling units, a period of 140 days must elapse after the date of the notice of levy of the interest in real property is served on the judgment debtor before the sale of such lot or parcel can be made. However, pursuant to Streets and Highways Code Section 8832, the 140 day period may be shortened to 20 days for undeveloped property. If the judgment debtor fails to redeem, and if the purchaser at the sale is the judgment creditor (e.g., the District), an action may be commenced by the delinquent property owner within 90 days after the date of sale to set aside such sale.

In the event judicial foreclosure proceedings are commenced by the District, there may be delays in payments to Owners of the Bonds pending prosecution of the foreclosure proceedings to completion, including the receipt of the District of the proceeds of the foreclosure sale. It is also possible that no qualified bid will be received at the foreclosure sale. See "BONDOWNERS' RISKS" herein.

### **Priority of Assessment Lien**

The Assessments (and any further assessment or reassessment) and each installment thereof and

any interest and penalties thereon constitute a lien against the lots and parcels of land on which they were imposed until paid. Such lien has priority over all fixed special assessment liens which may thereafter be created against the property, and also has priority over all private liens, including the lien of any mortgage or deed of trust whenever created. Such lien is co-equal to and independent of the lien for general taxes. See “THE ASSESSMENT DISTRICT—Direct and Overlapping Indebtedness” and “BONDOWNERS’ RISKS—FDIC/Federal Government Interests in Parcels.”

### **No Additional Bonds**

The District is not authorized to issue additional bonds (other than the Bonds or any refunding bonds) secured by the Assessments. See “THE BONDS—Refunding Bonds” above.

## **BOND INSURANCE**

### **Bond Insurance Policy**

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company (“BAM”) will issue its Municipal Bond Insurance Policy (the “Policy”) for the Bonds maturing on September 2 of the years \_\_\_\_ through \_\_\_\_, inclusive, with CUSIP #'s \_\_\_\_ (collectively, the “Insured Bonds”). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement. See “APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

### **BUILD AMERICA MUTUAL ASSURANCE COMPANY**

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: [www.buildamerica.com](http://www.buildamerica.com).

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM’s financial strength is rated “AA/Stable” by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC (“S&P”). An explanation of the significance of the rating and current reports may be obtained from S&P at [www.standardandpoors.com](http://www.standardandpoors.com). The rating of BAM should be evaluated independently. The rating reflects the S&P’s current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Insured Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Insured Bonds.

BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Insured Bonds, nor does it guarantee that the rating on the Insured Bonds will not be revised or withdrawn.

#### *Capitalization of BAM*

BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2020 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$459.6 million, \$126.1 million and \$333.5 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at [www.buildamerica.com](http://www.buildamerica.com), is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Insured Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

#### *Additional Information Available from BAM*

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at [www.buildamerica.com/videos](http://www.buildamerica.com/videos). (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at [www.buildamerica.com/credit-profiles](http://www.buildamerica.com/credit-profiles). BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Insured Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Insured Bonds, whether at the initial offering or otherwise.

## **THE DISTRICT**

The District was formed in 1965 and currently has a population of approximately 13,614 within the Nipomo area providing customers with one or more services including water, wastewater, street lighting, solid waste disposal or limited drainage services. The District is a California Community Services District organized pursuant to Government Code Sections 61000 et seq. The District is located off of Highway 101 on the central coast of California mid-way between San Francisco and Los Angeles, in the rural area of the County, south of the City of San Luis Obispo and north of the City of Santa Maria. The District's service area overlies the southern portion of the community of Nipomo, nine miles south of the City of Arroyo Grande, seven miles north of the City of Santa Maria and twelve miles from Pismo Beach. The Nipomo community is located at the foot of the Temetate Ridge and is on a coastal mesa averaging an elevation of 380 feet above sea level. The name Nipomo is derived from the Chumash Indian word "Nepomah" meaning "foot of the hills." The District includes approximately 4,450 acres of land comprising seven square miles. The District's authority does not include legislative or executive powers over zoning or land use.

The District currently provides water service for approximately 4,450 service connections and approximately 3,200 sewer connections for residential and commercial customers. Most of the customers reside in single family homes, but service is also provided to multi-family residential homes and commercial and light industrial users.

The District's sewer enterprise consists of two systems (the Town Sewer System and the Blacklake Sewer System). The Blacklake Sewer System serves the 559 parcels within the Blacklake community while the remaining customers within the District are served by the Town Sewer System which services over 3,000 parcels.

The District population is expected to grow from approximately 13,614 to approximately 15,827 by 2040. Approximately 4,000 acres of land within the District are currently developed, of which approximately 3,316 acres are residential, 400 acres are commercial, and 300 acres are recreational.

The District is governed by a five-member board of directors (the "Board of Directors"), the members of which are elected by the registered voters in the District to staggered four-year terms. The current Board of Directors members, the expiration dates of their terms and their occupations are set forth below.



The names of the members of the District Board and the dates their terms expire are as follows:

<u>Name</u>	<u>Title</u>	<u>Term Expires (December)</u>	<u>Occupation</u>
Dan Allen Gaddis	President	2022	Retired Aerospace Manager
Craig Armstrong	Vice President	2020	Retired Financial Executive
Bob Blair	Director	2020	Retired Doctor of Pharmacy
Ed Eby	Director	2022	Retired Aerospace Engineer
Dan Woodson	Director	2022	Retired Civil Engineer

Day-to-day management of the District is delegated to the General Manager. Set forth below is a brief resume of the General Manager and principal staff:

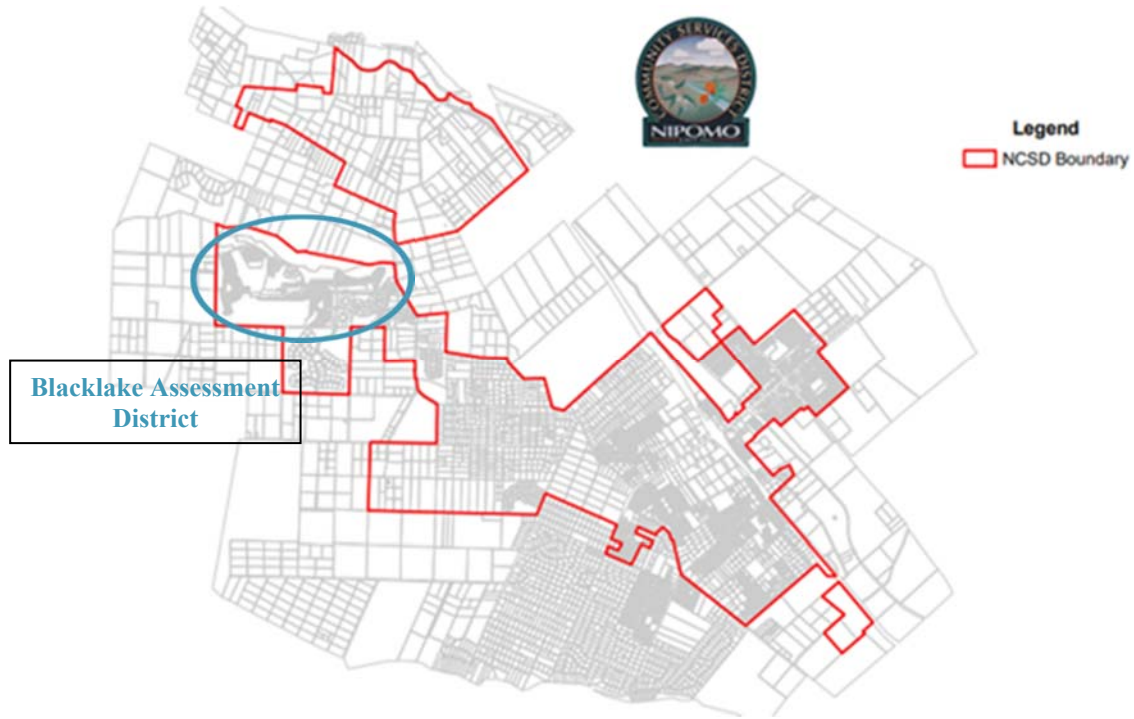
*Mario Iglesias, General Manager and Secretary to the Board.* Mario Iglesias has 32 years of experience in the utility industry. Prior to serving as the District’s General Manager, he worked as the Utility Systems Manager for the City of Morgan Hill overseeing an annual budget of \$19 million. Prior to that, he was the General Manager of the Aromas Water District for five years. Mr. Iglesias began his career as an operator at California-American Water Company on the Monterey Peninsula where he advanced to Production Superintendent. Mr. Iglesias holds a Bachelor’s Degree in Public Administration from the University of San Francisco and an Associate’s Degree in Water and Wastewater Management from Hartnell College.

*Lisa S. Bognuda, Finance Director.* Lisa S. Bognuda has served as Finance Director for the District for more than 28 years. Prior to 1993, she was a Tax Accountant with Glenn, Burdette, Phillips & Bryson, CPA firm for 6 years. Ms. Bognuda became a Certified Public Accountant in 1988. She received a Bachelor of Science degree in Business Administration with a concentration in accounting from California Polytechnic State University, San Luis Obispo in 1985.

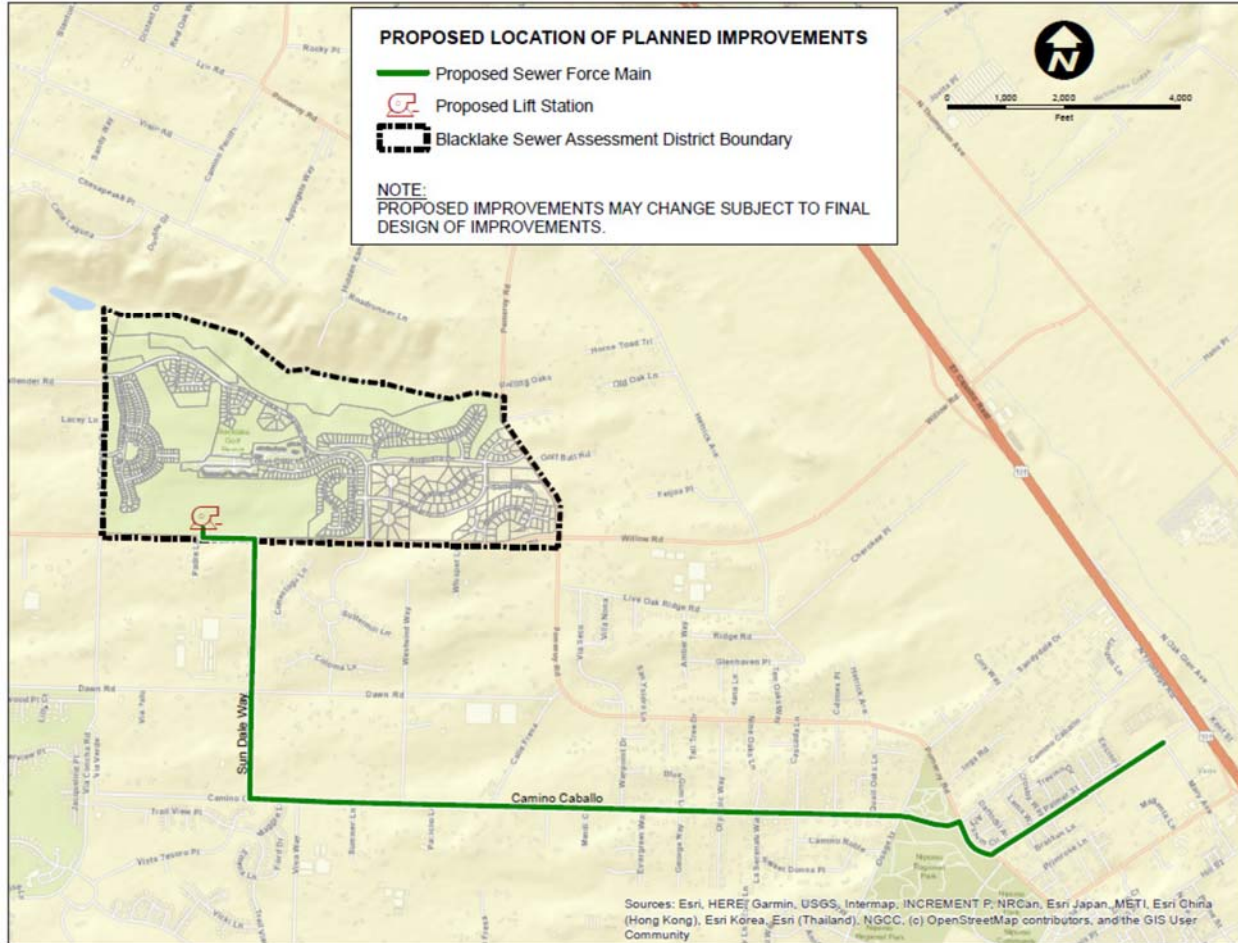
*Peter V. Sevcik, Director of Engineering and Operations.* Peter V. Sevcik, P.E., is the Director of Engineering and Operations and has served in this capacity since September 2007. Mr. Sevcik joined the District with approximately 20 years of experience in wastewater and water including project management, construction management, design, planning and operations & maintenance, most recently serving as the Director of Engineering and Operations for the West Valley Sanitation District in Campbell, California. Mr. Sevcik is responsible for overseeing the planning, design and construction of the District’s capital improvement projects. Mr. Sevcik has a Bachelor’s degree in Civil Engineering from the University of Illinois, Urbana, Illinois, and a Master’s degree in Public Administration from Nova Southeastern University, Fort Lauderdale, Florida.

For certain information regarding the general area of the District and the County, see “APPENDIX D — COUNTY OF SAN LUIS OBISPO DEMOGRAPHIC AND ECONOMIC INFORMATION.”

# BOUNDARY MAP OF NIPOMO COMMUNITY SERVICES DISTRICT



**MAP OF ASSESSMENT DISTRICT  
AND  
LOCATION OF IMPROVEMENTS**



**THE ASSESSMENT DISTRICT**

**Description of the Assessment District**

The Assessment District covers the 515-acre area of the Blacklake Specific Plan approved by the County on February 28, 1983 and subsequently amended throughout the years through and including May 1998. The Assessment District lies west of Highway 101 and northerly of the unincorporated town of Nipomo. It is approximately midway between the cities of Arroyo Grande and Santa Maria. The Blacklake Specific Plan Area is centrally located on the Nipomo Mesa, a landform generally defined by U.S. Highway 101 on the east, the bluffs overlooking the Santa Maria River and Santa Maria Valley to the south, the bluffs overlooking the Oceana agricultural areas to the northwest and Los Berros Valley to the north. The Blacklake Specific Plan Area is bounded by Willow Road on the south, Pomeroy Road on the east, Black Lake Canyon on the north and Via Concha on the west.

Initial development included an 18-hole golf course, along with two existing residences. The Blacklake Sewer System was constructed as part of the Blacklake development in 1984 to process raw wastewater produced by the development and provide for the disposal of the treated effluent on the golf course. In 1992, the Blacklake Specific Plan area was annexed into the District, whereby the District's sewer enterprise consisted of two systems: the Blacklake Sewer System serving only the Blacklake Specific Plan area and the Town Sewer System serving the remainder of the District. The existing Blacklake gravity sewer collection system consists of seven miles of gravity pipeline, three lift stations and force main. All flow is conveyed to the Blacklake Water Reclamation Facility. The Town Sewer System consists of approximately thirty miles of gravity sewer, ten lift stations and four miles of force main. All flow from the Town Sewer System is conveyed to the Southland Wastewater Treatment Facility, which was rebuilt in 2015.

Nine holes were added to the golf course in the 1990s. In addition to enlargement of the golf course, recreation facilities including a clubhouse, restaurant and bar, tennis courts, maintenance buildings, a pro-shop, public parking, golf cart storage facility and a small grocery market were added. The 193-acre 27-hole Blacklake Golf Resort is comprised of three distinct nine-hole layouts, the Canyons Course, the Oaks Course and the Lakes Course.

The Blacklake Village consists of seven individual developments, each with their own homeowner's association, including Crown Pointe, The Estates, The Fairways, The Legends (55+), The Oaks, Tourney Hills, and Villagio, along with a master homeowner's association, Black Lake Management Association ("BLMA") which owns one parcel and operates the Community Room for Blacklake Village. Over 550 residential units were constructed in the Assessment District from 1985 to 2000. BLMA represents that the Blacklake Village is mostly made up of retired senior citizens, many of whom have lived there for 20-years or more. Resident activities include golfing (including clubs for men & women), the Nipomo Newcomers Club, plentiful walking, a membership swim club, tennis, a bridge game group, a ladies Bible study, exercise classes, an art group, a bocce ball court, a community room for meetings and activities where there is a free lending library.





Since annexation, the sewer rates for the residents served by the Blacklake Sewer System have exceeded the rates for customers served by the Town Sewer System. The Blacklake Water Reclamation Facility is 35 years old leading to higher maintenance costs. The Southland Wastewater Treatment Facility within the Town Sewer System, being rebuilt in 2015 with costs spread over 3,000 parcels, results in lower maintenance costs and higher efficiencies. Currently, the estimated annual sewer cost for a single-family residence served by the Blacklake Sewer System is \$1,382 compared to \$624 for a single-family residence served by the Town Sewer System.

In an effort to reduce overall sewer costs for the Blacklake community, in fall 2019, the District looked at consolidating the two systems by decommissioning the existing Blacklake Water Reclamation Facility and conveying wastewater from the Blacklake community to the Southland Wastewater Treatment Facility, resulting in a new lift station and force main connecting the Blacklake Sewer System to the Town Sewer System. The District hired MKN & Associates, Inc. (“MKN”) to refine the project description, cost opinion, and implementation schedule for the project. In October 2019, MKN presented its Blacklake Sewer System Consolidation Study (the “Study”) to the Board which referenced the Improvements, including the estimated costs and construction schedule, as described herein.

The BLMA unanimously voted in favor of initiating the proceedings to create an assessment district to fund certain public capital facilities to the District’s sewer system for the purpose of combining the Town and Blacklake Sewer Systems. Following consolidation, the expected costs for sewer for residents of the Assessment District (consisting of Town Sewer rates plus the Assessment Installment) is expected to be less than the District’s projected future rates of the Blacklake Sewer System absent a consolidation.

The property within the Assessment District consists of 555 residential parcels and 4 commercial/other parcels for a total of 559 parcels (487 single family detached residential, 68 condominium residential, 1 homeowner association parcel, 2 parcels owned by the Blacklake Golf Resort, LLC, and 1 other commercial parcel (in use as a restaurant/market named “Willow”).

Blacklake Golf Resort, LLC is the property owner with the largest assessment at \$114,479, or almost 1% of the total assessment lien. Blacklake Golf Resort, LLC is a California limited liability corporation with one member, Rossi Living Trust. Mr. Robin (Rob) Rossi is a long-standing member of the community, having been a resident of the County since 1970 and is involved in numerous properties, businesses and investments. Mr. Rossi, a California licensed architect, has a variety of business interests, including recreational, residential and agriculture real estate, with involvement in two (2) hotels, two (2) golf resorts and two (2) wineries. He is also a founder of two (2) local banks, Mission Community Bank and Ojai Community Bank, each acquired 10 years ago. The other commercial parcel, Willows, is owned by Smith Livestock LLC, associated with Vernon Smith and Sun Coast Farms, LLC, a Santa Maria produce grower, shipper, and processor.

Originally, there were 559 assessed parcels with Assessments totaling \$13,210,000. During the cash prepayment period, 46 parcels fully prepaid their Assessments. There remains \$12,131,632.58\* of unpaid Assessments secured against the remaining parcels within the Assessment District.

The aggregate assessed value of parcels in the Assessment District with unpaid Assessments was \$250,101,772 for Fiscal Year 2019-20.

### **Description of Improvements**

The Assessment District was formed to provide financing for the design, acquisition and construction of certain public capital improvements needed to combine the Town and the Blacklake Sewer Systems owned and managed by the District. Costs of the Improvements are estimated to be \$12,336,823. See Table 2 and “ESTIMATED SOURCES AND USES OF FUNDS.” Any surplus monies on deposit in the Improvement Fund may be used to redeem Bonds. See “THE BONDS—Redemption of Bonds.”

The Improvements include, but are not limited to the acquisition and installation of a lift station, and related improvements, decommissioning of water reclamation facility, and acquisition and installation of force main pipeline, all for the purpose of combining the Blacklake and Town Sewer Systems, and all related permits, fees, bonds, construction management, and construction engineering (e.g. soils, survey, archeological), and incidental and administrative costs associated therewith. The proposed improvements include the following:

- New 160 gallons per minute (gpm) Blacklake Lift Station at Blacklake Water Reclamation Facility Site with 5 foot diameter, 11 foot-deep wetwell, valve vault, backup generator, fencing, access road, pavement, and appurtenances;
- Decommissioning and demolition of existing Blacklake Water Reclamation Facility;
- Approximately 21,930 linear feet of new 6-inch AWWAC900 force main with pressure cleanouts, combination air/vacuum valves, and appurtenances, including 890 linear feet along Willow Road, 4,450 linear feet along Sundale Road, 12,200 linear feet along Camino Caballo, 850 linear feet along Pomeroy Road, and 3,550 linear feet along Juniper Street;
- Repair of existing sewer pump stations and collection system within Blacklake sewer service area.

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\* Preliminary, subject to change. May be reduced depending on pricing of the Bonds.

The District expects to award the design contract for the Improvements on August 26, 2020, with bidding of the construction contract expected by January 2022. Award of the construction bid is anticipated by May 2022 and commencement of construction of the Improvements is estimated by July 2022. The Improvements consisting of the force main pipe and lift station are expected to be completed by March 2024. Repairs to the existing Blacklake pump station and collection system are anticipated to be conducted thereafter from remaining Bond proceeds, the District's contribution and other available funds, and are expected to be completed in 2026.

The District is contributing \$1 million toward the cost of the Improvements. The budget for the Improvement includes a contingency of 30% of the estimated construction costs. Additionally, the District has identified \$200,000 annually in capital fees from Blacklake sewer rates that will be reserved should costs exceed the estimated budget. The District has declared its intent that any new development within or outside of the Assessment District that connects to and benefits from the Improvements will be charged an in lieu fee which will be used for the benefit of the Assessment District, including the early redemption of the Bonds. See "THE BONDS – Redemption of Bonds - *Optional Redemption of Bonds from Surplus Funds*" and "RISK FACTORS - Potential Early Redemption of Bonds from Prepayments or Other Sources" for a discussion of potential early redemption of a portion of Bonds should actual Project costs be lower than budgeted.

The following table shows a summary of the District Improvement Project Cost Estimate as contained in the Final Engineer's Report prepared by the Assessment Engineer, a copy of which is attached hereto as Appendix B.

*[Remainder of page intentionally left blank]*

**TABLE 2**

**NIPOMO COMMUNITY SERVICES DISTRICT  
ASSESSMENT DISTRICT NO. 2020-1 (BLACKLAKE SEWER CONSOLIDATION)  
ENGINEER'S ESTIMATE OF COSTS AND EXPENSES**

	<u>Preliminary</u>
<b>Construction Costs</b>	
<b>Repairs</b>	
Woodgreen LS	\$ 683,000
The Oaks LS	102,500
Misty Glen LS	97,800
Golf Course Trunk Main RPL	560,000
Tourney Hill Main RPL	319,000
Oakmont Sewer Main RPL	196,200
Augusta Sewer Main RPL	61,442
Repair Offset Joints	30,141
<b>Pipe and Lift Station</b>	
Blacklake Lift Station	526,500
Force Main	4,489,000
WRF Demolition	<u>796,000</u>
	<b>Total Construction Costs: \$ 7,861,583</b>
<b>Design, Engineering, and Incidentals</b>	
<b>Pipe and Lift Station</b>	
Escalation to Mid Point	\$ 871,800
Permitting	116,240
Engineering/Design/Constr. Mgmt./Inspection (30% of construction costs)	1,743,600
Contingency (30% of construction costs)	<u>1,743,600</u>
	<b>Total Design, Engineering, and Incidental Costs: \$ 4,475,240</b>
<b>District Planning and Formation Costs<sup>(1)</sup></b>	<b>\$ 286,577</b>
<b>Financing Costs and Reserves<sup>(2)</sup></b>	<b><u>\$ 1,586,600</u></b>
	<b>TOTAL ESTIMATED COSTS \$14,210,000</b>
<b>District Contribution</b>	(\$ 1,000,000)
	<b>TOTAL ASSESSMENT:<sup>(3)</sup> <u><u>\$13,210,000</u></u></b>

(1) Includes costs for assessment engineering, administration, consultants and legal fees.

(2) Includes Bond Reserve, Underwriter's Discount and Capitalized Interest.

(3) Amount shown does not include savings due to payments received during cash collection period.

Source: Assessment Engineer's Report.



## **Formation Proceedings**

The Board of Directors has taken proceedings under the 1913 Act for the formation of the Assessment District and has confirmed the Assessments, which Assessments and a related diagram were recorded in the office of the Superintendent of Streets, and with the County Recorder of the County. A notice of assessment, as prescribed in Section 3114 of the Streets and Highways Code, was recorded with the County Recorder of the County, whereupon the Assessments attached as a lien upon the property assessed within the Assessment District as provided in Section 3115 of the Streets and Highways Code. On May 13, 2020 the Board of Directors conducted a duly noticed public hearing regarding the formation of the Assessment District. As of the close of the public hearing, there was no majority protest with over 75% of returned ballots approving the formation of the Assessment District. Property owners were then given an opportunity to prepay their assessments in cash or to pay them in annual installments following the issuance of the Bonds. At the end of the cash collection period, a list of unpaid assessments was filed with the Treasurer of the District, acting as treasurer pursuant to Section 8620 of the 1915 Act totaling \$12,131,633.

## **Allocation of Assessments**

The Assessment District was formed under the authority of the Act and Article XIID of the California State Constitution, together with its implementing legislation (collectively “Proposition 218”), which require that local agencies levy assessments according to the special benefit and prescribe the procedures for such levy. Costs and expenses of the proposed Improvements must be apportioned against the parcels in the Assessment District by a formula which proportionally and equitably distributes the costs in direct proportion to the estimated special benefits these parcels receive from the Improvements. Neither the Act or Proposition 218 specifies the method that is used to apportion the benefits.

In the Engineer’s Report, the engineer identified the benefits the proposed Improvements will render to the properties within the Assessment District and determined that the property owners will receive a unique and special benefit distinguished from general benefits to the area at large. The unique and special benefit from the Improvements identified in the Engineer’s Report is the availability of a sanitary sewer system. The Improvements will be available to serve all properties within the Assessment District boundaries and will be available to such properties within the Assessment District. There are three distinct factors that contribute to the proportional special benefit conferred on each property within the Assessment District: bio-chemical oxygen demand, suspended solids, and capacity. Each distinct benefit factor received equal weight relative to the other benefit factors when calculating the Assessment. See APPENDIX B - “ENGINEER’S REPORT” herein for a description of the method of apportionment of the assessments.

The properties within the Assessment District consist of 555 residential parcels and 4 commercial/other parcels. Residential parcels place the same estimated level of demand on the sewer system once connected and therefore receive the same benefit from the ability to connect to the system. Each residential parcel was assigned an equivalent benefit unit (EBU) of 1. Assessments before prepayments are \$23,442.77 for each of the 555 residential parcels, \$23,442.77 for the homeowner association parcel, \$61,341.91 for the one commercial parcel in use as a restaurant/market, and \$114,479 for the two golf course parcels, based on the special benefit each property will receive from the Improvements as set forth in the Engineer’s Report and confirmed by the Board of Directors.

The District is contributing \$1 million toward the cost of the Improvements. Additionally, the District has identified \$200,000 annually in capital fees from Blacklake sewer rates that will be reserved should costs exceed the estimated budget. The District has declared its intent that any new development within or outside of the Assessment District that connects to and benefits from the Improvements will be

charged an in lieu fee which will be used for the benefit of the Assessment District, including the early redemption of the Bonds. Other than development on or near the golf course parcels, it is unlikely that new development within the Assessment District will occur. The area adjacent to the Assessment District is currently subject to a Memorandum of Understanding with the County that it will remain on a septic system. See “THE BONDS – Redemption of Bonds - Optional Redemption of Bonds from Surplus Funds” and “RISK FACTORS - Potential Early Redemption of Bonds from Prepayments or Other Sources.”

### **Maximum Annual Assessment for Administrative Costs and Expenses**

The costs associated with administering the Assessment District will be spread to each parcel in the Assessment District with unpaid Assessments on a pro-rata basis. Administrative costs for the Assessment District cannot exceed a total of \$30 plus any fee charged pursuant to Section 8682 and 8682.1 of the Streets and Highways Code per parcel per year. Costs of administering the Assessment District will first be paid in Fiscal Year 2022-23.

### **Value-to-Assessment Lien Ratios**

The value of the land within the Assessment District with unpaid Assessments is significant because in the event of a delinquency in the payment of Assessment Installments, the District or the County may foreclose only against delinquent parcels. As long as the Assessment Installments are the subject of the County’s Teeter Plan and the District is receiving 100% of the Assessment Installments it levies, the District shall not have any obligation to commence judicial foreclosure proceedings.

The assessed value of the property within the Assessment District with unpaid Assessments was \$250,101,772 for fiscal year 2019-20. As a result of Proposition 13, assessed values generally increase by no more than two percent annually. See “BONDOWNERS’ RISKS – Property Values.” Based on fiscal year 2019-20 assessed values and the unpaid Assessments, the parcels within the Assessment District with unpaid Assessments have an aggregated assessed value-to-assessment lien ratio of 20.62\* to 1 (not including any overlapping debt of other taxing entities with respect to such properties). Table 3 below categorizes the parcels with unpaid Assessments within the Assessment District by value-to-lien range. For purposes of calculating the value-to-lien range, “Overlapping Debt” as set forth in the table is not included.

*[Remainder of page intentionally left blank]*

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\* Preliminary, subject to change. Assessment lien may be reduced depending on pricing of the Bonds.

**TABLE 3**

**NIPOMO COMMUNITY SERVICES DISTRICT  
ASSESSMENT DISTRICT NO. 2020-1 (BLACKLAKE SEWER CONSOLIDATION)**

**VALUE-TO-ASSESSMENT LIEN RATIOS**

*Fiscal Year 2019-20 Assessed Value(1)*

<i>Value to Lien Ratio<sup>(2)</sup></i>	<i>Number of Parcels</i>	<i>Land</i>	<i>Structure</i>	<i>Total</i>	<i>Assessment Lien<sup>(3)</sup></i>	<i>Percent of Lien<sup>(5)</sup></i>	<i>Overlapping Debt<sup>(4)</sup></i>
40.00:1 to 49.99:1	1	\$ 985,000	\$ 120,000	\$ 1,105,000	\$ 23,443	0.19%	\$ 11,109
30.00:1 to 39.99:1	35	11,990,726	15,884,102	27,874,828	820,497	6.76%	280,224
20.00:1 to 29.99:1	234	62,133,346	70,176,545	132,309,891	5,485,608	45.22%	1,330,105
10.00:1 to 19.99:1	230	40,444,282	46,215,056	86,659,338	5,497,330	45.31%	871,182
5.00:1 to 9.99:1	12	909,695	1,243,020	2,152,715	281,313	2.32%	21,641
Less than 5.00:1 <sup>(6)</sup>	1	0	0	0	23,443	0.19%	0
<b>Totals<sup>(7)</sup></b>	513	\$116,463,049	\$133,638,723	\$250,101,772	\$12,131,633	100.00%	\$2,514,261

- (1) Assessed Value and Ownership as reported on August 11, 2019 with lien date of January 1, 2019 as provided by the County of San Luis Obispo Assessor. Total includes Assessed Land and Assessed Structure values.
- (2) Overlapping debt is not included calculation. Certain parcels have low value-to-lien ratios generally because they have been owned by the same owners for extended periods and the assessed values have generally increased by no more than two percent annually since 1978. See “BONDOWNERS’ RISKS – Property Values.”
- (3) Represents the unpaid Assessment Lien.
- (4) Overlapping Debt provided by California Municipal Statistics, Inc.
- (5) Represents percentage of total unpaid Assessment Lien within value-to-lien ratio categories.
- (6) The parcel in this category is APN #091-440-014 which is the HOA Community Room and has no Assessed Value. The estimated Zillow value for this parcel is \$673,607 which yields a value to lien ratio of 28.73:1.
- (7) Totals may not tie due to rounding.

Source: San Luis Obispo County Assessor, compiled by Willdan Financial Services

Table 4 below categorizes the parcels with unpaid Assessments within the Assessment District by land use.

**TABLE 4**  
**NIPOMO COMMUNITY SERVICES DISTRICT**  
**ASSESSMENT DISTRICT NO. 2020-1 (BLACKLAKE SEWER CONSOLIDATION**  
**VALUE-TO-LIEN BY LAND USE**

*Fiscal Year 2019-20 Assessed Value<sup>(1)</sup>*

<i>Land Use Category</i>	<i>Number of Parcels</i>	<i>Land</i>	<i>Structure</i>	<i>Total</i>	<i>Assessment Lien</i>	<i>Value to Lien<sup>(3)</sup></i>	<i>Percentage of Lien<sup>(4)</sup></i>	<i>Overlapping Debt<sup>(2)</sup></i>	<i>Total Overlapping Debt and Assessment Lien</i>
Single Family Residential	448	\$104,450,183	\$121,549,952	\$226,000,135	\$10,502,361	21.52	86.57%	\$2,271,968	\$12,774,329
Condominium	61	10,366,768	10,717,277	21,084,045	1,430,009	14.74	11.79%	211,957	1,641,966
Commercial	3	1,646,098	1,371,494	3,017,592	175,821	17.16	1.45%	30,336	206,156
Common Area <sup>(5)</sup>	1	0	0	0	23,443	0.00	0.19%	0	23,443
<b>Totals<sup>(6)</sup></b>	<b>513</b>	<b>\$116,463,049</b>	<b>\$133,638,723</b>	<b>\$250,101,772</b>	<b>\$12,131,633</b>	<b>20.62</b>	<b>100.00%</b>	<b>\$2,514,261</b>	<b>\$14,645,894</b>
Prepaid	46	\$9,698,735	\$11,814,179	\$21,512,914	\$1,078,367	19.95		\$216,268	\$1,294,636

(1) Assessed Value and Ownership reported on August 11, 2019 with lien date of January 1, 2019 as provided by the County of San Luis Obispo Assessor. Total includes Assessed Land and Assessed Structure values.

(2) Overlapping Debt provided by California Municipal Statistics, Inc.

(3) Total Assessed Value divided by the Assessment Lien. Overlapping debt not included in calculation. Preliminary, subject to change - Assessment Lien may be reduced depending on pricing of the Bonds.

(4) Represents percentage of total Assessment Lien within land use categories.

(5) The parcel in this category is APN #091-440-014 which is the HOA Community Room and has no Assessed Value. The estimated Zillow value for this parcel is \$673,607 which yields a value to lien of 28.73.

(6) Totals may not tie due to rounding.

Source: San Luis Obispo County Assessor, compiled by Willdan Financial Services.

## Property Owners with Largest Assessments

No single property owner within the Assessment District is responsible for more than 0.94% of the total unpaid Assessments and no owner owns more than three parcels within the Assessment District. Table 5 below sets forth the largest property owners within the Assessment District by share of unpaid Assessments. For purposes of calculating the value-to-lien range, “Overlapping Debt” is not included.

**TABLE 5**  
**NIPOMO COMMUNITY SERVICES DISTRICT**  
**ASSESSMENT DISTRICT NO. 2020-1 (BLACKLAKE SEWER CONSOLIDATION)**  
**LARGEST PROPERTY OWNERS**

<i>Property Owner</i>	<i>Number of Parcels</i>	<i>Fiscal Year 2019-20 Assessed Value<sup>(1)</sup></i>			<i>Assessment Lien<sup>(2)</sup></i>	<i>% of Lien</i>	<i>Value to Lien<sup>(3)</sup></i>
		<i>Land</i>	<i>Structure</i>	<i>Total</i>			
Blacklake Golf Resort LLC	2	\$1,100,000	\$1,090,000	\$2,190,000	\$114,479	0.94%	19.13
Bruce T Scott, Trustee, et al	3	815,034	979,753	1,794,787	70,328	0.58	25.52
Arthur R Espinoza, Trustee, et al	3	500,295	625,910	1,126,205	70,328	0.58	16.01
Smith Livestock LLC	1	546,098	281,494	827,592	61,342	0.51	13.49
Peggy J Shurtleff, Trustee	2	364,388	415,258	779,646	46,886	0.39	16.63
Janie R Parrish, Trustee	2	318,466	462,516	780,982	46,886	0.39	16.66
Laurie A Ziffrin, Trustee, et al	2	461,606	514,994	976,600	46,886	0.39	20.83
Vard A Roemer, Trustee	2	549,995	470,383	1,020,378	46,886	0.39	21.76
Russell K Hume, Trustee, et al	2	256,439	443,308	699,747	46,886	0.39	14.92
Verner J Isola, Trustee, et al	2	481,390	585,581	1,066,971	46,886	0.39	22.76
Robert C & Roxanne N Barkley	2	479,400	649,168	1,128,568	46,886	0.39	24.07
Ann V Cameron-Clarke, Trustee, et al	2	626,704	567,156	1,193,860	46,886	0.39	25.46
Totals <sup>(4)</sup>	<b>25</b>	<b>\$6,499,815</b>	<b>\$7,085,521</b>	<b>\$13,585,336</b>	<b>\$691,562</b>	<b>5.70%</b>	<b>19.64</b>

(1) Assessed Value and Ownership as of August 11, 2019 as provided by the County of San Luis Obispo Assessor with a January 1, 2019 lien date. Total includes Assessed Land and Assessed Structure values.

(2) Preliminary, subject to change – Assessment lien may be reduced due to pricing of the Bonds.

(3) Overlapping debt not included in calculation of Value to Lien.

(4) Totals may not tie due to rounding.

Source: San Luis Obispo County Assessor, compiled by Willdan Financial Services.

## Historical Assessed Values

The following table summarizes the historical and current assessed values of all of the parcels in the Assessment District (including properties which prepaid Assessments and those with unpaid Assessments) over the past ten Fiscal Years.

**TABLE 6**  
**NIPOMO COMMUNITY SERVICES DISTRICT**  
**ASSESSMENT DISTRICT NO. 2020-1 (BLACKLAKE SEWER CONSOLIDATION)**  
**HISTORIC ASSESSED VALUE**

<i>Fiscal Year</i>	<i>Aggregate Assessed Value</i>	<i>Increase/(Decrease) in Property Assessed Value</i>
2010-11	\$217,204,696	NA
2011-12	210,464,009	(3.10)%
2012-13	205,570,756	(2.32)
2013-14	215,455,870	4.81
2014-15	224,501,100	4.20
2015-16	234,434,992	4.42
2016-17	245,338,555	4.65
2017-18	254,400,586	3.69
2018-19	265,535,575	4.38
2019-20	271,614,686	2.29

*Sources: San Luis Obispo County Assessor's office as compiled by Willdan Financial Services.*

## Direct and Overlapping Indebtedness

The ability of an owner of land within the Assessment District to pay the Assessment Installments could be affected by the existence of other taxes and assessments imposed upon the property. These other taxes and assessments securing the repayment of overlapping debt in the Assessment District are set forth in Table 7 (the "Debt Report"). The Debt Report sets forth those entities which have issued debt and does not include entities which only levy or assess fees, charges, *ad valorem* taxes or special taxes. The Debt Report does not include the principal amount of the Bonds. The Debt Report has been derived from data assembled and reported to the District by California Municipal Statistics, Inc. as of June 1, 2020. The Debt Report includes information for all parcels with unpaid Assessments. Neither the District nor the Underwriter has independently verified the information in the Debt Report and neither guarantees its completeness or accuracy.

**TABLE 7**

**NIPOMO COMMUNITY SERVICES DISTRICT  
ASSESSMENT DISTRICT NO. 2020-1 (BLACKLAKE SEWER CONSOLIDATION)**

**DIRECT AND OVERLAPPING ASSESSMENT INDEBTEDNESS**

<u>2019-20 Assessed Valuation:</u>	\$271,614,686	(Land and Improvements)
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 6/1/20</u>
San Luis Obispo Community College District General Obligation Bonds	0.465%	\$ 551,500
Lucia Mar Unified School District General Obligation Bonds	1.726%	<u>1,485,188</u>
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$2,036,688</b>
<u>OVERLAPPING GENERAL FUND DEBT:</u>		
San Luis Obispo County Certificates of Participation	0.473%	\$ 199,170
San Luis Obispo County Pension Obligation Bonds	0.473%	175,056
Lucia Mar Unified School District Certificates of Participation	1.726%	<u>319,615</u>
<b>TOTAL OVERLAPPING GENERAL FUND DEBT</b>		<b>\$693,841</b>
<b>COMBINED TOTAL OVERLAPPING DEBT</b>		<b>\$2,730,529</b>
<u>DIRECT TAX AND ASSESSMENT DEBT:</u>		
Nipomo Community Services District Assessment District No. 2020-1	100.00%	<u>\$12,131,633*</u>
<b>TOTAL DIRECT TAX AND ASSESSMENT DEBT</b>		<b>\$12,131,633</b>
<b>COMBINED TOTAL DIRECT AND OVERLAPPING DEBT <sup>(1)</sup></b>		<b>\$14,862,162</b>

<sup>(1)</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2019-20 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	0.75%
Combined Total Overlapping Debt	1.01%
Direct Tax and Assessment Debt	4.47%
Combined Total Direct and Overlapping Debt	5.47%

*Source: California Municipal Statistics, Inc.*

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\* Preliminary, subject to change.

## Sample Effective Tax Rates

Table 8 below sets forth an example of a typical property tax bill each for a single family residential unit and condominium unit in the District representing a sample of tax rates therein. The actual tax rate for any particular parcel may vary from the tax rates shown in Table 8. The tax rates and amounts presented herein are based on information for Fiscal Year 2019-20. The actual amounts charged may vary and may increase in future years.

**TABLE 8**  
**NIPOMO COMMUNITY SERVICES DISTRICT**  
**ASSESSMENT DISTRICT NO. 2020-1 (BLACKLAKE SEWER CONSOLIDATION)**  
**FISCAL YEAR 2020-21 SAMPLE TAX BILL**

<u>Assessed Valuations and Property Taxes</u>	APN 091-243-039 <sup>(1)</sup>	APN 091-445-019 <sup>(2)</sup>	APN 091-415-007 <sup>(3)</sup>	APN 091-416-021 <sup>(4)</sup>
Total Estimated Secured Assessed Value <sup>(5)</sup>	\$941,715	\$141,189	\$478,380	\$179,165
Homeowner's Exemption	(7,000)	(7,000)	0	0
<b>Net Assessed Value <sup>(6)</sup></b>	<b>\$934,715</b>	<b>\$134,189</b>	<b>\$478,380</b>	<b>\$179,165</b>
<b><u>Ad Valorem Property Taxes <sup>(7)</sup></u></b>	<u>Rate</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
Prop 13 Tax Rate	1.000000%	\$9,347.15	\$1,341.89	\$4,783.80
State Water Proj	0.004000%	37.39	5.37	19.14
Lucia Mar 97 Go Bond	0.016340%	152.73	21.93	78.17
Lucia Mar 2004 Go Bond	0.015000%	140.21	20.13	71.76
Lucia Mar 2016 Bond	0.041000%	383.23	55.02	196.14
Cuesta CCD 2014 Bond	0.019250%	179.93	25.83	92.09
<b>Total Ad Valorem Property Taxes</b>		<b>\$10,240.64</b>	<b>\$1,470.17</b>	<b>\$5,241.08</b>
Nip CSD Blk Lk Lgt		\$52.00	\$52.00	\$52.00
<i>Nipomo CSD AD No. 2020-1<sup>(8)</sup></i>		1,450.00	1,450.00	1,450.00
<b>Total Special Assessment Charges <sup>(9)</sup></b>		<b>\$1,502.00</b>	<b>\$1,502.00</b>	<b>\$1,502.00</b>
<b>Total Property Taxes &amp; Assmt Charges</b>		<b>\$11,742.64</b>	<b>\$2,972.17</b>	<b>\$6,743.08</b>
Tax rate as % of secured assessed value		1.256%	2.215%	1.410%
			1.934%	

(1) Sample Parcel for a Single Family Residential Property with high assessed value.

(2) Sample Parcel for a Single Family Residential Property with low assessed value.

(3) Sample Parcel for a Condominium Property with high assessed value.

(4) Sample Parcel for a Condominium Property with low assessed value.

(5) Secured Assessed Value estimated at the maximum of 2% increase over Fiscal Year 2019-20 in accordance with Proposition 13.

(6) Net secured assessed value reflects total assessed value for the parcel net of homeowner's exemption. Not all residences applied or qualified for the exemption.

(7) (9) Fiscal Year 2019-2020 rates have been used to estimate Fiscal Year 2020-2021 tax burden

(8) Represents the maximum annual debt service plus estimated administration costs per benefit unit.

Source: San Luis Obispo County Tax Collector, as compiled by Willdan Financial Services.



## Delinquency History

Historically, the parcels within the Assessment District have had a low property tax delinquency rate. Table 9 below summarizes the ten-year delinquency history of all parcels within the Assessment District as of June 30, 2020 based on the annual property tax levy. Of the parcels with unpaid Assessments within the Assessment District, 14 are delinquent in the payment of property taxes as of May 5, 2020. The public agencies who participate in the County’s Teeter Plan, like the District, receive 100% of their levied taxes and assessments despite any delinquencies. See “SECURITY FOR THE BONDS - Tax Loss Reserve Fund – Teeter Plan and “BONDOWNERS’ RISKS – COVID-19 Pandemic.”

**TABLE 9**

**NIPOMO COMMUNITY SERVICES DISTRICT  
ASSESSMENT DISTRICT NO. 2020-1 (BLACKLAKE SEWER CONSOLIDATION)  
PROPERTY TAX DELINQUENCY HISTORY**

<i>Fiscal Year</i>	<i>Number of Parcels</i>	<i>As of June 30 of each Year<sup>(1)</sup></i>		<i>As of May 5, 2020<sup>(2)</sup></i>	
		<i>Parcels Delinquent</i>	<i>% of Parcels Delinquent</i>	<i>Parcels Delinquent</i>	<i>% of Parcels Delinquent</i>
2010-11	559	18	3.22%	0	0.00%
2011-12	559	16	2.86	0	0.00
2012-13	559	9	1.61	0	0.00
2013-14	559	5	0.89	0	0.00
2014-15	559	6	1.07	0	0.00
2015-16	559	17	3.04	0	0.00
2016-17	559	9	1.61	0	0.00
2017-18	559	16	2.86	0	0.00
2018-19	559	3	0.54	1	0.18
2019-20	559	14	2.50	14	2.50

(1) Delinquencies as of June 30th of each Fiscal Year.

(2) Delinquencies as of May 5, 2020.

Source: Willdan Financial Services.

## BONDOWNERS’ RISKS

### General

In order to pay debt service on the Bonds, it is necessary that unpaid Assessment Installments on parcels within the District are paid in a timely manner. The Reserve Fund will be used to pay debt service on the Bonds if delinquent Assessment Installments should occur. The Assessments are a lien on the parcels of land and the District has covenanted to institute foreclosure proceedings under certain circumstances against parcels with delinquent Assessment Installments.

Failure by owners of the parcels to pay Assessment Installments when due, depletion of the Reserve Fund or the inability of the District to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent Assessment Installments for such parcels may result in the inability of the District to make full or punctual payments of debt service on the Bonds, and Bondowners would therefore be adversely affected.

The 1915 Act provides that except under certain circumstances property is to be sold upon foreclosure at a Minimum Price. “Minimum Price” as defined in the 1915 Act is the amount equal to the delinquent installments of principal or interest of the assessment or assessments, together with all interest penalties, costs, fees, charges and other amounts more fully detailed in the 1915 Act. The court may authorize a sale at less than the Minimum Price if the court determines that sale at less than the Minimum Price will not result in an ultimate loss to the Bondowners or, under certain circumstances, if owners of 75% or more of the outstanding Bonds consent to such sale. There can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Reserve Fund and a delay in payments of debt service on the Bonds. See “SECURITY FOR THE BONDS—Covenant to Foreclose and Court Foreclosure Proceedings.”

Unpaid Assessment Installments do not constitute a personal indebtedness of the owners of the parcels within the Assessment District. There is no assurance the owners will be able to pay the Assessment Installments or that they will pay such installments even though financially able to do so.

### **Risks of Real Estate Secured Investments Generally**

The Bond Owners will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of the Assessment District, the supply of or demand for competitive properties in such area, and the market value of residential property or buildings and/or sites in the event of sale or foreclosure; changes in real estate tax rates and other operating expenses, governmental rules and fiscal policies; and natural disasters (including, without limitation, earthquakes and floods), which may result in uninsured losses.

No assurance can be given that the individual homeowners will pay Assessments in the future or that they will be able to pay such Assessments on a timely basis. See “—Bankruptcy and Foreclosure” below, for a discussion of certain limitations on the District’s ability to pursue judicial proceedings with respect to delinquent parcels.

### **Limited Obligations**

The Bonds and related interest are not payable from the general funds of the District. Except with respect to the Assessments, the credit and the taxing power of the District is not pledged for the payment of principal or interest of the Bonds, and, except as provided in the Fiscal Agent Agreement, no Owner of the Bonds may compel the exercise of any taxing power by the District or force the forfeiture of any District property. The principal of, premium, if any, and interest on the Bonds are not a debt of the District or a legal or equitable pledge, charge, lien or encumbrance upon any of the District’s property or upon any of the District’s income, receipts or revenues, except the Assessments and other amounts pledged under the Fiscal Agent Agreement.

### **Delinquency Resulting in Ultimate or Temporary Loss on Bonds**

If a temporary deficiency occurs in the Redemption Fund with which to pay the principal of or interest on Bonds that have then matured, or the principal and interest on Bonds coming due during the current year, unless it appears to the Treasurer that there will be an ultimate loss to the Bondowners, the Treasurer shall cause the Fiscal Agent to pay the principal of Bonds which have matured as presented and make interest payments on the Bonds when due, as long as there are available funds in the Redemption Fund, in the order of priority and as required by the Fiscal Agent Agreement. If it appears to the Treasurer that there is a danger of an ultimate loss accruing to the Bondowners for any reason, the Treasurer is required pursuant to the 1915 Act to withhold payment on all matured Bonds and interest on all Bonds

and report the facts to the District so that the District may take proper action to equitably protect all Bondowners. See APPENDIX C—“SUMMARY OF FISCAL AGENT AGREEMENT.”

### **Teeter Plan and Covenant to Foreclose**

The County has adopted a Teeter Plan as provided for in Section 4701 et seq. of the California Revenue and Taxation Code, under which a tax distribution procedure is implemented and secured roll taxes, assessments and charges on the tax bill are distributed to taxing or levying agencies within the County on the basis of the levy, rather than on the basis of actual collections. The Assessment Installments are anticipated to be included in the County’s Teeter Plan but there can be no assurance that the County will include the Assessment Installments in the Teeter Plan in Fiscal Year 2022-23, continue the Teeter Plan or that the Assessment Installments will continue to be included within the Teeter Plan.

In the event of a delinquency in the payment of any Assessment Installment, the District is authorized by the Act to order institution of an action in the Superior Court of the State to foreclose any lien therefor. In such action the real property subject to the Assessment Installment may be sold at a judicial foreclosure sale. So long as the District is a participant in the County’s Teeter Plan and is paid under the Teeter Plan for all Assessment Installments, the proceeds of any foreclosure sale will be paid to the County’s Teeter Plan and not to the District.

Such judicial foreclosure proceedings are not mandatory. However, in the Fiscal Agent Agreement, the District covenants that it will commence foreclosure proceedings October 1 of the Fiscal Year immediately following the Fiscal Year in which delinquency in the payment of an Assessment Installment occurs, except the District need not commence such proceedings with respect to any property other than property owned by a single property owner who is delinquent in excess of \$3,000 in the payment of Assessment Installments if both the aggregate amount of such delinquent Assessment Installments does not exceed five percent (5%) of the Assessment Installments posted to the tax roll for the preceding Fiscal Year and the balance on deposit in the Reserve Fund is not less than the Reserve Requirement. Notwithstanding, as long as the Assessment Installments are the subject of the County’s Teeter Plan and the District is receiving 100% of the Assessment Installments it levies, the District shall not have any obligation to commence judicial foreclosure proceedings. Upon the redemption or sale of the real property responsible for such delinquencies, the District will deposit in the Assessment Fund the net proceeds of such redemption or sale.

The ability of the District to foreclose the lien of delinquent Assessment Installments may be limited in certain instances and may require prior consent of the obligee in the event the property is owned by or in receivership of the Federal Deposit Insurance Corporation. See “SPECIAL RISK FACTORS – Bankruptcy and Foreclosure,” and “–FDIC/Federal Government Interests in Parcels.”

If the County’s Teeter Plan is terminated (or if the County fails to make payments to the District when due under the Teeter Plan) and the Reserve Fund is depleted, there could be a default or a delay in payments to the Owners of the Bonds pending prosecution of foreclosure proceedings and receipt by the District of foreclosure sale proceeds, if any.

No assurances can be given that a judicial foreclosure action, once commenced, will be completed or that it will be completed in a timely manner. If a judgment of foreclosure and order of sale is obtained, the judgment creditor (the District) must cause a Notice of Levy to be issued. Under current law, a judgment debtor (property owner) has 120 days from the date of service of the Notice of Levy in which to redeem the property to be sold, which period may be shortened to 20 days for parcels other than those on which a dwelling unit for not more than four persons is located. If a judgment debtor fails to redeem and the property is sold, his only remedy is an action to set aside the sale, which must be brought

within 90 days of the date of sale. If, as a result of such an action, a foreclosure sale is set aside, the judgment is revived and the judgment creditor is entitled to interest on the revived judgment as if the sale had not been made (Section 701.680 of the California Code of Civil Procedure). The constitutionality of the aforementioned legislation, which repeals the former one-year redemption period, has not been tested; and there can be no assurance that, if tested, such legislation will be upheld.

### **Non-Cash Payments of Assessments**

The 1915 Act may permit the owner of a parcel that is subject to an unpaid Assessment Installment to tender any Bond secured by such Assessment in payment or partial payment of any installment of the Assessment or interest or penalties thereon which may be due or payable. A Bond so tendered is to be accepted at the par amount thereof and credit is to be given for any interest thereon accrued to the date of the tender. Thus, if Bonds can be purchased at a discount, it may be to the advantage of a property owner to pay amounts due with respect to an assessment by tendering a Bond. Such a practice would decrease the cash flow available to the District to make payments with respect to other Bonds then outstanding and could result in a default in payment on the Bonds.

### **Potential Early Redemption of Bonds from Prepayments or Other Sources**

Property owners within the Assessment District are permitted to prepay their Assessments at any time. Such prepayments could also be made from the proceeds of bonds issued by or on behalf of an overlapping special assessment district or community facilities district. Such prepayments will result in an extraordinary redemption of the Bonds on the Interest Payment Date for which timely notice may be given under the Fiscal Agent Agreement following the receipt of the prepayment. The resulting extraordinary redemption of Bonds that were purchased at a price greater than par could reduce the otherwise expected yield on such Bonds. See the caption “THE BONDS— Redemption of Bonds— Mandatory Redemption From Assessment Prepayments.”

Other sources of revenue, including any surplus in the Improvement Fund or in lieu charges credited to the Assessment District, may result in the optional redemption of a portion of the Bonds prior to their maturity pursuant to the Fiscal Agent Agreement.

### **Limited District Obligation Upon Delinquency**

Pursuant to the 1915 Act, the District has elected not to be obligated to advance funds from the treasury of the District for delinquent Assessment Installments. The only obligation of the District with respect to such delinquencies and the consequent deficiencies in the Redemption Fund is to advance money to the Redemption Fund from the Reserve Fund. The District has no obligation to replenish the Reserve Fund except to the extent that delinquent Assessment Installments are paid or proceeds from foreclosure sales are realized. There is no assurance that the balance in the Reserve Fund will always be adequate to pay all delinquent Assessment Installments and if during the period of delinquency there are insufficient funds in the Reserve Fund, a delay may occur in payments to the Bondowners.

### **Disclosures to Future Purchasers**

The willingness or ability of an owner of a parcel to pay the Assessments even if the value of the parcel is sufficient may be affected by whether or not the owner was given due notice of the Assessments authorization at the time the owner purchased the parcel, was informed of the amount of the Assessments on the parcel and the risk of such a levy, and, at the time of such a levy, has the ability to pay it as well as pay other expenses and obligations. The District has caused a notice of the Assessment lien to be recorded in the Office of the Recorder for the County against each parcel. While title companies normally refer to

such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such Assessments obligation in the purchase of a property within the Assessment District or lending of money thereon.

### **Payment of the Assessments is not a Personal Obligation of the Owners**

An owner of a parcel subject to an Assessment is not personally obligated to pay such Assessment. Rather, the Assessment is an obligation which is secured only by a lien against the parcel. If the value of a parcel is not sufficient, taking into account other liens imposed by public agencies, to secure fully the Assessment, the District has no recourse against the owner.

### **Property Values**

The value of the property within the Assessment District is a critical factor in determining the investment quality of the Bonds. If a property owner is delinquent in the payment of Assessment Installments, the Assessment District's only remedy is to commence foreclosure proceedings against the delinquent parcel in an attempt to obtain funds to pay the delinquent Assessment Installments. Reductions in property values due to a downturn in the economy, physical events such as earthquakes, sea level rise, fires or floods, stricter land use regulations, delays in development or other events will adversely impact the security underlying the assessments. See "THE ASSESSMENT DISTRICT—Value-to-Assessment Lien ratios" herein.

The development and marketing of land within the Assessment District may be particularly dependent on factors which are unique to Southern California. Between 2007 and 2012, the real estate market in Southern California experienced a significant downturn with taxable values dropping significantly and many homeowners and developers experiencing foreclosure, bankruptcy and other financial strains. In 2013 the real estate market in Southern California began to stabilize and the taxable value of real property in Southern California has been increasing ever since. The District can make no assurance with respect to whether taxable values of real property will decline in the future.

The assessed values set forth in this Official Statement do not represent market values arrived at through an appraisal process and generally reflect only the sales price of a parcel when acquired by its current owner, adjusted annually by an amount determined by the County Assessor, generally not to exceed an increase of more than 2% per Fiscal Year. No assurance can be given that a parcel could actually be sold for its assessed value. Additionally, market values within the Assessment District could be impacted by a failure to complete the Improvements in a timely manner.

No assurance can be given that any bid will be received for a parcel with delinquent Assessment Installments offered for sale at foreclosure or, if a bid is received, that such bid will be sufficient to pay all delinquent Assessment Installments. See "SECURITY FOR THE BONDS—Covenant to Foreclose and Court Foreclosure Proceedings."

### **Bankruptcy and Foreclosure**

The payment of Assessments and the ability of the District to foreclose the lien of delinquent unpaid Assessment Installments, as discussed in the section entitled "SECURITY FOR THE BONDS—Covenant to Foreclose and Court Foreclosure Proceedings" herein, may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the law of the State of California relating to judicial foreclosure. In addition, the prosecution of a foreclosure could be delayed due to crowded local court calendars or procedural delays.

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Although bankruptcy proceedings would not cause the Assessments to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings and could result in delinquent Assessment Installments not being paid in full. Where property is encumbered by liens securing mortgage loans, it is highly probable that bankruptcy of a property owner would delay foreclosure for an extended period of time. Such a delay would increase the likelihood of a delay or default in payment of the principal and interest on the Bonds.

### **FDIC/Federal Government Interests in Parcels**

The ability of the District to collect interest and penalties specified by the 1915 Act and to foreclose the lien of delinquent Assessment Installments may be limited in certain respects with regard to parcels in which the Federal Deposit Insurance Corporation (the "FDIC") has or obtains an interest. Specifically, in the event that any financial institution making a loan which is secured by parcels is taken over by the FDIC and the applicable Assessment Installment is not paid, the remedies available to the District may be constrained. The FDIC's policy statement regarding the payment of state and local real property taxes (the "Policy Statement") provides that taxes other than *ad valorem* taxes which are secured by a valid lien in effect before the FDIC acquired an interest in a property will be paid unless the FDIC determines that abandonment of its interests is appropriate. The Policy Statement provides that the FDIC generally will not pay installments of non-*ad valorem* taxes which are levied after the time the FDIC acquires its fee interest, nor will the FDIC recognize the validity of any lien to secure payment except in certain cases where the Resolution Trust Corporation had an interest in property on or prior to December 31, 1995. Moreover, the Policy Statement provides that, with respect to parcels on which the FDIC holds a mortgage lien, the FDIC will not permit its lien to be foreclosed out by a taxing authority without its specific consent, nor will the FDIC pay or recognize liens for any penalties, fines or similar claims imposed for the non-payment of taxes.

If a parcel with unpaid Assessments within the Assessment District is owned by a federal governmental entity, or a private deed of trust secured by a parcel with unpaid Assessments within the Assessment District is owned by a federal governmental entity, the ability to foreclose on the parcel to collect delinquent Assessments may be limited. Federal courts have held that, based on the supremacy clause of the United States Constitution, in the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest. This means that, unless Congress has otherwise provided, if a federal governmental entity owns a parcel with unpaid Assessments within the Assessment District but does not pay taxes and assessments levied on the parcel (including Assessments), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the District wishes to foreclose on the parcel as a result of delinquent Assessments, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Assessments and preserve the federal government's mortgage interest. In *Rust v. Johnson* (9th Circuit; 1979) 597 F.2d 174, the United States Court of Appeal, Ninth Circuit held that the Federal National Mortgage Association ("FNMA") is a federal instrumentality for purposes of this doctrine, and not a private entity, and that, as a result, an exercise of state power over a mortgage interest held by FNMA constitutes an exercise of state power over property of the United States.

The District has not undertaken to determine whether any federal governmental entity currently has, or is likely to acquire, any interest (including a mortgage interest) in any of the parcels with unpaid Assessments within the Assessment District, and therefore expresses no view concerning the likelihood that the risks described above will materialize while the Bonds are outstanding.

The District's remedies may also be limited in the case of delinquent Assessment Installments with respect to parcels in which other federal agencies (such as the Internal Revenue Service and the Drug Enforcement Administration) have or obtain an interest.

The District is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency with respect to a portion of the parcels in which the FDIC has or obtains an interest, although prohibiting the lien of the FDIC to be foreclosed out at a judicial foreclosure sale would prevent or delay the foreclosure sale.

### **No Acceleration Provision**

The Bonds do not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the Bonds or the Fiscal Agent Agreement or in the event interest on the Bonds becomes included in gross income for federal income tax purposes. See “—Limitations on Remedies” below.

### **Limitation on Remedies**

Remedies available to the owners of the Bonds may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the Bonds.

Bond Counsel has limited its opinion as to the enforceability of the Bonds and of the Fiscal Agent Agreement to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditors' rights, by equitable principles and by the exercise of judicial discretion. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the owners of the Bonds.

### **Natural Disasters**

The Assessment District, like many California communities, may be subject to unpredictable seismic activity, fires, flood or other natural disasters. Southern California is a seismically active area. Seismic activity represents a potential risk for damage to buildings, roads and property within the Assessment District. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such event.

In the event of a severe earthquake, fire, flood or other natural disaster, there may be significant damage to both property and infrastructure in the Assessment District. As a result, a substantial portion of the property owners may be unable or unwilling to pay the Assessment Installments when due. In addition, the value of land in the Assessment District could be diminished in the aftermath of such a natural disaster, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Assessment Installments.

None of the properties in the Assessment District are located in a FEMA Special Flood Hazard Area or State Responsibility Area Fire Hazard Zones.

## **Climate Change**

The change in the earth's average atmospheric temperature, generally referred to as "climate change," is, among other things, expected over an extended period of time to increase the frequency and severity of extreme weather events and cause sea level rise. The District cannot predict the timing, extent, or severity of climate change or its effect on the District's operations and finances, or the State and local economies, and there can be no assurances such effects will not be material and adverse with respect to the Assessment District.

## **Cybersecurity**

The District relies on computers and technology to conduct its operations. The District and its departments face cyber threats from time to time, including but not limited to hacking, viruses, malware, and other attacks on computers and other sensitive digital networks and systems. No assurances can be given that the District's security and operational control measures will guard against all cyber threats and attacks. The results of any attack on the District's computer and information-technology systems could adversely affect the District's operations and damage its digital networks and systems, and potential losses from such attacks, as well as the costs of defending against future attacks, could be substantial. In addition, cyberattacks, depending on their nature, could potentially result in delays in collection of the Assessments. The District has experienced no incidents to date.

## **Hazardous Substances**

While government taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may also be relevant. The value of a parcel may be reduced as a result of a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Super Fund Act", is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar in effect. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of a parcel whether or not the owner (or operator) had anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the parcels within the Assessment District be affected by a hazardous substance, is to reduce the marketability and value by the costs of remedying the condition because the prospective purchaser of such a parcel will, upon becoming the owner of such parcel, become obligated to remedy the condition just as the seller of such a parcel is.

As part of the Improvements, the District will decommission the Blacklake wastewater treatment plant. In an area within the existing boundaries of the plant, the District will install a new lift station and will retain easements over the parcel to accommodate existing sewer lines as well as to accommodate a new sewer line leading from the new lift station to the County right-of-way on Willow Road. With the decommissioning of the Blacklake wastewater treatment plant, the District will conduct an environmental review of the site to determine that no contamination from wastewater operations has occurred.

## **COVID-19 Pandemic**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "COVID-19 Pandemic") by the World Health Organization and is currently affecting many parts of the world, including the State of California and local governmental agencies within the State, as well as the entire United States. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United



States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

The COVID-19 Pandemic has resulted in the imposition of restrictions on mass gatherings and widespread temporary closings of businesses, universities and schools. The United States is restricting certain non-US citizens and permanent residents from entering the country. In addition, stock markets in the U.S. and globally have been volatile, with significant declines attributed to coronavirus concerns.

On March 4, 2020, the Governor of California proclaimed a state of emergency in California as a result of the threat of COVID-19. Under the California Emergency Services Act, during a state of emergency, the Governor has authority over all agencies of the state government and can exercise the State's police powers. His powers also include the power to promulgate, issue, and enforce orders and regulations as he deems necessary.

Since declaring the emergency, the Governor has issued a number of executive orders relating to COVID-19 preparedness and mitigation. These include his March 19, 2020 Executive Order N-33-20, which orders all individuals living in the State of California to stay home or at their place of residence except as needed to maintain continuity of operations of certain critical infrastructure sectors, as described in that order and later designations. On March 13, 2020, the County declared a local public health emergency and issued a series of orders, which generally align, among other matters, with the Governor's order. These actions are focused on "social distancing," or limiting instances where the public can congregate or interact with each other, which affects the operation of businesses and impacts enterprise operations and the economy. The shelter in place orders from the State and the County are ongoing and are expected to continue to be enforced until the threat to public health from the COVID-19 pandemic can be adequately managed.

The Governor issued Executive Orders N-29-20 and N-35-20 relaxing state and local agency open meeting laws to accommodate social distancing. The District has held recent meetings of its Board of Directors remotely, unhindered by the COVID-19 Pandemic. The District's employees and consultants have continued to work remotely, leveraging available technology to continue District operations. The District does not expect its business operations to be materially curtailed; however, the District offers no assurances that Board member or employee absences due to COVID-19 illnesses will not materially and adversely impact its operations.

It should be noted that the Assessments are anticipated to be collected on *ad valorem* property tax bills delivered by the County commencing with property tax year 2022-23. The Treasurer-Tax Collector has announced that property owners who have been impacted by COVID-19 Pandemic will be allowed to claim a waiver of penalties and interest, which are imposed by State law if the property tax bill becomes delinquent. The second installment of this year's property tax bills become delinquent if not paid by April 10, 2020. Waiver requests will be approved on a case by case basis. Properties eligible for a penalty waiver are the taxpayer's primary residence or properties associated with a small business, including vacation rentals. Property tax delinquencies may increase as a consequence of economic difficulties of property owners. However, the Assessments are expected to be collected under the County's Teeter Plan. So long as the County maintains its policy of collecting taxes and assessments pursuant to said procedures and the District meets the Teeter Plan requirements, the District will receive 100% of the annual unpaid Assessment Installments levied on the County's secured property tax rolls without regard to actual collections. See "SECURITY FOR THE BONDS—Tax Loss Reserve Fund – Teeter Plan." There is the possibility that the County could end the Teeter Plan with respect to the Assessments in the future, although County staff has indicated that they have no plan to do that.

The COVID-19 outbreak is ongoing, and the ultimate geographic spread of the virus, the duration and severity of the outbreak, and the economic and other of actions that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain. The ultimate adverse impact of COVID-19 on the District and the collection of the Assessments in general is unknown.

### **Loss of Tax Exemption**

As discussed under the caption “CONCLUDING INFORMATION—Tax Matters,” interest on the Bonds might become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were issued as a result of future acts or omissions of the District in violation of its covenants in the Fiscal Agent Agreement. Fiscal Agent Agreement does not contain a special redemption feature triggered by the occurrence of an event of taxability. As a result, if interest on the Bonds were to be includable in gross income for purposes of federal income taxation, the Bonds would continue to remain outstanding until maturity unless earlier redeemed pursuant to optional or mandatory redemption or redemption.

### **Limited Secondary Market**

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Although the District has committed to provide certain statutorily-required financial and operating information along with notice of certain enumerated events, there can be no assurance that such information will be available to Bondowners on a timely basis. The failure to provide the required annual financial information or enumerated event notices does not give rise to monetary damages but merely an action for specific performance. Occasionally, because of general market conditions, lack of current information, or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

### **Future Debt Issuance**

The ability of an owner of land within the Assessment District to pay the Assessment Installments could be affected by the existence of other taxes and assessments imposed upon parcels in the Assessment District with unpaid Assessments. In addition, the District and other public agencies whose boundaries overlap those of the Assessment District could impose additional taxes or assessment liens on the property within the Assessment District in order to finance public improvements or services to be located or provided inside of or outside of such area. The lien created on the property within the Assessment District through the levy of such additional taxes may be on a parity with the lien of the assessments levied by the District. See “THE ASSESSMENT DISTRICT—Direct and Overlapping Indebtedness” herein.

The imposition of additional liens on a parity with the Assessment Installments may reduce the ability or willingness of the landowners to pay the Assessment Installments and increase the possibility that foreclosure proceeds will not be adequate to pay delinquent Assessment Installments.

The District does not have control over the ability of other entities and districts to issue indebtedness secured by special taxes, *ad valorem* taxes or assessments payable from all or a portion of the property within the Assessment District. In addition, the landowners within the Assessment District may, without the consent or knowledge of the District, petition other public agencies to issue public indebtedness secured by special taxes, *ad valorem* taxes or assessments. Any such special taxes, *ad*

*valorem* taxes or assessments could reduce the estimated value-to-lien ratios for property within the Assessment District described herein.

### **Ballot Initiatives**

From time to time constitutional initiatives or other initiative measures may be adopted by California voters. The adoption of any such initiative might place limitations on the ability of the State, the County or local districts to increase revenues or to increase appropriations, or on the ability of the landowners to complete their developments.

### **Constitutional Amendment – Articles XIIC and XIID**

An initiative measure commonly referred to as the “Right to Vote on Taxes Act” (the “Initiative”) was approved by the voters of the State of California at the November 5, 1996 general election. The Initiative added Article XIIC (“Article XIIC”) and Article XIID (“Article XIID”) to the California Constitution. According to the “Title and Summary” of the Initiative prepared by the California Attorney General, the Initiative limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.”

Article XIID requires that, beginning July 1, 1997, the proceedings for the levy of any assessment by the District under the Act (including, if applicable, any increase in such assessment or any supplemental assessment under the Act) must be conducted in conformity with the provisions of Section 4 of Article XIID. The District completed its proceedings for the levy of assessments in the Assessment District on May 13, 2020 after complying with the procedural requirements of Section 4 of Article XIID. Under Section 10400 of the Act, any challenge to the proceedings or the Assessment must be brought within 30 days after the date the assessment was levied.

Article XIIC removes limitations on the initiative power in matters of local taxes, assessments, fees and charges. Article XIIC does not define the term “assessment”, and it is unclear whether this term is intended to include assessments levied under the Act. In the case of the unpaid Assessments which are pledged as security for payment of the Bonds, the 1915 Act provides a mandatory, statutory duty of the District and the County Auditor to post Assessment Installments on account of the unpaid Assessments to the property tax roll of the County each year while any of the Bonds are outstanding, commencing with property tax year 2022-23, in amounts equal to the principal of and interest on the Bonds coming due in the succeeding calendar year plus certain administrative costs. It is unlikely that the initiative power can be used to reduce or repeal the unpaid Assessments which are pledged as security for payment of the Bonds or to otherwise interfere with performance of the mandatory, statutory duty of the District and the County Auditor with respect to the unpaid Assessments which are pledged as security for payment of the Bonds.

The interpretation and application of the Initiative has been and will continue to be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of any future determination.

## **CONCLUDING INFORMATION**

### **Continuing Disclosure**

The District has agreed to execute a Continuing Disclosure Certificate (the “Disclosure Certificate”) in connection with the delivery of the Bonds for the benefit of the Underwriter, holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the

District by the February 1 following the end of the District's fiscal year (the "Annual Report") commencing February 1, 2021 and to provide notices of the occurrence of certain enumerated events (the "Listed Events"). The specific nature of the information to be included in the Annual Report and the notices of Listed Events is set forth in APPENDIX G -"FORM OF DISTRICT CONTINUING DISCLOSURE CERTIFICATE." The District has agreed to execute the Disclosure Certificate in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), as amended (the "Rule").

It should be noted that the District is required to file certain financial statements with the Annual Report. This requirement has been included in the Disclosure Certificate solely to satisfy the provisions of the Rule. The inclusion of this information does not mean that the Bonds are secured by any resources or property of the District other than the Assessments and amounts pledged under the Fiscal Agent Agreement. See "BONDOWNERS' RISKS - Limited District Obligation Upon Delinquency." It should also be noted that the list of Listed Events which the District has agreed to report includes items related to credit enhancements and ratings. These items have been included in the list solely to satisfy the requirements of the Rule. The Bonds have not been assigned a credit rating and have no credit enhancement.

The District is, or was during the past five years, responsible for providing continuing disclosure with respect to the three bond issues. In conjunction with the delivery of the Bonds, the Underwriter engaged the services of Digital Assurance Certification LLC ("DAC") to conduct a continuing disclosure compliance review with respect to the three bond issues. During the course of DAC's review, it was determined that during the past five years, the District inadvertently failed to state the balance in the reserve funds for the two water bond issues in their annual reports, which were funded with reserve sureties. All remedial filings have been made. The District believes that its procedures with the Dissemination Agent will be sufficient in the normal due course to assure substantial compliance with its continuing disclosure undertakings in the future, including the Continuing Disclosure Agreement with respect to the Bonds.

## **Legal Opinion**

Certain proceedings in connection with the issuance of the Bonds are subject to the approval of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel ("Bond Counsel"). The opinion of Bond Counsel attesting to the validity of the Bonds will be delivered with each Bond. A form of the opinion to be delivered by Bond Counsel is set forth in Appendix E hereto.

Certain legal matters will be passed upon for the District by the District Counsel and by Norton Rose Fulbright US LLP, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation.

## **Tax Matters**

### ***Federal Tax Exemption***

In the opinion of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel to the District, under existing statutes, regulations, rulings and judicial decisions, and assuming compliance by the District with certain covenants in the Fiscal Agent Agreement, the Tax Certificate and other documents pertaining to the Bonds and requirements of the Internal Revenue Code, regarding the use, expenditure and investment of proceeds of the Bonds and the timely payment of certain investment earnings to the United States, interest on the Bonds is not included in the gross income of the owners of the Bonds for federal income tax purposes. Failure to comply with such covenants and requirements may

cause interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds.

In the further opinion of Bond Counsel, interest on the Bonds is not treated as an item of tax preference for purposes of the federal alternative minimum tax.

Ownership of, or the receipt of interest on, tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers who may be eligible for the earned income tax credit. Bond Counsel expresses no opinion with respect to any collateral tax consequences and, accordingly, prospective purchasers of the Bonds should consult their tax advisors as to the applicability of any collateral tax consequences.

Certain requirements and procedures contained or referred to in the Fiscal Agent Agreement, the Tax Certificate or other documents pertaining to the Bonds may be changed, and certain actions may be taken or not taken, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of counsel nationally recognized in the area of tax-exempt obligations. Bond Counsel expresses no opinion as to the effect of any change to any document pertaining to the Bonds or of any action taken or not taken where such change is made or action is taken or not taken without the approval of Norton Rose Fulbright US LLP or in reliance upon the advice of counsel other than Norton Rose Fulbright US LLP with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes.

Bond Counsel's opinion is not a guarantee of result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and judicial decisions and the representations and covenants of the Issuer described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of examining the tax-exempt status of the interest on municipal obligations. If an examination of the Bonds is commenced, under current procedures the IRS is likely to treat the District as the "taxpayer," and the owners of the Bonds would have no right to participate in the examination process. In responding to or defending an examination of the tax-exempt status of the interest on the Bonds, the District may have different or conflicting interests from the owners. Additionally, public awareness of any future examination of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the examination, regardless of its ultimate outcome.

#### ***Tax Accounting Treatment of Bond Premium and Original Issue Discount***

***Bond Premium.*** To the extent a purchaser acquires a Bond at a price in excess of the amount payable at its maturity, such excess will constitute "bond premium" under the Internal Revenue Code. The Internal Revenue Code and applicable Treasury Regulations provide generally that bond premium on a tax-exempt obligation is amortized over the remaining term of the obligation (or a shorter period in the case of certain callable obligations) based on the obligation's yield to maturity (or shorter period in the case of certain callable obligations). The amount of premium so amortized reduces the owner's basis in such obligation for federal income tax purposes, though such amortized premium is not deductible for federal income tax purposes. This reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of the obligation.

*Original Issue Discount.* The excess, if any, of the stated redemption price at maturity of Bonds of a particular maturity over the initial offering price to the public of the Bonds of that maturity at which a substantial amount of such Bonds is sold to the public is “original issue discount.” Original issue discount accruing on a Bond is treated as interest excluded from the gross income of the owner thereof for federal income tax purposes under the same conditions and limitations as are applicable to interest payable on such Bond. Original issue discount on a Bond purchased pursuant to the initial public offering at the initial public offering price at which a substantial amount of the Bonds is sold to the public accrues on a semiannual basis over the term of the Bond on the basis of a constant yield; and within each semiannual period accrues on a ratable daily basis. The amount of original issue discount on a Bond accruing during each period is added to the adjusted basis of such Bond, which will affect the amount of taxable gain upon disposition (including sale, redemption or payment on maturity) of such Bond. The Internal Revenue Code includes certain provisions relating to the accrual of original issue discount in the case of purchasers that purchase Bonds other than at the initial offering price and pursuant to the initial public offering.

Bond Counsel is not opining on the accounting for or consequence to a Bond purchaser of bond premium or original issue discount. Accordingly, persons considering the purchase of Bonds with bond premium or original issue discount should consult with their own tax advisors with respect to the determination of bond premium or original issue discount on such Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of such Bonds.

#### ***Information Reporting and Backup Withholding***

Interest paid on the Bonds will be subject to information reporting in a manner similar to interest paid on taxable obligations. Although such reporting requirement does not, in and of itself, affect the excludability of such interest from gross income for federal income tax purposes, such reporting requirement causes the payment of interest on the Bonds to be subject to backup withholding if such interest is paid to beneficial owners who (a) are not “exempt recipients,” and (b) either fail to provide certain identifying information (such as the beneficial owner’s taxpayer identification number) in the required manner or have been identified by the IRS as having failed to report all interest and dividends required to be shown on their income tax returns. Generally, individuals are not exempt recipients, whereas corporations and certain other entities are exempt recipients. Amounts withheld under the backup withholding rules from a payment to a beneficial owner are allowed as a refund or credit against such beneficial owner’s federal income tax liability so long as the required information is furnished to the IRS.

#### ***State Tax Exemption***

In the further opinion of Bond Counsel, interest on the Bond is exempt from personal income taxes imposed by the State of California.

#### ***Future Developments***

Existing law may change to reduce or eliminate the benefit to owners of the Bonds of the exclusion of the interest on the Bonds from gross income for federal income tax purposes or of the exemption of interest on the Bonds from State of California personal income taxation. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future change in tax law.

A copy of the form of opinion of Bond Counsel relating to the Bonds is included in APPENDIX E hereto.

## **Litigation**

There is no action, suit, or proceeding, proper notice of which has been duly served upon the District, known by the District to be pending against the District at the present time restraining or enjoining the delivery of the Bonds or in any way contesting or affecting the validity of the Bonds or any proceedings of the District taken with respect to the execution or delivery thereof. A no litigation certificate executed by the District will be required to be delivered to the Underwriter with respect to these matters simultaneously with the delivery of the Bonds.

## **Financial Interests**

The fees being paid to the Underwriter, Bond Counsel, Disclosure Counsel and Underwriter's Counsel are contingent upon the issuance and delivery of the Bonds. From time to time, Bond Counsel represents the Underwriter on matters unrelated to the Bonds.

## **Ratings**

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") is expected to assign its rating of "AA" to the Insured Bonds, based on the understanding that BAM will deliver its Policy with respect to the Insured Bonds. See "BOND INSURANCE." In addition, S&P assigned its underlying municipal bond rating of "A-" to the Bonds. Such ratings reflect only the view of S&P. Any explanation of the significance of the ratings may be obtained by contacting: Standard & Poor's, 55 Water Street, New York, NY 10041, telephone: (212) 208-8000. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by S&P if, in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of S&P may have an adverse effect on the market price of the Bonds.

## **Underwriting**

The Bonds are being purchased by Piper Sandler & Co. (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a price of \$\_\_\_\_\_ (representing the aggregate principal amount of the Bonds of \$\_\_\_\_\_ plus a net original issue premium of \$\_\_\_\_\_ and less an Underwriter's discount of \$\_\_\_\_\_). The Bond Purchase Agreement relating to the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Bond Purchase Agreement, the approval of certain legal matters by counsel and certain other conditions.

The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the cover page hereof. The offering prices may be changed from time to time by the Underwriter.

Piper Sandler & Co., the Underwriter of the Bonds, has entered into a distribution agreement ("Distribution Agreement") with Charles Schwab & Co., Inc. ("CS&Co") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Distribution Agreement, CS&Co. will purchase Bonds from Piper Sandler at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co. sells.

**Miscellaneous**

All quotations from, and summaries and explanations of, the Fiscal Agent Agreement, the Continuing Disclosure Certificate and other statutes and documents contained herein do not purport to be complete, and reference is made to said documents and statutes for full and complete statements of their provisions.

This Official Statement is submitted only in connection with the sale of the Bonds by the District. All estimates, assumptions, statistical information and other statements contained herein, while taken from sources considered reliable, are not guaranteed by the District or the Underwriter. The information contained herein should not be construed as representing all conditions affecting the District or the Bonds.

The execution and delivery of this Official Statement have been authorized by the District.

**NIPOMO COMMUNITY SERVICES DISTRICT**

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



**APPENDIX A**  
**ASSESSMENT DIAGRAM**

BOUNDARY MAP  
ASSESSMENT DISTRICT NO. 2020-1  
(BLACKLAKE SEWER CONSOLIDATION)  
NIPOMO COMMUNITY SERVICES DISTRICT  
COUNTY OF SAN LUIS OBISPO  
STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE SECRETARY/CLERK OF THE NIPOMO COMMUNITY SERVICES DISTRICT THIS 17<sup>th</sup> DAY OF MARCH, 2020.

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF ASSESSMENT DISTRICT NO. 2020-1 (BLACKLAKE SEWER CONSOLIDATION), NIPOMO COMMUNITY SERVICES DISTRICT, COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA WAS APPROVED BY THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT AT A REGULAR MEETING THEREOF HELD ON THE 17<sup>th</sup> DAY OF MARCH, 2020 BY ITS RESOLUTION NO. 2020-1547

*M. J. G. L.*  
SECRETARY/CLERK  
NIPOMO COMMUNITY SERVICES DISTRICT

FILED THIS 24<sup>th</sup> DAY OF March, 2020 AT THE HOUR OF 10:35 O'CLOCK A.M. IN BOOK 6 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE(S) 16 AT THE REQUEST OF THE NIPOMO COMMUNITY SERVICES DISTRICT IN THE OFFICE OF THE COUNTY RECORDER, COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA.

EXEMPT RECORDING PER GOVERNMENT CODE 6103

FEE: \$ 83.00

INSTRUMENT NO.: 2020 014314

TOMMY GONG, COUNTY CLERK-RECORDER

*Nanni Balwin*  
BY DEPUTY  
COUNTY RECORDER  
COUNTY OF SAN LUIS OBISPO

THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS DIAGRAM SHALL BE THOSE LINES AND DIMENSIONS AS SHOWN ON THE SAN LUIS OBISPO COUNTY ASSESSOR'S MAPS FOR THOSE PARCELS LISTED.

THE SAN LUIS OBISPO COUNTY ASSESSOR'S MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.



Assmt 6

**APPENDIX B**  
**ENGINEER'S REPORT**

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# **Nipomo Community Services District Assessment District No. 2020-1 (Blacklake Sewer Consolidation)**

## **Engineer's Report**

Intent Meeting: March 11, 2020

Public Hearing: May 13, 2020

27368 Via Industria  
Suite 200  
Temecula, CA 92590  
T 951.587.3500 | 800.755.6864  
F 951.587.3510



# ENGINEER'S REPORT AFFIDAVIT

Formation of the

## NIPOMO COMMUNITY SERVICES DISTRICT ASSESSMENT DISTRICT NO. 2020-1 (BLACKLAKE SEWER CONSOLIDATION)

And establishment of Assessments for said District


COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

This Report and the enclosed budget, descriptions and diagrams outline the proposed formation and establishment of assessments for the Assessment District No. 2020-1 (Blacklake Sewer Consolidation). Said District includes each lot, parcel, and subdivision of land within the boundaries of said District as defined by the District Diagram contained herein as Part IV. Reference is hereby made to the San Luis Obispo Assessor's maps for a detailed description of the lines and dimensions of parcels within the Assessment District No. 2020-1 (Blacklake Sewer Consolidation). The undersigned respectfully submits the enclosed Report as directed by the Nipomo Community Services District Board of Directors.

Dated this 21<sup>st</sup> day of May, 2020.

Willdan Financial Services  
Assessment Engineer  
On Behalf of the Nipomo Community Services District

By:   
Mike Medve  
Senior Project Manager

By:   
Tyrone Peter  
Deputy Director of Engineering



# ENGINEER'S REPORT NIPOMO COMMUNITY SERVICES DISTRICT

## CERTIFICATIONS

The undersigned respectfully submits the enclosed report as directed by the Board of Directors.

Date: May 21, 2020.

Tyrone Peter  
Willdan Assessment Engineer



I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Roll, in the amounts set forth in each, and Assessment Diagram thereto attached, was filed with me on the 21 day of May, 2020.

Mari Tofani  
Secretary,  
Nipomo Community Services District

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment, Assessment Roll, and the Assessment Diagram thereto attached, received preliminary approval by the Board of Directors on the 21 day of May, 2020.

Mari Tofani  
Secretary,  
Nipomo Community Services District

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was approved and confirmed by the Board of Directors for the Nipomo Community Services District, on the 13 day of May, 2020.

Mari Tofani  
Secretary,  
Nipomo Community Services District

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I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was recorded in my office on the 21<sup>st</sup> day of May, 2020.

Peter V. David

Superintendent of Streets,  
Nipomo Community Services District

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## INTRODUCTION

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The Blacklake Master Association (“BLMA”) unanimously voted in favor of initiating the proceedings to create an assessment district to fund certain public capital facilities to its sewer system for the purpose of combining the Town and Blacklake sewer systems.

The Nipomo Community Services District Board of Directors has initiated proceedings to establish an assessment district to be designated as the:

**Assessment District No. 2020-1 (Blacklake Sewer Consolidation)**

(hereafter referred to as “District”), for the purpose of financing the acquisition, construction and improvement of certain capital improvements to its sewer system, together with appurtenances and appurtenant work in connection therewith, for the purpose of combining the Town and Blacklake wastewater systems as more fully set forth in Part I (collectively referred to as the “Improvements”) that will serve and provide special benefits to the properties within the boundaries of the District.

Willdan, Assessment Engineer for the Nipomo Community Services District Assessment District No. 2020-1 (Blacklake Sewer Consolidation), writes this report, as prescribed by the Board of Directors of the Nipomo Community Services District (hereinafter referred to as “Nipomo CSD”) pursuant to the Municipal Improvement Act of 1913 (Section 10000 of the Streets and Highways Code) (the “1913 Act”), the Improvement Bond Act of 1915 (commencing with Section 8500 of the Streets and Highways Code of the State of California) (the “1915 Act”), the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (commencing with Section 2800 of the Streets and Highways Code of the State of California), the Proposition 218 Omnibus Implementation Act (commencing with Section 53750 of the California Government Code), and in compliance with the terms and provisions of Article XIID of the California Constitution (collectively, referred to herein as “Assessment Law”).

The Nipomo CSD Board of Directors proposes to form the District and make the following assessment pursuant to the 1913 Act to cover the estimated costs of said acquisitions, work and improvements and the costs and expenses incidental thereto to be paid by the District that provide special benefit to properties assessed within the District as determined herein. In conjunction with the authority of these legislative acts the proposed assessments will be made in compliance with the substantive and procedural requirements of the California State Constitution Article XIID (“California Constitution” or “Article XIID”). This Engineer’s Report (hereafter referred to as “Report”) has been prepared in connection with the formation of said District and the establishment of assessments . The District includes all lots and parcels of land within a defined boundary as shown on the District Diagram included in this Report as Part IV and further identified by the San Luis Obispo County Assessor’s Office Assessor’s Parcel Numbers listed in the Assessment Roll referenced in this Report as Part V, as such Assessor’s Parcel Numbers existed at the time this Report was prepared.

The word "parcel," for the purposes of this Report, refers to an individual property assigned its own Assessor's Parcel Number (APN) by the San Luis Obispo County Assessor's Office. The San Luis Obispo County Auditor/Controller uses Assessor's Parcel Numbers and a specific Fund Number to identify properties to be assessed on the tax roll for the special benefit assessments described herein.

Said assessment is made upon the parcels of land within the District in proportion to the estimated special benefits to be received by said parcels, respectively, from said improvement.

This Report describes the District and outlines the proposed purpose and estimated costs to be funded by the assessments that have been determined as necessary to support the District's proposed improvements. The total District assessment presented herein is based on estimated costs to finance the acquisition, works and improvements associated with combining the Town and Blacklake sewer systems .

As part of this District formation, the Nipomo CSD shall conduct a property owner protest ballot proceeding for the proposed new special benefit assessments in accordance with the provisions of Government Code, Section 53753, and California Constitution, Article XIID Section 4. In conjunction with this ballot proceeding, the Nipomo CSD Board of Directors shall conduct a public hearing to consider public testimonies, comments and written protests regarding the formation of the District and levy of assessments. Upon conclusion of the public hearing, property owner protest ballots received will be opened and tabulated to determine whether majority protest exists (ballots shall be proportionally weighted based on each parcel's proposed assessment obligation). After all valid ballots have been tabulated, the Nipomo CSD Board of Directors will confirm the results of the ballot tabulation and determine whether there is majority protest. If majority protest exists, Nipomo CSD shall abandon the formation of the District, and the proposed levy of assessments described herein. If majority protest does not exist, the Nipomo Board of Directors may, by resolution, adopt this Report (as submitted or amended) including the assessment diagram; order the formation of the District; approve the levy and collection of the assessments ; and order the improvements to be made.

Notice is hereby given that serial bonds or term bonds or other financing instruments, to represent unpaid assessments and bear interest at the rate of not to exceed twelve percent (12%) per annum, or such higher rate of interest as may be authorized by applicable law at the time of sale of such bonds, will be issued hereunder in the manner provided by Division 10 of the Streets and Highways Code, the 1915 Act, and the last installment of such bonds shall mature not to exceed thirty (30) years from the second day of September next succeeding twelve (12) months from their date.

This Report consists of eight (8) parts:

## PART I

**Plans and Specifications:** This part of the Report contains a general description of the location and extent for the proposed works and improvements within the District boundaries. Although detailed plans and specifications for the construction and installation of the improvements have not been finalized, conceptual designs and plans have been utilized to establish the proposed improvements and estimate of the construction costs. Following formation of the District, Nipomo CSD will have prepared the final design plans and specifications in the detail necessary for the actual construction and installation of the improvements, and such plans and specifications shall be consistent with and not exceed the available funding established in this Report. When finalized, these plans and specifications shall be placed on file in the office of Nipomo CSD.

## PART II

**The Method of Apportionment:** A discussion of the benefits associated with the improvements to be provided within the Assessment District No. 2020-1 (Blacklake Sewer Consolidation) (Proposition 218 Benefit Analysis). This Part also includes a determination of the proportional costs of the special benefits and a discussion of the costs, if any, considered to be of general benefit (and therefore not assessed). This section of the Report also outlines the method of calculating each property's proportional special benefit and total assessment utilizing calculated Equivalent Benefit Units for the different property types within the District.

## PART III

**Estimate of Improvement Costs:** An estimate of the cost of the project, proposed improvements and of the cost of land, rights-of-way, and incidental expenses is attached hereto and is made a part hereof.

This estimate of the improvement costs includes an estimate of the net construction costs and financing costs of the improvements.

## PART IV

**Boundary Map and Assessment Diagram:** A Diagram showing the exterior boundaries of the District is provided in this Report and includes all parcels that will receive special benefits from the improvements. Parcel identification, the lines and dimensions of each lot, parcel and subdivision of land within the District, as shown on the San Luis Obispo County Assessor's Parcel Maps as they existed at the time this Report was presented to the Board of Directors for the adoption of the Resolution of Intention, and shall include all subsequent subdivisions, lot-line adjustments or parcel changes therein. Reference is hereby made to the San Luis Obispo County Assessor's maps for a detailed description of the lines and dimensions of each lot and parcel of land within the District.

## **PART V**

**Assessment Roll:** The proposed assessment of a portion of the costs and expenses of the proposed improvements in proportion to the estimated special benefits to be received by properties within the District from said improvements, is set forth upon the assessment roll filed herewith and made a part hereof (the “Assessment Roll”).

The Assessment Roll also includes the “Assessor APN” for each parcel which is the Assessor’s Parcel Number corresponding to each property within the Assessment District as recorded in the San Luis Obispo County Assessor’s Office.

Pursuant to the provisions of Assessment Law and the Resolution of Intention, the costs and expenses of the project have been assessed upon each of the parcels of land benefitted in direct proportion and relation to the estimated special benefits to be received by each of the parcels.

## **PART VI**

**1931 Act Report**

## **PART VII**

**Maximum Annual Administration Cost Add-On:** Proposed maximum annual administrative cost per parcel.

## **PART VIII**

**Right-of-way Certificate**

## **PART I — PLANS AND SPECIFICATIONS**

---

The purpose of the District is to finance the acquisition, construction and improvement of certain capital improvements to its sewer system for the purpose of combining the Town and Blacklake sewer systems, including appurtenances and appurtenant work incidental thereto. (collectively referred to as the “Improvements”) that provide special benefits to properties within the District. The proposed plan and location of the Improvements are generally described in this section. Detailed design plans and specifications for the Improvements will be prepared by Nipomo CSD in the detail necessary for the actual construction and installation of the improvements following the formation of the District. These plans and specifications shall be on file in with Nipomo CSD once they have been completed. Reference is hereby made to the body of evidence and summary cost information contained within the preliminary design plans for the Blacklake Sewer Connection Project as follows:

- The Nipomo Community Services District Blacklake Sewer System Consolidation Study prepared in October 2019 by MKN & Associates.

The project location and costs obtained in this report are based on the aforementioned study.

Each set is referenced and incorporated as if attached to and part a part of this Engineer’s Report, is on file in the Office of the District Engineer of Nipomo CSD where they are available for inspection.

### **Description of Improvements**

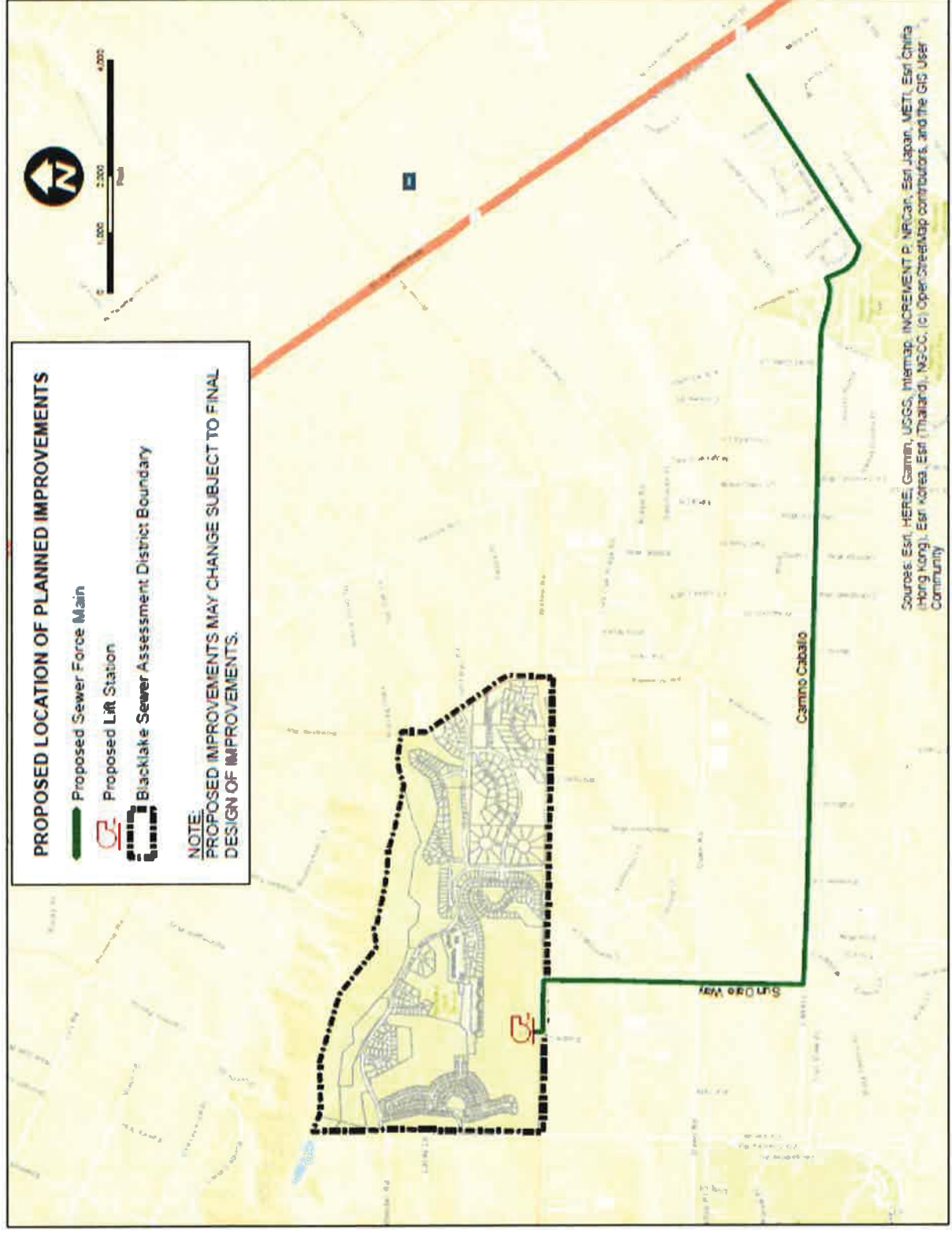
The Improvements to be financed, constructed or acquired by the District are generally described as follows:

The design, acquisition, installation, construction and repair of certain public capital sewer facilities, together with appurtenances and appurtenant work related thereto, including but not limited to the acquisition and installation of a lift station, and related improvements, decommissioning of water reclamation facility, and acquisition and installation of force main pipeline, for the purpose of combining the Blacklake and Town sewer systems, and all related permits, fees, bonds, construction management, and construction engineering (e.g. soils, survey, archeological), and incidental and administrative costs associated therewith.

The proposed improvements to the sewer system include the following components:

- New 160-gpm Blacklake Lift Station at Blacklake Water Reclamation Facility Site with 5-ft diameter, 11-foot-deep wetwell, valve vault, backup generator, fencing, access road, pavement, and appurtenances;
- Decommissioning and demolition of existing Water Reclamation Facility;
- Approximately 21,930 linear feet of new 6-in AWWAC900 force main with pressure cleanouts, combination air/vacuum valves, and appurtenances:
  - 890 linear feet along Willow Road
  - 4,450 linear feet along Sundale Road
  - 12,200 linear feet along Camino Caballo
  - 850 linear feet along Pomeroy Road
  - 3,550 linear feet along Juniper Street
- Repair of existing sewer pump stations and collection system within Blacklake sewer service area.

The following diagram outlines the planned improvements:





## PART II — METHOD OF APPORTIONMENT

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The 1913 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements. The Act further requires that the cost of these improvements be levied according to the benefit properties receive from the works of improvement. However, the law does not specify the method or formula that should be used to apportion the assessments in the District proceedings.

The structure of this District and the formula used for calculating special benefits within the District reflects the composition of the parcels and the improvements provided to fairly apportion the costs based on the estimated special benefit to each parcel. Nipomo CSD is required to identify all parcels which have special benefits conferred upon them and upon which an assessment will be imposed. The proportionate special benefit to each parcel shall be determined in relationship to the entirety of the public improvement.

The improvements to be provided by this District and for which properties are assessed, have been identified as improvements that provide a direct reflection and extension of the properties within the District and are considered to be essential components to the overall development and use of properties within the District. The assessments and method of apportionment described in this Report are based on the premise that the assessments will be used to construct the improvements within the District and the assessment revenues generated will be used solely for such purposes.

In conjunction with the provisions of the 1913 Act, the California Constitution Article XIID addresses several key criteria for the levy of assessments, notably:

- Article XIID Section 2(d) defines District as follows:

*“District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service”;*

- Article XIID Section 2(i) defines Special Benefit as follows:

*“Special benefit” means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute “special benefit.”*

- Article XIID Section 4(a) defines proportional special benefit assessments as follows:

*“An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit*

*derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”*

The method of apportionment (method of assessment) set forth in the Report is based on the premise that each assessed property receives special benefits from the various improvements to be funded by the assessments, and the assessment obligation for each parcel reflects that parcel’s proportional special benefits as compared to other properties that receive special benefits.

To identify and determine the proportional special benefit to each parcel within the District, it is necessary to consider the entire scope of the improvements provided as well as the properties that benefit from those improvements. The improvements and the associated costs described in this Report have been identified and allocated based on a benefit rationale and calculations that proportionally allocate the net cost of only those improvements determined to be of special benefit to properties within the District. The various public improvements and the associated costs have been identified as either “general benefit” (not assessed) or “special benefit”.

## **Benefit Analysis**

Special benefits are defined as benefits conferred directly on properties by the improvements that provide a particular and distinct benefit. There are several distinct direct and special benefits that will be provided to the properties within the District as a result of this work. The Improvements will be available to serve all properties within the District boundaries and will only be available to properties within the District. The special benefit to the properties assessed is the availability of a sanitary sewer system, which provides the following particular and distinct advantage:

- Convenient, reliable, safe, and aesthetically pleasing conveyance and treatment of sewage and wastewater generated by the property.

General benefit is defined as indirect or incidental benefits to the public at large, both in and outside of the District. Because the system only provides connections to properties within the District and does not have indirect or incidental effects on properties outside of the District, we have determined that the improvements do not confer special benefits on the public at large. Nevertheless, Nipomo Community Services District has contributed one million dollars to this project, which constitutes 7.1% percent of the total construction and financing costs. If any indirect or incidental general benefits exist, it is believed that the share of costs associated with those benefits would be negligible and therefore less than 7.1%.

## Method of Assessment

The method of assessment is determined by an analysis of the special benefit a property receives from the proposed improvements.

To assess benefits equitably it is necessary to relate each property's proportional special benefits to the special benefits of all other properties within the District. The method of apportionment established for most districts formed under the Municipal Improvement Act of 1913 utilizes a weighted method of apportionment known as an Equivalent Benefit Unit (EBU) methodology that uses a defined unit of measurement to calculate a basic unit of assessment. For each category of benefit, the following discussion identifies the parcels that benefit, the assignment of EBUs, and the related equations to determine a parcel's assessment. Since the special benefits associated with assessments accrue to the property, the availability of sewer service for each property will be considered the basis for benefit, regardless of whether or how much the property owner chooses to use that sewer service.

The properties within the District consist of 555 residential parcels and 4 commercial/other parcels. Residential parcels place the same estimated level of demand on the sewer system once connected and therefore receive the same benefit from the ability to connect to the system. Since all of the parcels have the same ability to use the sewer system, each parcel that will be or could be served by the sewer system receives the same special benefit. The size of the property or the size of the house has no bearing on the special benefit conferred on the property by the improvements. Likewise, the level of benefit does not change depending on the linear frontage of the sewer line, the property value, or the location within the District as they each will have an equivalent connection to the system. Rather, the meter size and hence the maximum flow that can be generated by the property will determine the proportional benefit.

There are three distinct factors that contribute to the proportional special benefit conferred on each property: BOD (bio-chemical oxygen demand), SS (suspended solids), and capacity.

Each distinct benefit factor will receive equal weight relative to the other benefit factors when calculating the assessment. It was determined that each benefit factor should receive equal weight because each produces an identifiable, distinct and substantial benefit to the properties within the District; however, as a result of the distinct nature of each of the types of benefit, there is no objective way to measure the relative benefit of one benefit factor versus that of another. In the absence of a more precise methodology, each special benefit factor is given equal weight.

Meter Size (inches)	Meter Capacity Ratio
Up to 1 inch	1.0
1.5	3.0
2	4.8

Customer Class	BOD (mg/l)	BOD Ratio	SS (mg/l)	SS Ratio
<b>Residential</b>	410	1.0	410	1.0
<b>Non-Residential</b>				
Commercial - Low Strength	410	1.0	410	1.0
Commercial - Medium Strength	660	1.61	660	1.61
Commercial - High Strength	1,650	4.02	1,160	2.83

$$\frac{1}{3} BOD\ Ratio + \frac{1}{3} SS\ Ratio + \frac{1}{3} Capacity\ Ratio = Total\ EBUs$$

**CALCULATION OF A PARCEL’S ASSESSMENT**

The following formula mathematically describes the way assessments are calculated.

$$\frac{Total\ Benefit\ Assessment}{Total\ EBUs} = Assessment\ Rate\ per\ EBU$$

## PART III ESTIMATE OF COSTS

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An estimate of the cost of the proposed improvements for the project and of the cost of lands, rights-of-way, and incidental expenses is shown in the table below. The estimated cost is based on the engineer's opinion of probable cost prepared by MKN & Associates in October 2019 and additional input from Nipomo CSD Staff on incidental expenses.

Nipomo CSD has designated the amount of \$1,000,000 to offset the cost of the project and as a contribution for general benefit should any be determined to exist.

The annual operation, maintenance and replacement cost of the project will not be funded by the proposed District. Instead, Nipomo CSD will recover such costs through rates and fees charged to its customers.

The following table outlines the estimated costs to design, construct, and install the sewer improvements described in this Report.

**ENGINEER'S REPORT  
 NIPOMO COMMUNITY SERVICES DISTRICT  
 ASSESSMENT DISTRICT NO. 2020-1 (BLACKLAKE SEWER CONSOLIDATION)**

**PRELIMINARY COST ESTIMATE**

	<u>Preliminary</u>
<b>Construction Costs</b>	
<b>Repairs</b>	
Woodgreen LS	\$683,000
The Oaks LS	102,500
Misty Glen LS	97,800
Golf Course Trunk Main RPL	560,000
Tourney Hill Main RPL	319,000
Oakmont Sewer Main RPL	196,200
Augusta Sewer Main RPL	61,442
Repair Offset Joints	30,141
<b>Pipe and Lift Station</b>	
Blacklake Lift Station	526,500
Force Main	4,489,000
WRF Demolition	796,000
<b>Total Construction Costs:</b>	<b>\$7,861,583</b>

**Design, Engineering, and Incidentals**
**Pipe and Lift Station**

Escalation to Mid Point	\$871,800
Permitting	116,240
Engineering/Design/Constr. Mang./Inspection	1,743,600
Contingency	1,743,600
<b>Total Design, Engineering, and Incidentals Costs:</b>	<b>\$4,475,240</b>

**District Planning and Formation Costs**

District Formation Costs	\$286,577
<b>Total District Planning and Formation Costs</b>	<b>\$286,577</b>

**Financing Costs and Reserves**

Debt Service Reserve Fund	\$397,700
Capitalized Interest Fund	1,056,800
Underwriter's Discount	132,100
<b>Total Financing Costs and Reserves:</b>	<b>\$1,586,600</b>

<b>Total Costs</b>	<b><u>\$14,210,000</u></b>
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<b>Nipomo CSD Contribution</b>	(\$1,000,000)
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<b>Total Assessment:</b>	<b><u>\$13,210,000</u></b>
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## **PART IV BOUNDARY MAP AND ASSESSMENT DIAGRAM**

The District generally includes 555 residential parcels and 4 commercial/other parcels. The parcels that comprise the District and a detailed listing of the Assessor's Parcel Numbers and corresponding proposed proportional assessments are summarized in Part V – "Assessment Roll" of this Report. The boundaries of the District are identified within the Boundary Map attached herein as Exhibit A. The detailed location of each assessed parcel is identified within the Assessment Diagram attached herein as Exhibit B.

The Assessment Diagram (hereinafter referred to as "Diagram") showing the exterior boundaries of the District and each parcel of land within the District is attached hereto and is made a part hereof. The location of the properties corresponding to the assessment numbers shown on the attached assessment roll can also be found on the Diagram. There are no publicly-owned parcels which receive special benefit within the District.

## **PART V ASSESSMENT ROLL**

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An assessment of the total amount of the costs and expenses of the improvements upon the lots and parcels of land within the District, in proportion to the estimated special benefit to be received by such parcels from the improvements, is set forth upon the following Assessment Roll filed with and made part of this Report. The assessments include expenses related to the issuance of Bonds.

The Assessment Roll lists the assessor's parcel numbers within the District by assessment I.D. number attached herein as Exhibit C.



## **PART VI PURSUANT TO THE 1931 ACT (PART 7.5)**

Under the Resolution of Intention, the requirements of Division 4 of the California Streets and Highways Code shall be satisfied with Part 7.5 of said Division 4, for which the following is presented:

1. The total amount, as near as can be determined, of the total principal amount of all unpaid special assessments and special assessments required or proposed to be levied under any completed or pending assessment proceedings, other than contemplated in the instant proceedings is:

\$0

2. The total amount of the principal sum of the special assessments proposed to be levied in the instant proceedings is:

\$13,210,000

3. The total amount of the principal sum of unpaid special assessments levied against the parcels proposed to be assessed, as computed pursuant to paragraph 1. above, plus the principal amount of the special assessments proposed to be levied in the instant proceedings from paragraph 3. above is:

\$13,210,000

4. The total true value, as near as may be determined, of the parcels of land and improvements which are proposed to be assessed in the instant proceedings, as determined by the assessed values of the parcels as shown upon the County Roll:

\$272,288,293

5. The estimated true value of each parcel of land and improvements and the value-to-lien ratio is attached herein as Exhibit D.

The total amount of the principal sum of all unpaid special assessments and special assessments required or proposed to be levied under any completed or pending assessment proceedings, other than that contemplated in the instant proceedings, levied against the parcels proposed to be assessed, plus the principal amount of the special assessment proposed to be levied in the instant proceedings, as now set forth on the Assessment Roll for the Assessment District, does not exceed fifty percent (50%) of the estimated full cash value of the lands proposed to be assessed as determined from the last equalized tax roll.

## **PART VII — MAXIMUM ANNUAL ADMINISTRATION COST ADD-ON**

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Pursuant to subparagraph (f) of Section 10204 of the Improvement Act, in addition to or as a part of the assessment lien levied against each parcel of land within the District, each parcel of land may also be subject to an annual administrative cost add-on to pay for costs incurred by Nipomo CSD, and not otherwise reimbursed, which result from the administration and collection of the assessment installments or from administration or registrations of bonds and/or reserve or other related funds. The maximum annual total amount of such annual administrative cost add-on for each parcel within the District shall not exceed \$30. Each parcel's share of the administrative cost add-on shall be computed based on the parcels proportional share of its unpaid assessment. This annual assessment shall be in addition to any fee charged pursuant to Section 8682 and 8682.1 of the Streets and Highways Code.

## PART VIII — RIGHT-OF-WAY

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The undersigned, Peter V. Sevcik, hereby CERTIFIES UNDER PENALTY OF PERJURY that the following is all true and correct.

That at all times herein mentioned, the undersigned was, and now is, the duly appointed STREET SUPERINTENDENT of the NIPOMO COMMUNITY SERVICES DISTRICT.

That there have now been instituted proceedings under the provisions of the Municipal Improvement Act of 1913, as amended, which is Division 12 of the California Streets and Highways Code, for the construction of certain public improvements in a special assessment district known and designated as NIPOMO COMMUNITY SERVICES DISTRICT ASSESSMENT DISTRICT NO. 2020-1 (BLACKLAKE SEWER CONSOLIDATION) (hereinafter referred to as the "District").

It is acknowledged that the proposed works of improvements must be constructed within the public rights-of-way, land, or easements, owned by the Nipomo Community Services District, County of San Luis Obispo, State of California, or a utility company at the time of the construction of the works of improvements, and the undersigned hereby further certifies that all rights-of-way necessary for the works of improvements, if any, will be obtained and in possession of the DISTRICT, COUNTY, STATE or utility company prior to the commencement of any construction by NIPOMO COMMUNITY SERVICES DISTRICT. I hereby further certify that provisions have been made in the cost estimates outlined herein for the acquisition of all necessary right-of-way for the proposed works of improvement.

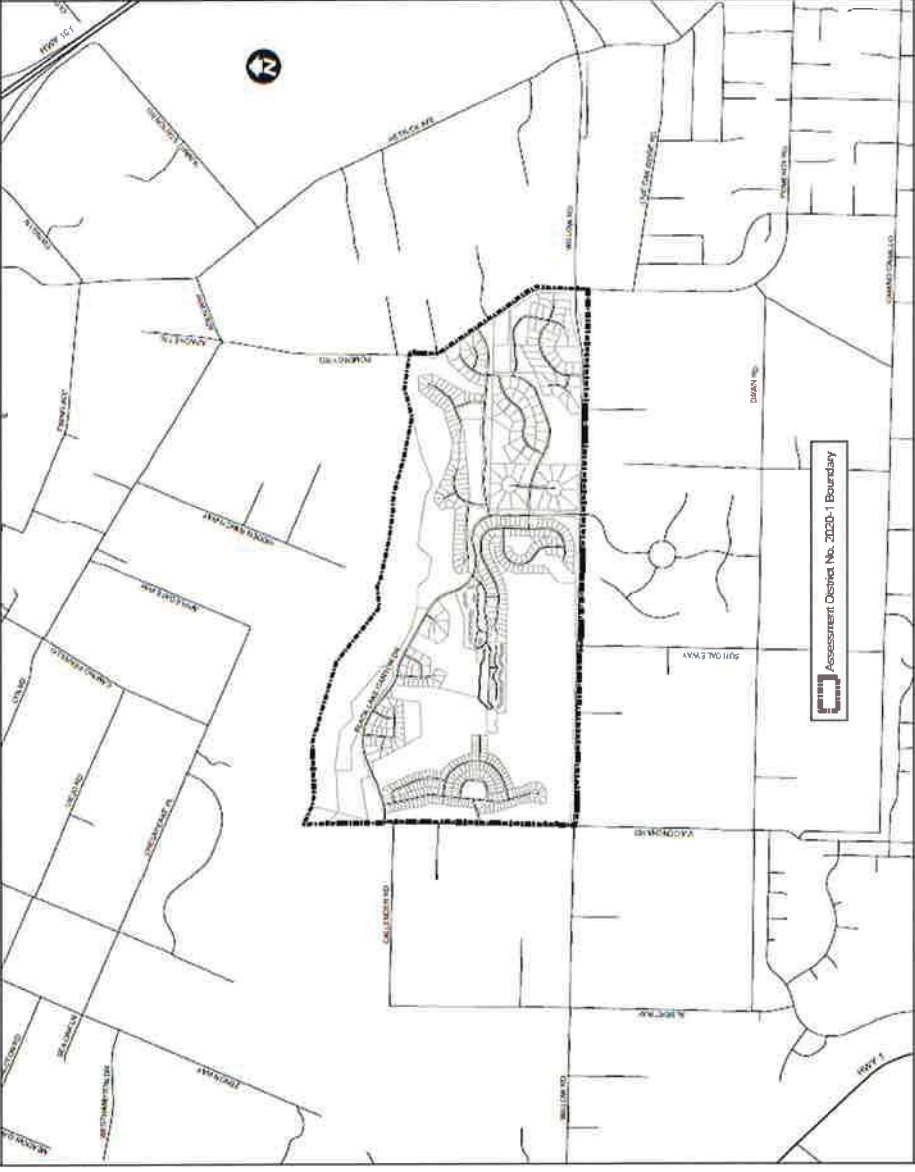
Dated as of the 21<sup>st</sup> day of May, 2020, at Nipomo Community Services District.

Director of Engineering and Operations  
Nipomo Community Services District

By: Peter V. Sevcik  
Peter V. Sevcik, P.E.

## **EXHIBIT A: BOUNDARY MAP**

**BOUNDARY MAP  
ASSESSMENT DISTRICT NO. 2020-1  
(BLACKLAKE SEWER CONSOLIDATION)  
NIPOMO COMMUNITY SERVICES DISTRICT  
COUNTY OF SAN LUIS OBISPO  
STATE OF CALIFORNIA**



FILED IN THE OFFICE OF THE SECRETARY/CLERK OF THE NIPOMO COMMUNITY SERVICES DISTRICT THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2020.

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF ASSESSMENT DISTRICT NO. 2020-1 (BLACKLAKE SEWER CONSOLIDATION), NIPOMO COMMUNITY SERVICES DISTRICT, COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA IS TRUE AND CORRECT AND WAS PREPARED BY THE NIPOMO COMMUNITY SERVICES DISTRICT AT A REGULAR MEETING THEREOF, HELD ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2020 BY ITS RESOLUTION NO. \_\_\_\_\_.

SECRETARY/CLERK  
NIPOMO COMMUNITY SERVICES DISTRICT

FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2020 AT THE HOUR OF \_\_\_\_\_ O'CLOCK \_\_\_\_\_ M.  
IN BOOK \_\_\_\_\_ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS IN THE OFFICE OF THE COUNTY RECORDER, COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA.

EXEMPT RECORDING PER GOVERNMENT CODE 6103

FILE NO. \_\_\_\_\_  
INSTRUMENT NO. \_\_\_\_\_  
TOMMY GOING, COUNTY CLERK/RECORDER

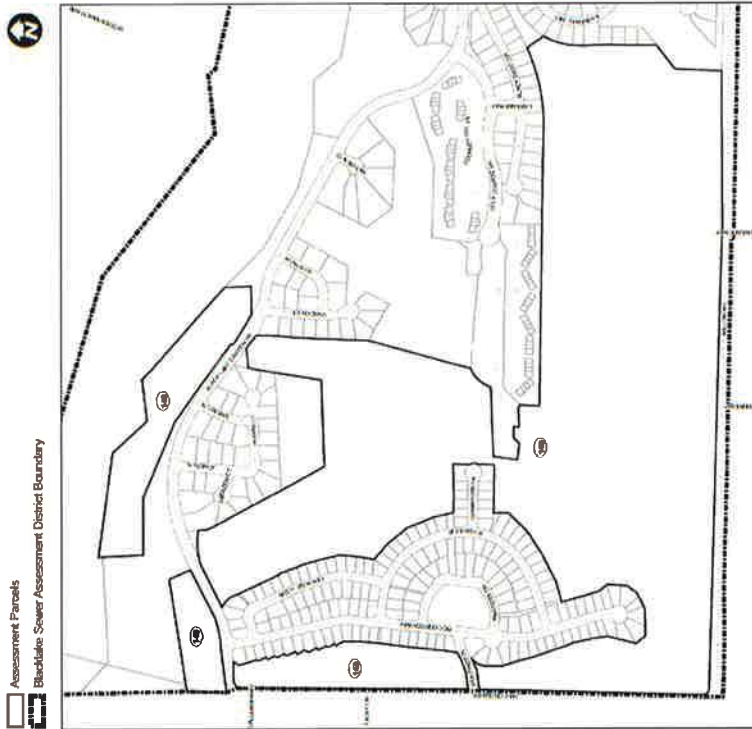
BY \_\_\_\_\_  
COUNTY RECORDER  
COUNTY OF SAN LUIS OBISPO

THE LINES AND DIMENSIONS OF EACH LOT OF PARCEL SHOWN ON THIS DIAGRAM SHALL BE THOSE LINES AND DIMENSIONS AS SHOWN ON THE SAN LUIS OBISPO COUNTY ASSESSORS MAPS FOR THOSE PARCELS LISTED.

THE SAN LUIS OBISPO COUNTY ASSESSORS MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

## EXHIBIT B: ASSESSMENT DIAGRAM

**ASSESSMENT DIAGRAM  
ASSESSMENT DISTRICT NO. 2020-1  
(BLACKLAKE SEWER CONSOLIDATION)  
NIPOMO COMMUNITY SERVICES DISTRICT  
COUNTY OF SAN LUIS OBISPO  
STATE OF CALIFORNIA**



RECORDED IN THE OFFICE OF THE GENERAL MANAGER OF THE NIPOMO COMMUNITY SERVICES DISTRICT THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2020.

GENERAL MANAGER  
NIPOMO COMMUNITY SERVICES DISTRICT  
FILED IN THE OFFICE OF THE SECRETARY/CLERK OF THE NIPOMO COMMUNITY SERVICES DISTRICT THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2020.  
AN ASSESSMENT WAS LEVIED BY THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT ON THE LOTS, PIECES AND PARCELS OF LAND SHOWN ON THIS ASSESSMENT DIAGRAM. SAID ASSESSMENT WAS LEVIED ON THE \_\_\_\_ DAY OF \_\_\_\_\_, 2020. SAID ASSESSMENT DIAGRAM AND ASSESSMENT ROLL WERE RECORDED IN THE OFFICE OF THE GENERAL MANAGER OF SAID COMMUNITY SERVICES DISTRICT AND THE ASSESSMENT ROLL IS AVAILABLE FOR PUBLIC INSPECTION. THE EXACT AMOUNT OF EACH ASSESSMENT LEVIED AGAINST EACH PARCEL SHOWN ON THE ASSESSMENT DIAGRAM.

SECRETARY/CLERK  
NIPOMO COMMUNITY SERVICES DISTRICT  
FILED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2020 AT THE HOUR OF \_\_\_\_ O'CLOCK \_\_\_\_ M. IN BOOK \_\_\_\_ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE(S) \_\_\_\_ AT THE REQUEST OF THE NIPOMO COMMUNITY SERVICES DISTRICT IN THE OFFICE OF THE COUNTY RECORDER, COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA.

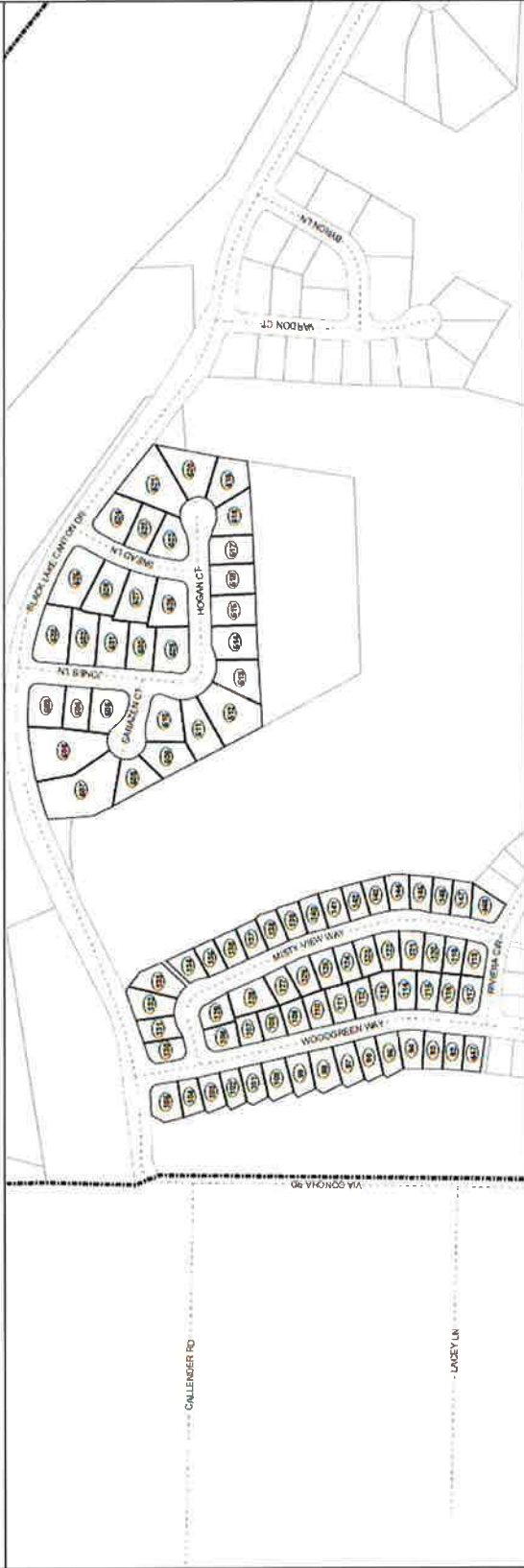
EXEMPT RECORDING PER GOVERNMENT CODE #103  
FEE: \_\_\_\_\_  
INSTRUMENT NO.: \_\_\_\_\_  
TOMMY GONG, COUNTY CLERK-RECORDER

BY DEPUTY  
COUNTY RECORDER  
COUNTY OF SAN LUIS OBISPO  
THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS DIAGRAM SHALL BE THOSE LINES AND DIMENSIONS AS SHOWN ON THE SAN LUIS OBISPO COUNTY ASSESSOR'S MAPS FOR THOSE PARCELS LISTED.  
THE SAN LUIS OBISPO COUNTY ASSESSOR'S MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

**ASSESSMENT DIAGRAM  
ASSESSMENT DISTRICT NO. 2020-1  
(BLACKLAKE SEWER CONSOLIDATION)**  
Nipomo Community Services District  
County of San Luis Obispo  
State of California



Assessment Book  
Shaded: Sewer Assessment District Boundary



Assessment ID	ADN	Book Page
92	091-410-001	091 410
93	091-410-002	091 410
94	091-410-003	091 410
95	091-410-004	091 410
96	091-410-005	091 410
97	091-410-006	091 410
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106	091-410-015	091 410

Assessment ID	ADN	Book Page
107	091-410-016	091 410
108	091-410-017	091 410
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124	091-410-033	091 410
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138	091-410-047	091 410
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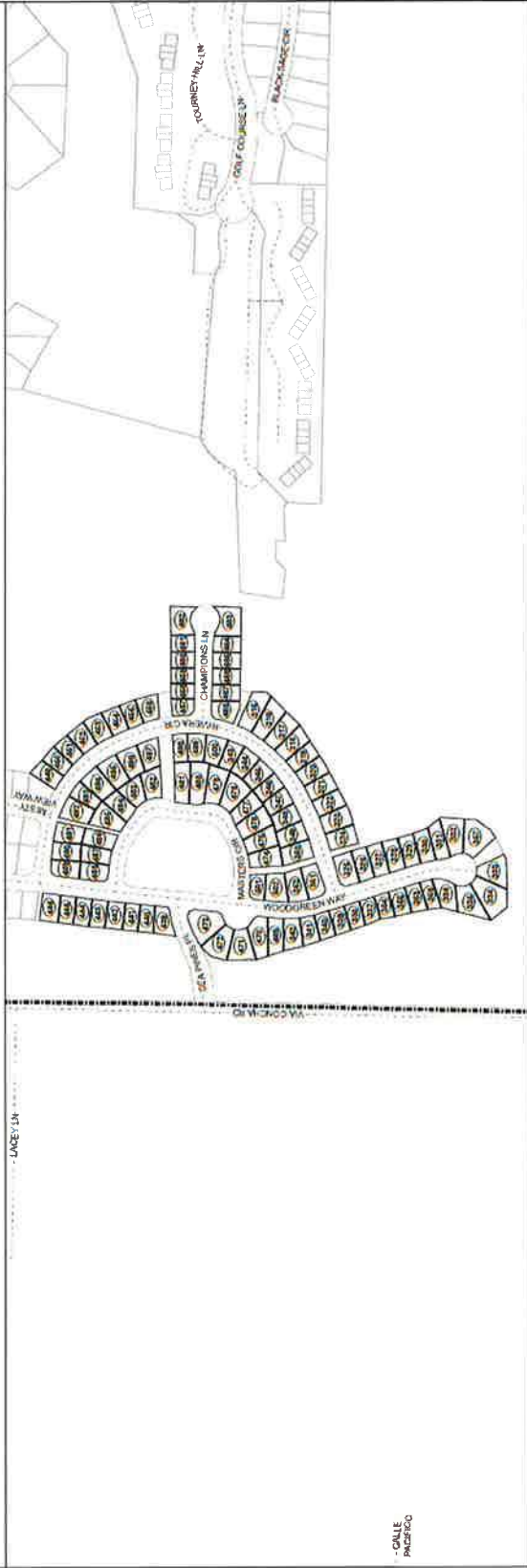
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233	091-410-142	091 410
234	091-410-143	091 410
235	091-410-144	091 410
236	091-410-145	091 410



**ASSESSMENT DIAGRAM  
ASSESSMENT DISTRICT NO. 2020-1  
(BLACKLAKE SEWER CONSOLIDATION)**

Nipomo Community Services District  
County of San Luis Obispo  
State of California

Assessment Period:  
Blacklake Sewer Assessment District Boundary



- CALL  
PACIFIC

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482	091-444-051	091 444
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Assessment ID	Book	Page
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472	091-444-036	091 444
473	091-444-037	091 444
474	091-444-038	091 444
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467	091-444-031	091 444
468	091-444-032	091 444
469	091-444-033	091 444

Assessment ID	Book	Page
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432	091-419-043	091 419
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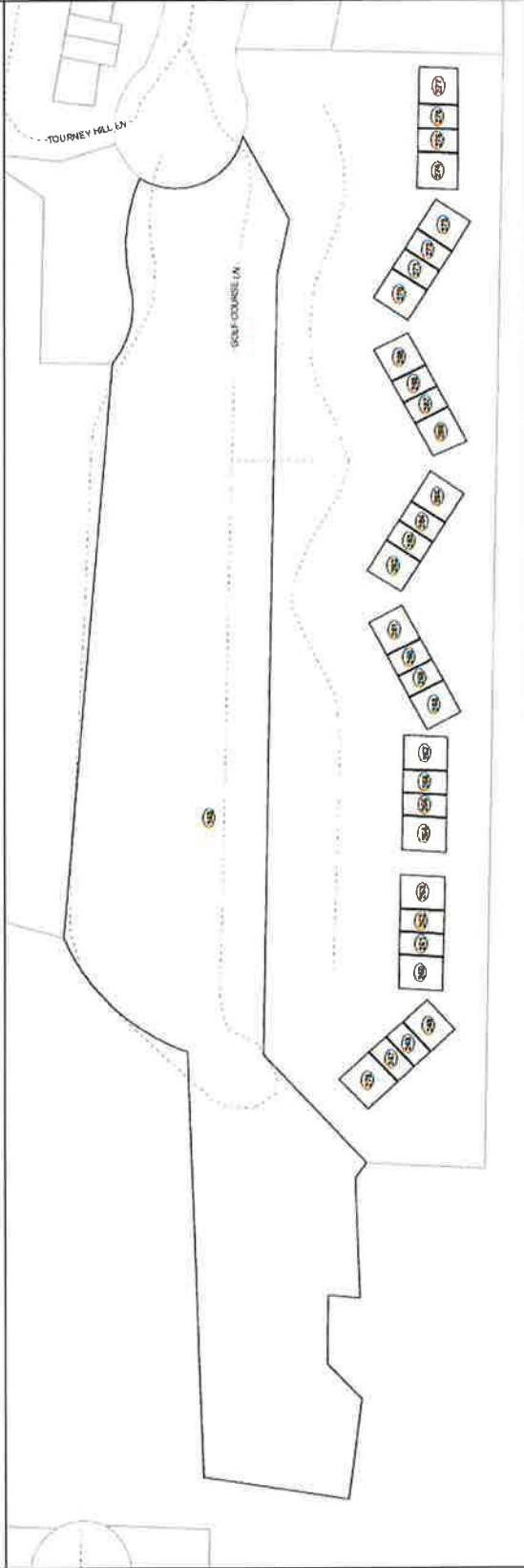
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373	091-419-060	091 419

Assessment ID	Book	Page
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329	091-419-015	091 419
330	091-419-016	091 419
331	091-419-017	091 419
332	091-419-018	091 419

**ASSESSMENT DIAGRAM  
ASSESSMENT DISTRICT NO. 2020-1  
(BLACKLAKE SEWER CONSOLIDATION)**

Nipomo Assessment District  
County of San Luis Obispo  
State of California

Assessment District  
Blacklake Sewer Assessment District Boundary



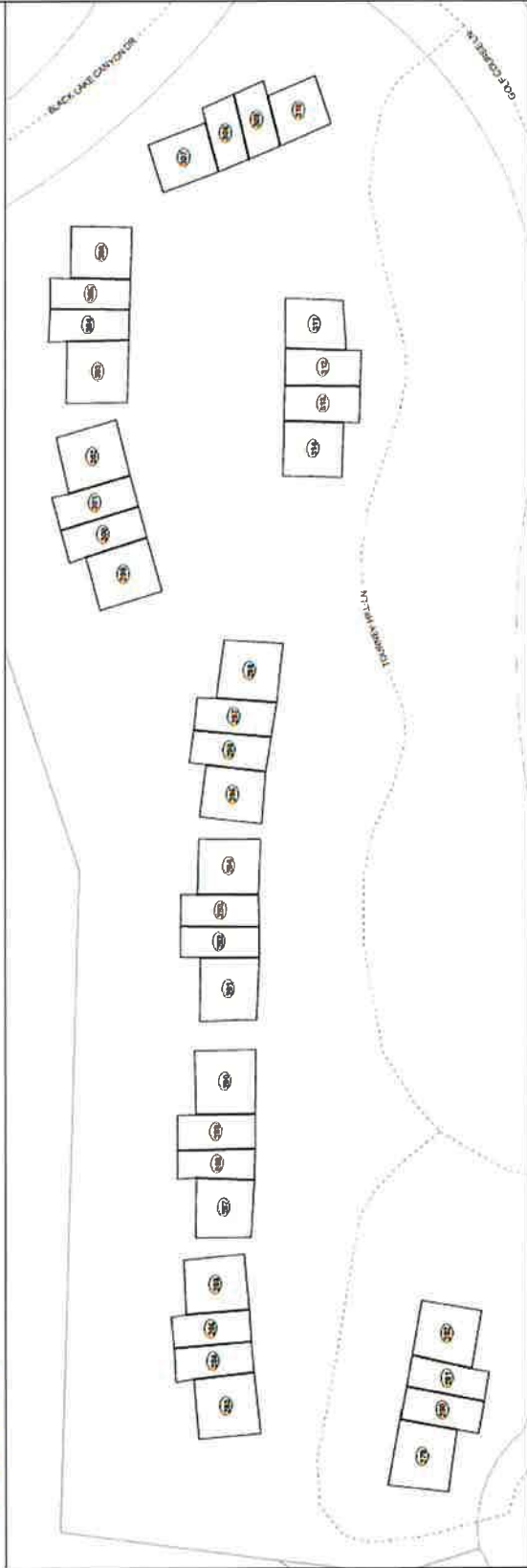
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256	091-415-023	091	415
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277	091-415-032	091	415
278	091-415-033	091	415

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257	091-415-012	091	415
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266	091-415-021	091	415
267	091-415-022	091	415

Assessment ID	APN	Book	Page
248	091-411-006	091	411
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248	091-415-003	091	415
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254	091-415-009	091	415
255	091-415-010	091	415
256	091-415-011	091	415

**ASSESSMENT DIAGRAM  
ASSESSMENT DISTRICT NO. 2020-1  
(BLACKLAKE SEWER CONSOLIDATION)**  
Nipomo, California, San Luis Obispo County  
State of California

Assessment District  
Blacklake Sewer Assessment District Boundary



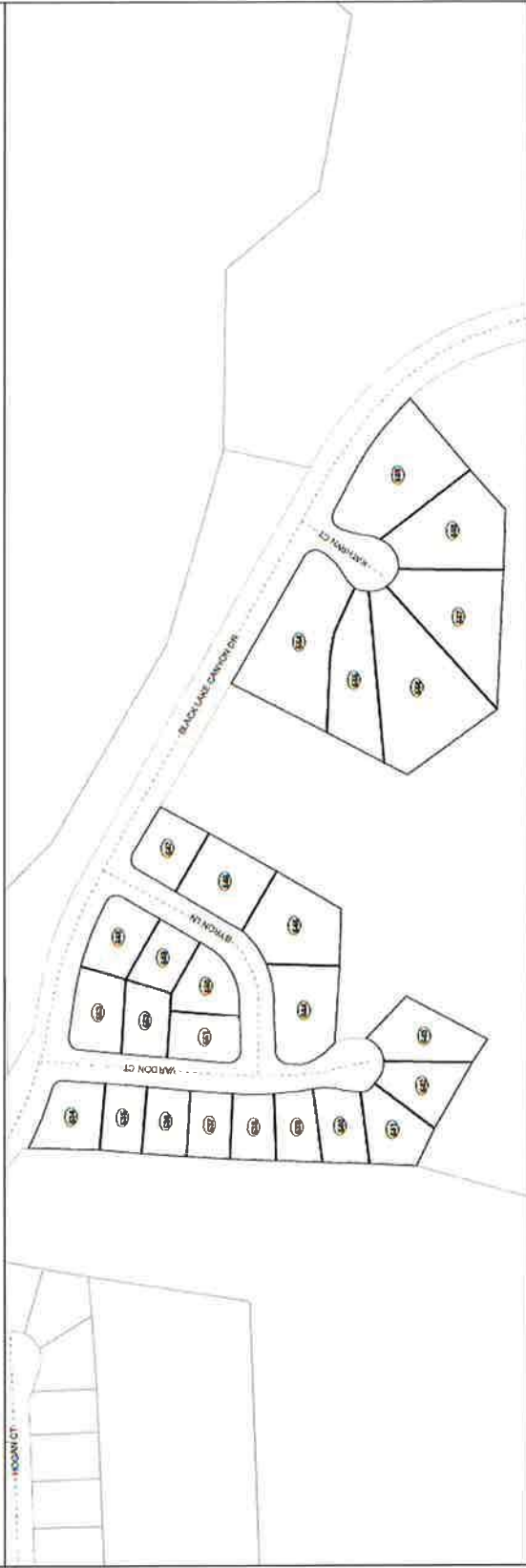
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303	091-416-035	091 416
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Assessment ID/APN	Book	Page
291	091-416-013	091 416
292	091-416-014	091 416
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Assessment ID/APN	Book	Page
279	091-416-001	091 416
280	091-416-002	091 416
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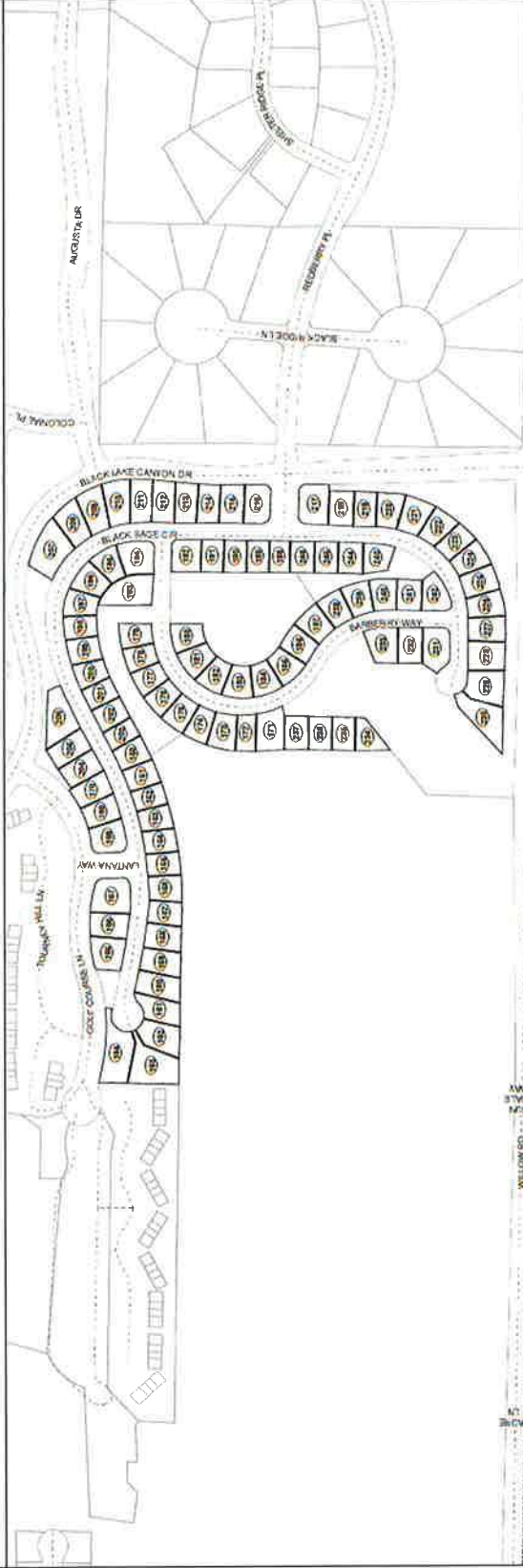
**ASSESSMENT DIAGRAM  
ASSESSMENT DISTRICT NO. 2020-1  
(BLACKLAKE SEWER CONSOLIDATION)**  
Nipomo Community Services District  
County of San Luis Obispo  
State of California

Assessment District  
Blacklake Sewer Assessment District Inventory



Assessment ID	APN	Book	Page
524	091-446-001	091	446
525	091-446-002	091	446
526	091-446-003	091	446
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**ASSESSMENT DIAGRAM  
ASSESSMENT DISTRICT NO. 2020-1  
(BLACKLAKE SEWER CONSOLIDATION)**  
Nipomo Sewer Assessment District  
County of San Luis Obispo  
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Assessment ID	APN	Book	Page
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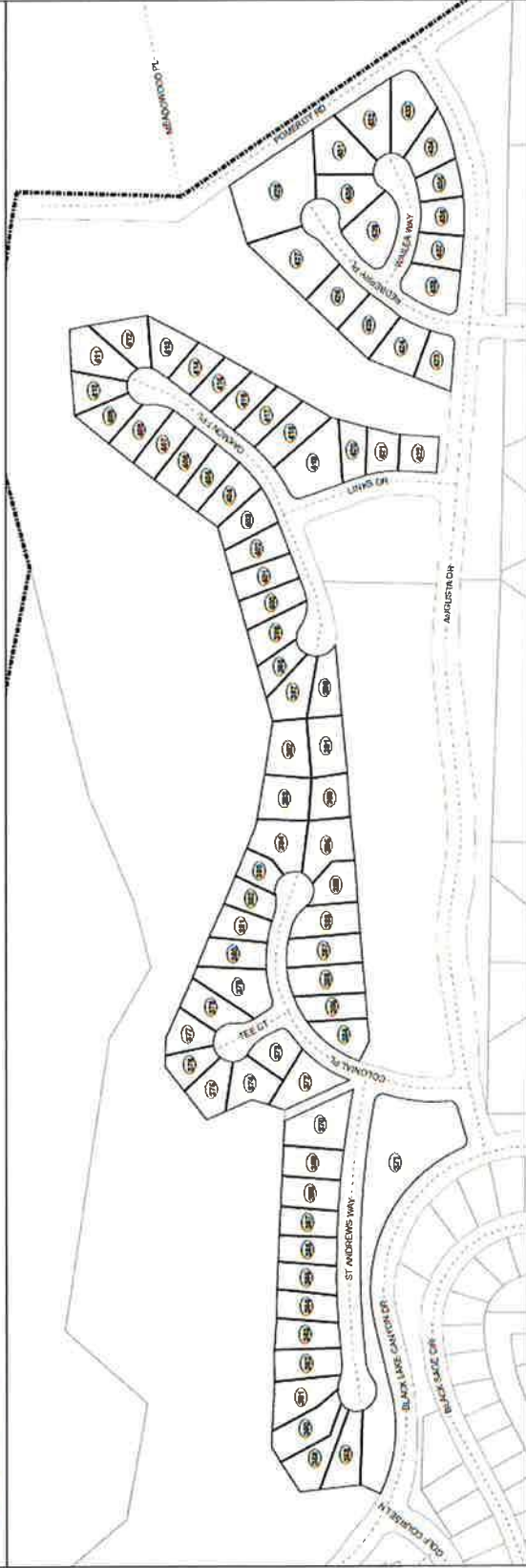
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166	091-412-001	091	412

**ASSESSMENT DIAGRAM  
ASSESSMENT DISTRICT NO. 2020-1  
(BLACKLAKE SEWER CONSOLIDATION)**  
Nipomo Community Services District  
County of San Luis Obispo  
State of California



Assessment District  
Blacklake Sewer Assessment District Boundary



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428	091-443-006	091	443
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433	091-443-011	091	443
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435	091-443-013	091	443
436	091-443-014	091	443
437	091-443-015	091	443
438	091-443-016	091	443

Assessment ID	APN	Book	Page
414	091-442-013	091	442
415	091-442-020	091	442
416	091-442-021	091	442
417	091-442-022	091	442
418	091-442-023	091	442
419	091-442-024	091	442
420	091-442-025	091	442
421	091-442-026	091	442
422	091-442-027	091	442
423	091-443-001	091	443
424	091-443-002	091	443
425	091-443-003	091	443
426	091-443-004	091	443
427	091-443-005	091	443

Assessment ID	APN	Book	Page
400	091-442-005	091	442
401	091-442-006	091	442
402	091-442-007	091	442
403	091-442-008	091	442
404	091-442-009	091	442
405	091-442-010	091	442
406	091-442-011	091	442
407	091-442-012	091	442
408	091-442-013	091	442
409	091-442-014	091	442
410	091-442-015	091	442
411	091-442-016	091	442
412	091-442-017	091	442
413	091-442-018	091	442

Assessment ID	APN	Book	Page
386	091-441-017	091	441
387	091-441-018	091	441
388	091-441-019	091	441
389	091-441-020	091	441
390	091-441-021	091	441
391	091-441-022	091	441
392	091-441-023	091	441
393	091-441-024	091	441
394	091-441-025	091	441
395	091-441-026	091	441
396	091-441-027	091	441
397	091-441-028	091	441
398	091-441-029	091	441
399	091-441-030	091	441

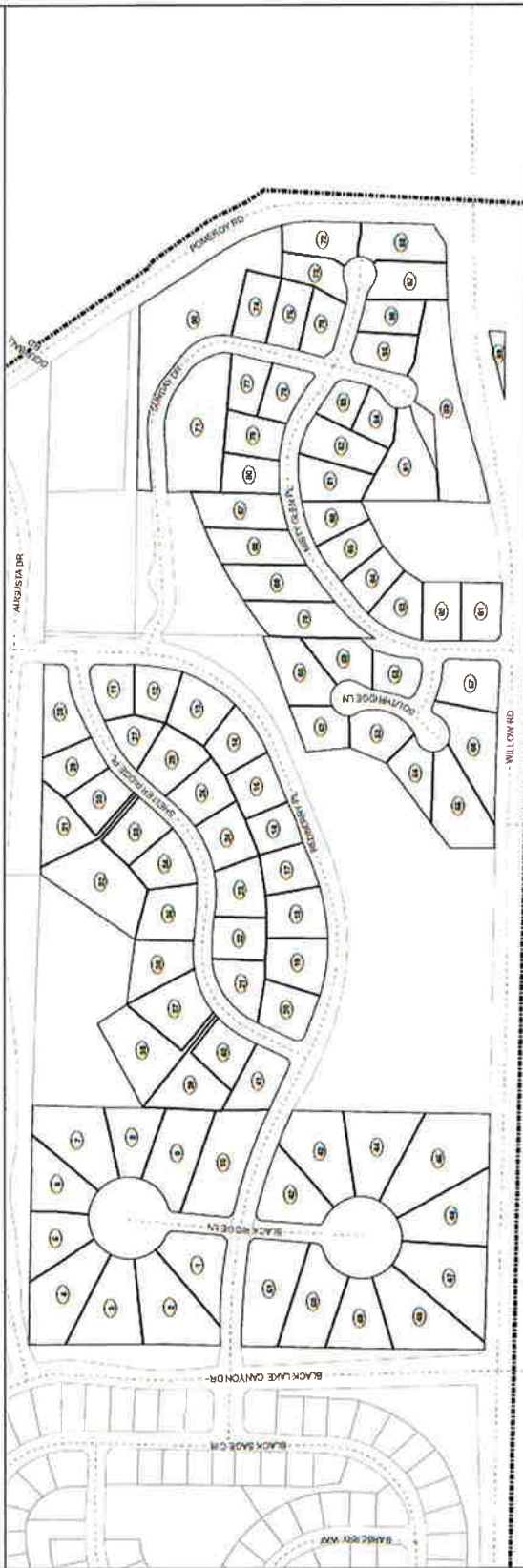
Assessment ID	APN	Book	Page
372	091-441-001	091	441
373	091-441-002	091	441
374	091-441-003	091	441
375	091-441-004	091	441
376	091-441-005	091	441
377	091-441-006	091	441
378	091-441-007	091	441
379	091-441-008	091	441
380	091-441-009	091	441
381	091-441-010	091	441
382	091-441-011	091	441
383	091-441-012	091	441
384	091-441-013	091	441
385	091-441-014	091	441

Assessment ID	APN	Book	Page
358	091-440-001	091	440
359	091-440-002	091	440
360	091-440-003	091	440
361	091-440-004	091	440
362	091-440-005	091	440
363	091-440-006	091	440
364	091-440-007	091	440
365	091-440-008	091	440
366	091-440-009	091	440
367	091-440-010	091	440
368	091-440-011	091	440
369	091-440-012	091	440
370	091-440-013	091	440
371	091-440-014	091	440

**ASSESSMENT DIAGRAM  
ASSESSMENT DISTRICT NO. 2020-1  
(BLACKLAKE SEWER CONSOLIDATION)**

Nipomo CSD Assessment District  
County of San Luis Obispo  
State of California

Assessment District Boundary  
Blacklake Sewer Assessment District Boundary



Assessment ID	APN	Book	Page
81	091-244-012	091	244
82	091-244-013	091	244
83	091-244-014	091	244
84	091-244-015	091	244
85	091-244-016	091	244
86	091-244-017	091	244
87	091-244-018	091	244
88	091-244-019	091	244
89	091-244-020	091	244
90	091-244-021	091	244
91	091-244-022	091	244

Assessment ID	APN	Book	Page
55	091-244-026	091	244
56	091-244-027	091	244
57	091-244-028	091	244
58	091-244-029	091	244
59	091-244-030	091	244
60	091-244-031	091	244
61	091-244-032	091	244
62	091-244-033	091	244
63	091-244-034	091	244
64	091-244-035	091	244
65	091-244-036	091	244
66	091-244-037	091	244
67	091-244-038	091	244
68	091-244-039	091	244
69	091-244-040	091	244
70	091-244-041	091	244
71	091-244-042	091	244
72	091-244-043	091	244
73	091-244-044	091	244
74	091-244-045	091	244
75	091-244-046	091	244
76	091-244-047	091	244
77	091-244-048	091	244
78	091-244-049	091	244
79	091-244-050	091	244
80	091-244-051	091	244

Assessment ID	APN	Book	Page
49	091-244-008	091	244
50	091-244-009	091	244
51	091-244-010	091	244
52	091-244-011	091	244
53	091-244-012	091	244
54	091-244-013	091	244
55	091-244-014	091	244
56	091-244-015	091	244
57	091-244-016	091	244
58	091-244-017	091	244
59	091-244-018	091	244
60	091-244-019	091	244
61	091-244-020	091	244
62	091-244-021	091	244
63	091-244-022	091	244
64	091-244-023	091	244
65	091-244-024	091	244
66	091-244-025	091	244

Assessment ID	APN	Book	Page
33	091-243-025	091	243
34	091-243-026	091	243
35	091-243-027	091	243
36	091-243-028	091	243
37	091-243-029	091	243
38	091-243-030	091	243
39	091-243-031	091	243
40	091-243-032	091	243
41	091-243-033	091	243
42	091-243-034	091	243
43	091-243-035	091	243
44	091-243-036	091	243
45	091-243-037	091	243
46	091-243-038	091	243
47	091-243-039	091	243
48	091-243-040	091	243

Assessment ID	APN	Book	Page
17	091-243-019	091	243
18	091-243-020	091	243
19	091-243-021	091	243
20	091-243-022	091	243
21	091-243-023	091	243
22	091-243-024	091	243
23	091-243-025	091	243
24	091-243-026	091	243
25	091-243-027	091	243
26	091-243-028	091	243
27	091-243-029	091	243
28	091-243-030	091	243
29	091-243-031	091	243
30	091-243-032	091	243
31	091-243-033	091	243
32	091-243-034	091	243

Assessment ID	APN	Book	Page
1	091-243-001	091	243
2	091-243-002	091	243
3	091-243-003	091	243
4	091-243-004	091	243
5	091-243-005	091	243
6	091-243-006	091	243
7	091-243-007	091	243
8	091-243-008	091	243
9	091-243-009	091	243
10	091-243-010	091	243
11	091-243-011	091	243
12	091-243-012	091	243
13	091-243-013	091	243
14	091-243-014	091	243
15	091-243-015	091	243
16	091-243-016	091	243

## EXHIBIT C: ASSESSMENT ROLL

**Nipomo Community Services District  
 Assessment District No. 2020-1 (Blacklake Sewer Consolidation)**

**Assessment Roll**

Assessment ID	Assessor's Parcel Number	BOD Ratio	SS Ratio	Capacity Ratio	EBUs	As Preliminarily Approved	As Confirmed
1	091-243-001	1	1	1	1	\$23,442.77	
2	091-243-002	1	1	1	1	\$23,442.77	
3	091-243-003	1	1	1	1	\$23,442.77	
4	091-243-004	1	1	1	1	\$23,442.77	
5	091-243-005	1	1	1	1	\$23,442.77	
6	091-243-006	1	1	1	1	\$23,442.77	
7	091-243-007	1	1	1	1	\$23,442.77	
8	091-243-008	1	1	1	1	\$23,442.77	
9	091-243-009	1	1	1	1	\$23,442.77	
10	091-243-010	1	1	1	1	\$23,442.77	
11	091-243-013	1	1	1	1	\$23,442.77	
12	091-243-014	1	1	1	1	\$23,442.77	
13	091-243-015	1	1	1	1	\$23,442.77	
14	091-243-016	1	1	1	1	\$23,442.77	
15	091-243-017	1	1	1	1	\$23,442.77	
16	091-243-018	1	1	1	1	\$23,442.77	
17	091-243-019	1	1	1	1	\$23,442.77	
18	091-243-020	1	1	1	1	\$23,442.77	
19	091-243-021	1	1	1	1	\$23,442.77	
20	091-243-022	1	1	1	1	\$23,442.77	
21	091-243-023	1	1	1	1	\$23,442.77	
22	091-243-024	1	1	1	1	\$23,442.77	
23	091-243-025	1	1	1	1	\$23,442.77	
24	091-243-026	1	1	1	1	\$23,442.77	
25	091-243-027	1	1	1	1	\$23,442.77	
26	091-243-028	1	1	1	1	\$23,442.77	
27	091-243-029	1	1	1	1	\$23,442.77	
28	091-243-030	1	1	1	1	\$23,442.77	
29	091-243-031	1	1	1	1	\$23,442.77	
30	091-243-032	1	1	1	1	\$23,442.77	



31	091-243-033	1	1	1	1	\$23,442.77
32	091-243-034	1	1	1	1	\$23,442.77
33	091-243-035	1	1	1	1	\$23,442.77
34	091-243-036	1	1	1	1	\$23,442.77
35	091-243-037	1	1	1	1	\$23,442.77
36	091-243-038	1	1	1	1	\$23,442.77
37	091-243-039	1	1	1	1	\$23,442.77
38	091-243-040	1	1	1	1	\$23,442.77
39	091-243-041	1	1	1	1	\$23,442.77
40	091-243-042	1	1	1	1	\$23,442.77
41	091-243-043	1	1	1	1	\$23,442.77
42	091-244-001	1	1	1	1	\$23,442.77
43	091-244-002	1	1	1	1	\$23,442.77
44	091-244-003	1	1	1	1	\$23,442.77
45	091-244-004	1	1	1	1	\$23,442.77
46	091-244-005	1	1	1	1	\$23,442.77
47	091-244-006	1	1	1	1	\$23,442.77
48	091-244-007	1	1	1	1	\$23,442.77
49	091-244-008	1	1	1	1	\$23,442.77
50	091-244-009	1	1	1	1	\$23,442.77
51	091-244-010	1	1	1	1	\$23,442.77
52	091-244-011	1	1	1	1	\$23,442.77
53	091-244-012	1	1	1	1	\$23,442.77
54	091-244-013	1	1	1	1	\$23,442.77
55	091-244-014	1	1	1	1	\$23,442.77
56	091-244-015	1	1	1	1	\$23,442.77
57	091-244-016	1	1	1	1	\$23,442.77
58	091-244-017	1	1	1	1	\$23,442.77
59	091-244-018	1	1	1	1	\$23,442.77
60	091-244-019	1	1	1	1	\$23,442.77
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63	091-244-024	1	1	1	1	\$23,442.77
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65	091-244-026	1	1	1	1	\$23,442.77
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68	091-244-029	1	1	1	1	\$23,442.77
69	091-244-030	1	1	1	1	\$23,442.77
70	091-244-031	1	1	1	1	\$23,442.77

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72	091-246-003	1	1	1	1	\$23,442.77
73	091-246-004	1	1	1	1	\$23,442.77
74	091-246-005	1	1	1	1	\$23,442.77
75	091-246-006	1	1	1	1	\$23,442.77
76	091-246-007	1	1	1	1	\$23,442.77
77	091-246-008	1	1	1	1	\$23,442.77
78	091-246-009	1	1	1	1	\$23,442.77
79	091-246-010	1	1	1	1	\$23,442.77
80	091-246-011	1	1	1	1	\$23,442.77
81	091-246-012	1	1	1	1	\$23,442.77
82	091-246-013	1	1	1	1	\$23,442.77
83	091-246-014	1	1	1	1	\$23,442.77
84	091-246-015	1	1	1	1	\$23,442.77
85	091-246-017	1	1	1	1	\$23,442.77
86	091-246-018	1	1	1	1	\$23,442.77
87	091-246-019	1	1	1	1	\$23,442.77
88	091-246-020	1	1	1	1	\$23,442.77
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90	091-246-026	1	1	1	1	\$23,442.77
91	091-246-029	1	1	1	1	\$23,442.77
92	091-410-001	1	1	1	1	\$23,442.77
93	091-410-002	1	1	1	1	\$23,442.77
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95	091-410-004	1	1	1	1	\$23,442.77
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98	091-410-007	1	1	1	1	\$23,442.77
99	091-410-008	1	1	1	1	\$23,442.77
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102	091-410-011	1	1	1	1	\$23,442.77
103	091-410-012	1	1	1	1	\$23,442.77
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105	091-410-014	1	1	1	1	\$23,442.77
106	091-410-015	1	1	1	1	\$23,442.77
107	091-410-016	1	1	1	1	\$23,442.77
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113	091-410-022	1	1	1	1	\$23,442.77
114	091-410-023	1	1	1	1	\$23,442.77
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119	091-410-028	1	1	1	1	\$23,442.77
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123	091-410-032	1	1	1	1	\$23,442.77
124	091-410-033	1	1	1	1	\$23,442.77
125	091-410-034	1	1	1	1	\$23,442.77
126	091-410-035	1	1	1	1	\$23,442.77
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145	091-410-054	1	1	1	1	\$23,442.77
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152	091-412-003	1	1	1	1	\$23,442.77
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156	091-412-007	1	1	1	1	\$23,442.77
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159	091-412-010	1	1	1	1	\$23,442.77
160	091-412-011	1	1	1	1	\$23,442.77
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181	091-413-011	1	1	1	1	\$23,442.77
182	091-413-012	1	1	1	1	\$23,442.77
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188	091-413-018	1	1	1	1	\$23,442.77
189	091-413-019	1	1	1	1	\$23,442.77
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194	091-413-024	1	1	1	1	\$23,442.77
195	091-413-025	1	1	1	1	\$23,442.77
196	091-413-026	1	1	1	1	\$23,442.77
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198	091-413-028	1	1	1	1	\$23,442.77
199	091-413-029	1	1	1	1	\$23,442.77
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202	091-413-032	1	1	1	1	\$23,442.77
203	091-413-033	1	1	1	1	\$23,442.77
204	091-413-034	1	1	1	1	\$23,442.77
205	091-413-035	1	1	1	1	\$23,442.77
206	091-413-036	1	1	1	1	\$23,442.77
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208	091-413-038	1	1	1	1	\$23,442.77
209	091-413-039	1	1	1	1	\$23,442.77
210	091-413-040	1	1	1	1	\$23,442.77
211	091-413-041	1	1	1	1	\$23,442.77
212	091-413-042	1	1	1	1	\$23,442.77
213	091-413-043	1	1	1	1	\$23,442.77
214	091-413-044	1	1	1	1	\$23,442.77
215	091-413-045	1	1	1	1	\$23,442.77
216	091-413-046	1	1	1	1	\$23,442.77
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218	091-414-002	1	1	1	1	\$23,442.77
219	091-414-003	1	1	1	1	\$23,442.77
220	091-414-004	1	1	1	1	\$23,442.77
221	091-414-005	1	1	1	1	\$23,442.77
222	091-414-006	1	1	1	1	\$23,442.77
223	091-414-007	1	1	1	1	\$23,442.77
224	091-414-008	1	1	1	1	\$23,442.77
225	091-414-009	1	1	1	1	\$23,442.77
226	091-414-010	1	1	1	1	\$23,442.77
227	091-414-011	1	1	1	1	\$23,442.77
228	091-414-012	1	1	1	1	\$23,442.77
229	091-414-013	1	1	1	1	\$23,442.77
230	091-414-014	1	1	1	1	\$23,442.77

231	091-414-015	1	1	1	1	\$23,442.77
232	091-414-016	1	1	1	1	\$23,442.77
233	091-414-017	1	1	1	1	\$23,442.77
234	091-414-018	1	1	1	1	\$23,442.77
235	091-414-019	1	1	1	1	\$23,442.77
236	091-414-020	1	1	1	1	\$23,442.77
237	091-414-021	1	1	1	1	\$23,442.77
238	091-414-022	1	1	1	1	\$23,442.77
239	091-414-023	1	1	1	1	\$23,442.77
240	091-414-024	1	1	1	1	\$23,442.77
241	091-414-025	1	1	1	1	\$23,442.77
242	091-414-026	1	1	1	1	\$23,442.77
243	091-414-027	1	1	1	1	\$23,442.77
244	091-414-028	1	1	1	1	\$23,442.77
245	091-414-029	1	1	1	1	\$23,442.77
246	091-414-030	1	1	1	1	\$23,442.77
247	091-415-002	1	1	1	1	\$23,442.77
248	091-415-003	1	1	1	1	\$23,442.77
249	091-415-004	1	1	1	1	\$23,442.77
250	091-415-005	1	1	1	1	\$23,442.77
251	091-415-006	1	1	1	1	\$23,442.77
252	091-415-007	1	1	1	1	\$23,442.77
253	091-415-008	1	1	1	1	\$23,442.77
254	091-415-009	1	1	1	1	\$23,442.77
255	091-415-010	1	1	1	1	\$23,442.77
256	091-415-011	1	1	1	1	\$23,442.77
257	091-415-012	1	1	1	1	\$23,442.77
258	091-415-013	1	1	1	1	\$23,442.77
259	091-415-014	1	1	1	1	\$23,442.77
260	091-415-015	1	1	1	1	\$23,442.77
261	091-415-016	1	1	1	1	\$23,442.77
262	091-415-017	1	1	1	1	\$23,442.77
263	091-415-018	1	1	1	1	\$23,442.77
264	091-415-019	1	1	1	1	\$23,442.77
265	091-415-020	1	1	1	1	\$23,442.77
266	091-415-021	1	1	1	1	\$23,442.77
267	091-415-022	1	1	1	1	\$23,442.77
268	091-415-023	1	1	1	1	\$23,442.77
269	091-415-024	1	1	1	1	\$23,442.77
270	091-415-025	1	1	1	1	\$23,442.77

271	091-415-026	1	1	1	1	\$23,442.77
272	091-415-027	1	1	1	1	\$23,442.77
273	091-415-028	1	1	1	1	\$23,442.77
274	091-415-029	1	1	1	1	\$23,442.77
275	091-415-030	1	1	1	1	\$23,442.77
276	091-415-031	1	1	1	1	\$23,442.77
277	091-415-032	1	1	1	1	\$23,442.77
278	091-415-033	1	1	1	1	\$23,442.77
279	091-416-001	1	1	1	1	\$23,442.77
280	091-416-002	1	1	1	1	\$23,442.77
281	091-416-003	1	1	1	1	\$23,442.77
282	091-416-004	1	1	1	1	\$23,442.77
283	091-416-005	1	1	1	1	\$23,442.77
284	091-416-006	1	1	1	1	\$23,442.77
285	091-416-007	1	1	1	1	\$23,442.77
286	091-416-008	1	1	1	1	\$23,442.77
287	091-416-009	1	1	1	1	\$23,442.77
288	091-416-010	1	1	1	1	\$23,442.77
289	091-416-011	1	1	1	1	\$23,442.77
290	091-416-012	1	1	1	1	\$23,442.77
291	091-416-013	1	1	1	1	\$23,442.77
292	091-416-014	1	1	1	1	\$23,442.77
293	091-416-015	1	1	1	1	\$23,442.77
294	091-416-016	1	1	1	1	\$23,442.77
295	091-416-017	1	1	1	1	\$23,442.77
296	091-416-018	1	1	1	1	\$23,442.77
297	091-416-019	1	1	1	1	\$23,442.77
298	091-416-020	1	1	1	1	\$23,442.77
299	091-416-021	1	1	1	1	\$23,442.77
300	091-416-022	1	1	1	1	\$23,442.77
301	091-416-023	1	1	1	1	\$23,442.77
302	091-416-024	1	1	1	1	\$23,442.77
303	091-416-025	1	1	1	1	\$23,442.77
304	091-416-026	1	1	1	1	\$23,442.77
305	091-416-027	1	1	1	1	\$23,442.77
306	091-416-028	1	1	1	1	\$23,442.77
307	091-416-029	1	1	1	1	\$23,442.77
308	091-416-030	1	1	1	1	\$23,442.77
309	091-416-031	1	1	1	1	\$23,442.77
310	091-416-032	1	1	1	1	\$23,442.77

311	091-416-033	1	1	1	1	\$23,442.77
312	091-416-034	1	1	1	1	\$23,442.77
313	091-416-035	1	1	1	1	\$23,442.77
314	091-416-036	1	1	1	1	\$23,442.77
315	091-419-001	1	1	1	1	\$23,442.77
316	091-419-002	1	1	1	1	\$23,442.77
317	091-419-003	1	1	1	1	\$23,442.77
318	091-419-004	1	1	1	1	\$23,442.77
319	091-419-005	1	1	1	1	\$23,442.77
320	091-419-006	1	1	1	1	\$23,442.77
321	091-419-007	1	1	1	1	\$23,442.77
322	091-419-008	1	1	1	1	\$23,442.77
323	091-419-009	1	1	1	1	\$23,442.77
324	091-419-010	1	1	1	1	\$23,442.77
325	091-419-011	1	1	1	1	\$23,442.77
326	091-419-012	1	1	1	1	\$23,442.77
327	091-419-013	1	1	1	1	\$23,442.77
328	091-419-014	1	1	1	1	\$23,442.77
329	091-419-015	1	1	1	1	\$23,442.77
330	091-419-016	1	1	1	1	\$23,442.77
331	091-419-017	1	1	1	1	\$23,442.77
332	091-419-018	1	1	1	1	\$23,442.77
333	091-419-020	1	1	1	1	\$23,442.77
334	091-419-021	1	1	1	1	\$23,442.77
335	091-419-022	1	1	1	1	\$23,442.77
336	091-419-023	1	1	1	1	\$23,442.77
337	091-419-028	1	1	1	1	\$23,442.77
338	091-419-029	1	1	1	1	\$23,442.77
339	091-419-030	1	1	1	1	\$23,442.77
340	091-419-031	1	1	1	1	\$23,442.77
341	091-419-032	1	1	1	1	\$23,442.77
342	091-419-033	1	1	1	1	\$23,442.77
343	091-419-034	1	1	1	1	\$23,442.77
344	091-419-035	1	1	1	1	\$23,442.77
345	091-419-036	1	1	1	1	\$23,442.77
346	091-419-037	1	1	1	1	\$23,442.77
347	091-419-038	1	1	1	1	\$23,442.77
348	091-419-039	1	1	1	1	\$23,442.77
349	091-419-040	1	1	1	1	\$23,442.77
350	091-419-041	1	1	1	1	\$23,442.77



351	091-419-042	1	1	1	1	\$23,442.77
352	091-419-043	1	1	1	1	\$23,442.77
353	091-419-055	1	1	1	1	\$23,442.77
354	091-419-056	1	1	1	1	\$23,442.77
355	091-419-057	1	1	1	1	\$23,442.77
356	091-419-058	1	1	1	1	\$23,442.77
357	091-419-060	1	1	1	1	\$23,442.77
358	091-440-001	1	1	1	1	\$23,442.77
359	091-440-002	1	1	1	1	\$23,442.77
360	091-440-003	1	1	1	1	\$23,442.77
361	091-440-004	1	1	1	1	\$23,442.77
362	091-440-005	1	1	1	1	\$23,442.77
363	091-440-006	1	1	1	1	\$23,442.77
364	091-440-007	1	1	1	1	\$23,442.77
365	091-440-008	1	1	1	1	\$23,442.77
366	091-440-009	1	1	1	1	\$23,442.77
367	091-440-010	1	1	1	1	\$23,442.77
368	091-440-011	1	1	1	1	\$23,442.77
369	091-440-012	1	1	1	1	\$23,442.77
370	091-440-013	1	1	1	1	\$23,442.77
371	091-440-014	1	1	1	1	\$23,442.77
372	091-441-001	1	1	1	1	\$23,442.77
373	091-441-002	1	1	1	1	\$23,442.77
374	091-441-003	1	1	1	1	\$23,442.77
375	091-441-004	1	1	1	1	\$23,442.77
376	091-441-005	1	1	1	1	\$23,442.77
377	091-441-006	1	1	1	1	\$23,442.77
378	091-441-007	1	1	1	1	\$23,442.77
379	091-441-008	1	1	1	1	\$23,442.77
380	091-441-009	1	1	1	1	\$23,442.77
381	091-441-010	1	1	1	1	\$23,442.77
382	091-441-011	1	1	1	1	\$23,442.77
383	091-441-014	1	1	1	1	\$23,442.77
384	091-441-015	1	1	1	1	\$23,442.77
385	091-441-016	1	1	1	1	\$23,442.77
386	091-441-017	1	1	1	1	\$23,442.77
387	091-441-018	1	1	1	1	\$23,442.77
388	091-441-019	1	1	1	1	\$23,442.77
389	091-441-020	1	1	1	1	\$23,442.77
390	091-441-022	1	1	1	1	\$23,442.77

391	091-441-023	1	1	1	1	\$23,442.77
392	091-441-024	1	1	1	1	\$23,442.77
393	091-441-027	1	1	1	1	\$23,442.77
394	091-441-028	1	1	1	1	\$23,442.77
395	091-441-029	1	1	1	1	\$23,442.77
396	091-442-001	1	1	1	1	\$23,442.77
397	091-442-002	1	1	1	1	\$23,442.77
398	091-442-003	1	1	1	1	\$23,442.77
399	091-442-004	1	1	1	1	\$23,442.77
400	091-442-005	1	1	1	1	\$23,442.77
401	091-442-006	1	1	1	1	\$23,442.77
402	091-442-007	1	1	1	1	\$23,442.77
403	091-442-008	1	1	1	1	\$23,442.77
404	091-442-009	1	1	1	1	\$23,442.77
405	091-442-010	1	1	1	1	\$23,442.77
406	091-442-011	1	1	1	1	\$23,442.77
407	091-442-012	1	1	1	1	\$23,442.77
408	091-442-013	1	1	1	1	\$23,442.77
409	091-442-014	1	1	1	1	\$23,442.77
410	091-442-015	1	1	1	1	\$23,442.77
411	091-442-016	1	1	1	1	\$23,442.77
412	091-442-017	1	1	1	1	\$23,442.77
413	091-442-018	1	1	1	1	\$23,442.77
414	091-442-019	1	1	1	1	\$23,442.77
415	091-442-020	1	1	1	1	\$23,442.77
416	091-442-021	1	1	1	1	\$23,442.77
417	091-442-022	1	1	1	1	\$23,442.77
418	091-442-023	1	1	1	1	\$23,442.77
419	091-442-024	1	1	1	1	\$23,442.77
420	091-442-025	1	1	1	1	\$23,442.77
421	091-442-026	1	1	1	1	\$23,442.77
422	091-442-027	1	1	1	1	\$23,442.77
423	091-443-001	1	1	1	1	\$23,442.77
424	091-443-002	1	1	1	1	\$23,442.77
425	091-443-003	1	1	1	1	\$23,442.77
426	091-443-004	1	1	1	1	\$23,442.77
427	091-443-005	1	1	1	1	\$23,442.77
428	091-443-006	1	1	1	1	\$23,442.77
429	091-443-007	1	1	1	1	\$23,442.77
430	091-443-008	1	1	1	1	\$23,442.77

431	091-443-009	1	1	1	1	\$23,442.77
432	091-443-010	1	1	1	1	\$23,442.77
433	091-443-011	1	1	1	1	\$23,442.77
434	091-443-012	1	1	1	1	\$23,442.77
435	091-443-013	1	1	1	1	\$23,442.77
436	091-443-014	1	1	1	1	\$23,442.77
437	091-443-015	1	1	1	1	\$23,442.77
438	091-443-016	1	1	1	1	\$23,442.77
439	091-444-001	1	1	1	1	\$23,442.77
440	091-444-002	1	1	1	1	\$23,442.77
441	091-444-003	1	1	1	1	\$23,442.77
442	091-444-004	1	1	1	1	\$23,442.77
443	091-444-005	1	1	1	1	\$23,442.77
444	091-444-006	1	1	1	1	\$23,442.77
445	091-444-007	1	1	1	1	\$23,442.77
446	091-444-008	1	1	1	1	\$23,442.77
447	091-444-009	1	1	1	1	\$23,442.77
448	091-444-011	1	1	1	1	\$23,442.77
449	091-444-012	1	1	1	1	\$23,442.77
450	091-444-013	1	1	1	1	\$23,442.77
451	091-444-014	1	1	1	1	\$23,442.77
452	091-444-015	1	1	1	1	\$23,442.77
453	091-444-016	1	1	1	1	\$23,442.77
454	091-444-017	1	1	1	1	\$23,442.77
455	091-444-018	1	1	1	1	\$23,442.77
456	091-444-019	1	1	1	1	\$23,442.77
457	091-444-020	1	1	1	1	\$23,442.77
458	091-444-021	1	1	1	1	\$23,442.77
459	091-444-022	1	1	1	1	\$23,442.77
460	091-444-023	1	1	1	1	\$23,442.77
461	091-444-024	1	1	1	1	\$23,442.77
462	091-444-025	1	1	1	1	\$23,442.77
463	091-444-026	1	1	1	1	\$23,442.77
464	091-444-027	1	1	1	1	\$23,442.77
465	091-444-028	1	1	1	1	\$23,442.77
466	091-444-029	1	1	1	1	\$23,442.77
467	091-444-030	1	1	1	1	\$23,442.77
468	091-444-031	1	1	1	1	\$23,442.77
469	091-444-033	1	1	1	1	\$23,442.77
470	091-444-034	1	1	1	1	\$23,442.77

471	091-444-035	1	1	1	1	\$23,442.77
472	091-444-036	1	1	1	1	\$23,442.77
473	091-444-037	1	1	1	1	\$23,442.77
474	091-444-038	1	1	1	1	\$23,442.77
475	091-444-039	1	1	1	1	\$23,442.77
476	091-444-040	1	1	1	1	\$23,442.77
477	091-444-041	1	1	1	1	\$23,442.77
478	091-444-042	1	1	1	1	\$23,442.77
479	091-444-043	1	1	1	1	\$23,442.77
480	091-444-044	1	1	1	1	\$23,442.77
481	091-444-045	1	1	1	1	\$23,442.77
482	091-444-046	1	1	1	1	\$23,442.77
483	091-444-047	1	1	1	1	\$23,442.77
484	091-444-048	1	1	1	1	\$23,442.77
485	091-444-049	1	1	1	1	\$23,442.77
486	091-444-050	1	1	1	1	\$23,442.77
487	091-444-051	1	1	1	1	\$23,442.77
488	091-444-052	1	1	1	1	\$23,442.77
489	091-444-053	1	1	1	1	\$23,442.77
490	091-444-054	1	1	1	1	\$23,442.77
491	091-444-055	1	1	1	1	\$23,442.77
492	091-444-056	1	1	1	1	\$23,442.77
493	091-444-057	1	1	1	1	\$23,442.77
494	091-444-058	1	1	1	1	\$23,442.77
495	091-444-059	1	1	1	1	\$23,442.77
496	091-444-060	1	1	1	1	\$23,442.77
497	091-444-061	1	1	1	1	\$23,442.77
498	091-444-062	1	1	1	1	\$23,442.77
499	091-444-063	1	1	1	1	\$23,442.77
500	091-444-064	1	1	1	1	\$23,442.77
501	091-444-067	1	1	1	1	\$23,442.77
502	091-444-068	1	1	1	1	\$23,442.77
503	091-445-001	1	1	1	1	\$23,442.77
504	091-445-002	1	1	1	1	\$23,442.77
505	091-445-003	1	1	1	1	\$23,442.77
506	091-445-004	1	1	1	1	\$23,442.77
507	091-445-005	1	1	1	1	\$23,442.77
508	091-445-006	1	1	1	1	\$23,442.77
509	091-445-007	1	1	1	1	\$23,442.77
510	091-445-008	1	1	1	1	\$23,442.77

511	091-445-009	1	1	1	1	\$23,442.77
512	091-445-010	1	1	1	1	\$23,442.77
513	091-445-011	1	1	1	1	\$23,442.77
514	091-445-012	1	1	1	1	\$23,442.77
515	091-445-013	1	1	1	1	\$23,442.77
516	091-445-014	1	1	1	1	\$23,442.77
517	091-445-015	1	1	1	1	\$23,442.77
518	091-445-016	1	1	1	1	\$23,442.77
519	091-445-017	1	1	1	1	\$23,442.77
520	091-445-018	1	1	1	1	\$23,442.77
521	091-445-019	1	1	1	1	\$23,442.77
522	091-445-020	1	1	1	1	\$23,442.77
523	091-445-021	1	1	1	1	\$23,442.77
524	091-445-022	1	1	1	1	\$23,442.77
525	091-445-023	1	1	1	1	\$23,442.77
526	091-445-024	1	1	1	1	\$23,442.77
527	091-445-025	1	1	1	1	\$23,442.77
528	091-445-026	1	1	1	1	\$23,442.77
529	091-445-027	1	1	1	1	\$23,442.77
530	091-445-028	1	1	1	1	\$23,442.77
531	091-445-029	1	1	1	1	\$23,442.77
532	091-445-030	1	1	1	1	\$23,442.77
533	091-445-031	1	1	1	1	\$23,442.77
534	091-446-001	1	1	1	1	\$23,442.77
535	091-446-002	1	1	1	1	\$23,442.77
536	091-446-003	1	1	1	1	\$23,442.77
537	091-446-004	1	1	1	1	\$23,442.77
538	091-446-005	1	1	1	1	\$23,442.77
539	091-446-006	1	1	1	1	\$23,442.77
540	091-446-007	1	1	1	1	\$23,442.77
541	091-446-008	1	1	1	1	\$23,442.77
542	091-446-009	1	1	1	1	\$23,442.77
543	091-446-010	1	1	1	1	\$23,442.77
544	091-446-011	1	1	1	1	\$23,442.77
545	091-446-012	1	1	1	1	\$23,442.77
546	091-446-013	1	1	1	1	\$23,442.77
547	091-446-014	1	1	1	1	\$23,442.77
548	091-446-015	1	1	1	1	\$23,442.77
549	091-446-016	1	1	1	1	\$23,442.77
550	091-446-017	1	1	1	1	\$23,442.77

551	091-446-018	1	1	1	1	\$23,442.77
552	091-446-019	1	1	1	1	\$23,442.77
553	091-446-020	1	1	1	1	\$23,442.77
554	091-446-021	1	1	1	1	\$23,442.77
555	091-446-022	1	1	1	1	\$23,442.77
556	091-446-023	1	1	1	1	\$23,442.77
557	091-446-024	1	1	1	1	\$23,442.77
558	091-446-025	1	1	1	1	\$23,442.77
559	091-446-026	1	1	1	1	\$23,442.77

## EXHIBIT D: ESTIMATED TRUE VALUE

### Nipomo Community Services District Blacklake Sewer Assessment District No. 2020-1

#### Estimated True Value

Assessment ID	Assessor's Parcel Number	Assessed Value (\$)	Preliminary Assessment Amount (\$)	Value-to-Lien Ratio
1	091-243-001	656,166.00	23,442.77	27.99:1
2	091-243-002	306,576.00	23,442.77	13.08:1
3	091-243-003	484,824.00	23,442.77	20.68:1
4	091-243-004	908,914.00	23,442.77	38.77:1
5	091-243-005	300,963.00	23,442.77	12.84:1
6	091-243-006	253,983.00	23,442.77	10.83:1
7	091-243-007	379,112.00	23,442.77	16.17:1
8	091-243-008	441,817.00	23,442.77	18.85:1
9	091-243-009	619,497.00	23,442.77	26.43:1
10	091-243-010	412,862.00	23,442.77	17.61:1
11	091-243-013	765,000.00	23,442.77	32.63:1
12	091-243-014	526,308.00	23,442.77	22.45:1
13	091-243-015	579,477.00	23,442.77	24.72:1
14	091-243-016	455,202.00	23,442.77	19.42:1
15	091-243-017	491,173.00	23,442.77	20.95:1
16	091-243-018	526,308.00	23,442.77	22.45:1
17	091-243-019	634,644.00	23,442.77	27.07:1
18	091-243-020	494,548.00	23,442.77	21.1:1
19	091-243-021	577,978.00	23,442.77	24.65:1
20	091-243-022	574,247.00	23,442.77	24.5:1
21	091-243-023	761,900.00	23,442.77	32.5:1
22	091-243-024	775,000.00	23,442.77	33.06:1
23	091-243-025	475,635.00	23,442.77	20.29:1
24	091-243-026	735,037.00	23,442.77	31.35:1
25	091-243-027	748,783.00	23,442.77	31.94:1
26	091-243-028	542,843.00	23,442.77	23.16:1
27	091-243-029	583,434.00	23,442.77	24.89:1
28	091-243-030	634,740.00	23,442.77	27.08:1
29	091-243-031	154,137.00	23,442.77	6.58:1
30	091-243-032	807,560.00	23,442.77	34.45:1
31	091-243-033	588,936.00	23,442.77	25.12:1

32	091-243-034	765,000.00	23,442.77	32.63:1
33	091-243-035	852,485.00	23,442.77	36.36:1
34	091-243-036	522,180.00	23,442.77	22.27:1
35	091-243-037	504,952.00	23,442.77	21.54:1
36	091-243-038	507,955.00	23,442.77	21.67:1
37	091-243-039	923,250.00	23,442.77	39.38:1
38	091-243-040	490,924.00	23,442.77	20.94:1
39	091-243-041	442,262.00	23,442.77	18.87:1
40	091-243-042	623,702.00	23,442.77	26.61:1
41	091-243-043	674,711.00	23,442.77	28.78:1
42	091-244-001	473,783.00	23,442.77	20.21:1
43	091-244-002	625,000.00	23,442.77	26.66:1
44	091-244-003	239,998.00	23,442.77	10.24:1
45	091-244-004	472,908.00	23,442.77	20.17:1
46	091-244-005	305,650.00	23,442.77	13.04:1
47	091-244-006	266,430.00	23,442.77	11.37:1
48	091-244-007	304,706.00	23,442.77	13:1
49	091-244-008	248,416.00	23,442.77	10.6:1
50	091-244-009	663,000.00	23,442.77	28.28:1
51	091-244-010	464,931.00	23,442.77	19.83:1
52	091-244-011	756,171.00	23,442.77	32.26:1
53	091-244-012	755,000.00	23,442.77	32.21:1
54	091-244-013	808,078.00	23,442.77	34.47:1
55	091-244-014	800,000.00	23,442.77	34.13:1
56	091-244-015	746,536.00	23,442.77	31.85:1
57	091-244-016	657,900.00	23,442.77	28.06:1
58	091-244-017	624,916.00	23,442.77	26.66:1
59	091-244-018	690,000.00	23,442.77	29.43:1
60	091-244-019	645,955.00	23,442.77	27.55:1
61	091-244-022	671,058.00	23,442.77	28.63:1
62	091-244-023	482,221.00	23,442.77	20.57:1
63	091-244-024	578,667.00	23,442.77	24.68:1
64	091-244-025	606,037.00	23,442.77	25.85:1
65	091-244-026	437,836.00	23,442.77	18.68:1
66	091-244-027	821,100.00	23,442.77	35.03:1
67	091-244-028	694,281.00	23,442.77	29.62:1
68	091-244-029	465,251.00	23,442.77	19.85:1
69	091-244-030	575,501.00	23,442.77	24.55:1
70	091-244-031	868,734.00	23,442.77	37.06:1
71	091-246-001	765,446.00	23,442.77	32.65:1



72	091-246-003	727,043.00	23,442.77	31.01:1
73	091-246-004	826,679.00	23,442.77	35.26:1
74	091-246-005	853,676.00	23,442.77	36.42:1
75	091-246-006	890,352.00	23,442.77	37.98:1
76	091-246-007	901,772.00	23,442.77	38.47:1
77	091-246-008	822,435.00	23,442.77	35.08:1
78	091-246-009	716,427.00	23,442.77	30.56:1
79	091-246-010	507,989.00	23,442.77	21.67:1
80	091-246-011	685,000.00	23,442.77	29.22:1
81	091-246-012	705,000.00	23,442.77	30.07:1
82	091-246-013	862,491.00	23,442.77	36.79:1
83	091-246-014	855,780.00	23,442.77	36.51:1
84	091-246-015	690,000.00	23,442.77	29.43:1
85	091-246-017	800,000.00	23,442.77	34.13:1
86	091-246-018	699,000.00	23,442.77	29.82:1
87	091-246-019	780,000.00	23,442.77	33.27:1
88	091-246-020	685,000.00	23,442.77	29.22:1
89	091-246-025	827,592.00	61,341.91	13.49:1
90	091-246-026	780,000.00	23,442.77	33.27:1
91	091-246-029	731,885.00	23,442.77	31.22:1
92	091-410-001	533,305.00	23,442.77	22.75:1
93	091-410-002	346,374.00	23,442.77	14.78:1
94	091-410-003	314,536.00	23,442.77	13.42:1
95	091-410-004	551,412.00	23,442.77	23.52:1
96	091-410-005	550,765.00	23,442.77	23.49:1
97	091-410-006	626,000.00	23,442.77	26.7:1
98	091-410-007	434,941.00	23,442.77	18.55:1
99	091-410-008	551,827.00	23,442.77	23.54:1
100	091-410-009	540,684.00	23,442.77	23.06:1
101	091-410-010	355,892.00	23,442.77	15.18:1
102	091-410-011	510,993.00	23,442.77	21.8:1
103	091-410-012	545,000.00	23,442.77	23.25:1
104	091-410-013	556,614.00	23,442.77	23.74:1
105	091-410-014	383,787.00	23,442.77	16.37:1
106	091-410-015	450,552.00	23,442.77	19.22:1
107	091-410-016	553,350.00	23,442.77	23.6:1
108	091-410-017	356,950.00	23,442.77	15.23:1
109	091-410-018	455,175.00	23,442.77	19.42:1
110	091-410-019	523,321.00	23,442.77	22.32:1
111	091-410-020	276,649.00	23,442.77	11.8:1

112	091-410-021	475,000.00	23,442.77	20.26:1
113	091-410-022	511,000.00	23,442.77	21.8:1
114	091-410-023	297,816.00	23,442.77	12.7:1
115	091-410-024	504,798.00	23,442.77	21.53:1
116	091-410-025	556,614.00	23,442.77	23.74:1
117	091-410-026	410,977.00	23,442.77	17.53:1
118	091-410-027	309,995.00	23,442.77	13.22:1
119	091-410-028	509,378.00	23,442.77	21.73:1
120	091-410-029	279,566.00	23,442.77	11.93:1
121	091-410-030	311,556.00	23,442.77	13.29:1
122	091-410-031	386,360.00	23,442.77	16.48:1
123	091-410-032	511,000.00	23,442.77	21.8:1
124	091-410-033	293,593.00	23,442.77	12.52:1
125	091-410-034	309,251.00	23,442.77	13.19:1
126	091-410-035	511,000.00	23,442.77	21.8:1
127	091-410-036	515,000.00	23,442.77	21.97:1
128	091-410-037	578,000.00	23,442.77	24.66:1
129	091-410-038	330,289.00	23,442.77	14.09:1
130	091-410-039	433,036.00	23,442.77	18.47:1
131	091-410-040	354,138.00	23,442.77	15.11:1
132	091-410-041	584,480.00	23,442.77	24.93:1
133	091-410-042	398,409.00	23,442.77	16.99:1
134	091-410-043	526,797.00	23,442.77	22.47:1
135	091-410-044	485,993.00	23,442.77	20.73:1
136	091-410-045	545,190.00	23,442.77	23.26:1
137	091-410-046	452,502.00	23,442.77	19.3:1
138	091-410-047	565,628.00	23,442.77	24.13:1
139	091-410-048	479,520.00	23,442.77	20.45:1
140	091-410-049	397,400.00	23,442.77	16.95:1
141	091-410-050	449,262.00	23,442.77	19.16:1
142	091-410-051	529,716.00	23,442.77	22.6:1
143	091-410-052	336,353.00	23,442.77	14.35:1
144	091-410-053	326,798.00	23,442.77	13.94:1
145	091-410-054	373,259.00	23,442.77	15.92:1
146	091-410-055	337,548.00	23,442.77	14.4:1
147	091-410-058	561,711.00	23,442.77	23.96:1
148	091-411-006	1,085,000.00	91,036.08	11.92:1
149	091-411-026	1,105,000.00	23,442.77	47.14:1
150	091-412-001	351,932.00	23,442.77	15.01:1
151	091-412-002	688,500.00	23,442.77	29.37:1

152	091-412-003	414,510.00	23,442.77	17.68:1
153	091-412-004	561,210.00	23,442.77	23.94:1
154	091-412-005	537,615.00	23,442.77	22.93:1
155	091-412-006	304,143.00	23,442.77	12.97:1
156	091-412-007	452,716.00	23,442.77	19.31:1
157	091-412-008	588,970.00	23,442.77	25.12:1
158	091-412-009	483,362.00	23,442.77	20.62:1
159	091-412-010	549,636.00	23,442.77	23.45:1
160	091-412-011	444,379.00	23,442.77	18.96:1
161	091-412-012	540,663.00	23,442.77	23.06:1
162	091-412-013	554,000.00	23,442.77	23.63:1
163	091-412-014	488,000.00	23,442.77	20.82:1
164	091-412-015	639,744.00	23,442.77	27.29:1
165	091-412-016	257,349.00	23,442.77	10.98:1
166	091-412-017	377,199.00	23,442.77	16.09:1
167	091-412-018	605,512.00	23,442.77	25.83:1
168	091-412-019	618,310.00	23,442.77	26.38:1
169	091-412-020	514,080.00	23,442.77	21.93:1
170	091-412-021	421,273.00	23,442.77	17.97:1
171	091-413-001	399,719.00	23,442.77	17.05:1
172	091-413-002	536,333.00	23,442.77	22.88:1
173	091-413-003	484,247.00	23,442.77	20.66:1
174	091-413-004	377,454.00	23,442.77	16.1:1
175	091-413-005	551,000.00	23,442.77	23.5:1
176	091-413-006	231,948.00	23,442.77	9.89:1
177	091-413-007	557,134.00	23,442.77	23.77:1
178	091-413-008	538,799.00	23,442.77	22.98:1
179	091-413-009	504,398.00	23,442.77	21.52:1
180	091-413-010	324,902.00	23,442.77	13.86:1
181	091-413-011	447,051.00	23,442.77	19.07:1
182	091-413-012	500,445.00	23,442.77	21.35:1
183	091-413-013	570,000.00	23,442.77	24.31:1
184	091-413-014	525,402.00	23,442.77	22.41:1
185	091-413-015	314,885.00	23,442.77	13.43:1
186	091-413-016	284,800.00	23,442.77	12.15:1
187	091-413-017	553,500.00	23,442.77	23.61:1
188	091-413-018	484,843.00	23,442.77	20.68:1
189	091-413-019	434,305.00	23,442.77	18.53:1
190	091-413-020	508,794.00	23,442.77	21.7:1
191	091-413-021	482,420.00	23,442.77	20.58:1

192	091-413-022	595,000.00	23,442.77	25.38:1
193	091-413-023	200,868.00	23,442.77	8.57:1
194	091-413-024	303,211.00	23,442.77	12.93:1
195	091-413-025	367,417.00	23,442.77	15.67:1
196	091-413-026	549,705.00	23,442.77	23.45:1
197	091-413-027	419,198.00	23,442.77	17.88:1
198	091-413-028	343,146.00	23,442.77	14.64:1
199	091-413-029	456,046.00	23,442.77	19.45:1
200	091-413-030	586,500.00	23,442.77	25.02:1
201	091-413-031	562,000.00	23,442.77	23.97:1
202	091-413-032	537,615.00	23,442.77	22.93:1
203	091-413-033	541,699.00	23,442.77	23.11:1
204	091-413-034	517,869.00	23,442.77	22.09:1
205	091-413-035	384,617.00	23,442.77	16.41:1
206	091-413-036	409,543.00	23,442.77	17.47:1
207	091-413-037	454,730.00	23,442.77	19.4:1
208	091-413-038	635,000.00	23,442.77	27.09:1
209	091-413-039	534,024.00	23,442.77	22.78:1
210	091-413-040	599,514.00	23,442.77	25.57:1
211	091-413-041	434,933.00	23,442.77	18.55:1
212	091-413-042	415,821.00	23,442.77	17.74:1
213	091-413-043	510,000.00	23,442.77	21.76:1
214	091-413-044	478,538.00	23,442.77	20.41:1
215	091-413-045	500,358.00	23,442.77	21.34:1
216	091-413-046	551,655.00	23,442.77	23.53:1
217	091-414-001	595,170.00	23,442.77	25.39:1
218	091-414-002	543,000.00	23,442.77	23.16:1
219	091-414-003	295,094.00	23,442.77	12.59:1
220	091-414-004	331,541.00	23,442.77	14.14:1
221	091-414-005	508,980.00	23,442.77	21.71:1
222	091-414-006	257,245.00	23,442.77	10.97:1
223	091-414-007	307,012.00	23,442.77	13.1:1
224	091-414-008	617,340.00	23,442.77	26.33:1
225	091-414-009	467,389.00	23,442.77	19.94:1
226	091-414-010	509,379.00	23,442.77	21.73:1
227	091-414-011	453,653.00	23,442.77	19.35:1
228	091-414-012	468,661.00	23,442.77	19.99:1
229	091-414-013	570,000.00	23,442.77	24.31:1
230	091-414-014	509,379.00	23,442.77	21.73:1
231	091-414-015	436,425.00	23,442.77	18.62:1

232	091-414-016	447,910.00	23,442.77	19.11:1
233	091-414-017	624,000.00	23,442.77	26.62:1
234	091-414-018	360,497.00	23,442.77	15.38:1
235	091-414-019	572,578.00	23,442.77	24.42:1
236	091-414-020	284,534.00	23,442.77	12.14:1
237	091-414-021	525,000.00	23,442.77	22.39:1
238	091-414-022	331,127.00	23,442.77	14.12:1
239	091-414-023	318,168.00	23,442.77	13.57:1
240	091-414-024	551,000.00	23,442.77	23.5:1
241	091-414-025	570,000.00	23,442.77	24.31:1
242	091-414-026	342,302.00	23,442.77	14.6:1
243	091-414-027	560,895.00	23,442.77	23.93:1
244	091-414-028	571,077.00	23,442.77	24.36:1
245	091-414-029	331,127.00	23,442.77	14.12:1
246	091-414-030	518,160.00	23,442.77	22.1:1
247	091-415-002	250,747.00	23,442.77	10.7:1
248	091-415-003	449,000.00	23,442.77	19.15:1
249	091-415-004	346,154.00	23,442.77	14.77:1
250	091-415-005	380,972.00	23,442.77	16.25:1
251	091-415-006	248,177.00	23,442.77	10.59:1
252	091-415-007	469,000.00	23,442.77	20.01:1
253	091-415-008	369,342.00	23,442.77	15.76:1
254	091-415-009	184,628.00	23,442.77	7.88:1
255	091-415-010	246,228.00	23,442.77	10.5:1
256	091-415-011	329,781.00	23,442.77	14.07:1
257	091-415-012	407,847.00	23,442.77	17.4:1
258	091-415-013	353,736.00	23,442.77	15.09:1
259	091-415-014	440,000.00	23,442.77	18.77:1
260	091-415-015	440,000.00	23,442.77	18.77:1
261	091-415-016	360,810.00	23,442.77	15.39:1
262	091-415-017	198,222.00	23,442.77	8.46:1
263	091-415-018	244,529.00	23,442.77	10.43:1
264	091-415-019	455,430.00	23,442.77	19.43:1
265	091-415-020	405,000.00	23,442.77	17.28:1
266	091-415-021	330,090.00	23,442.77	14.08:1
267	091-415-022	357,626.00	23,442.77	15.26:1
268	091-415-023	449,000.00	23,442.77	19.15:1
269	091-415-024	382,358.00	23,442.77	16.31:1
270	091-415-025	346,313.00	23,442.77	14.77:1
271	091-415-026	362,476.00	23,442.77	15.46:1

272	091-415-027	368,769.00	23,442.77	15.73:1
273	091-415-028	403,000.00	23,442.77	17.19:1
274	091-415-029	366,309.00	23,442.77	15.63:1
275	091-415-030	371,695.00	23,442.77	15.86:1
276	091-415-031	245,921.00	23,442.77	10.49:1
277	091-415-032	375,000.00	23,442.77	16:1
278	091-415-033	343,684.00	23,442.77	14.66:1
279	091-416-001	179,562.00	23,442.77	7.66:1
280	091-416-002	261,770.00	23,442.77	11.17:1
281	091-416-003	322,335.00	23,442.77	13.75:1
282	091-416-004	298,982.00	23,442.77	12.75:1
283	091-416-005	189,782.00	23,442.77	8.1:1
284	091-416-006	361,526.00	23,442.77	15.42:1
285	091-416-007	449,900.00	23,442.77	19.19:1
286	091-416-008	387,600.00	23,442.77	16.53:1
287	091-416-009	358,938.00	23,442.77	15.31:1
288	091-416-010	426,837.00	23,442.77	18.21:1
289	091-416-011	295,808.00	23,442.77	12.62:1
290	091-416-012	297,960.00	23,442.77	12.71:1
291	091-416-013	416,000.00	23,442.77	17.75:1
292	091-416-014	442,000.00	23,442.77	18.85:1
293	091-416-015	178,654.00	23,442.77	7.62:1
294	091-416-016	281,490.00	23,442.77	12.01:1
295	091-416-017	398,500.00	23,442.77	17:1
296	091-416-018	433,500.00	23,442.77	18.49:1
297	091-416-019	426,564.00	23,442.77	18.2:1
298	091-416-020	176,039.00	23,442.77	7.51:1
299	091-416-021	175,652.00	23,442.77	7.49:1
300	091-416-022	320,916.00	23,442.77	13.69:1
301	091-416-023	439,000.00	23,442.77	18.73:1
302	091-416-024	181,764.00	23,442.77	7.75:1
303	091-416-025	402,900.00	23,442.77	17.19:1
304	091-416-026	437,000.00	23,442.77	18.64:1
305	091-416-027	418,749.00	23,442.77	17.86:1
306	091-416-028	423,300.00	23,442.77	18.06:1
307	091-416-029	349,860.00	23,442.77	14.92:1
308	091-416-030	364,140.00	23,442.77	15.53:1
309	091-416-031	394,311.00	23,442.77	16.82:1
310	091-416-032	352,500.00	23,442.77	15.04:1
311	091-416-033	283,390.00	23,442.77	12.09:1

312	091-416-034	365,936.00	23,442.77	15.61:1
313	091-416-035	370,678.00	23,442.77	15.81:1
314	091-416-036	328,600.00	23,442.77	14.02:1
315	091-419-001	778,302.00	23,442.77	33.2:1
316	091-419-002	441,557.00	23,442.77	18.84:1
317	091-419-003	509,634.00	23,442.77	21.74:1
318	091-419-004	443,658.00	23,442.77	18.93:1
319	091-419-005	323,151.00	23,442.77	13.78:1
320	091-419-006	347,354.00	23,442.77	14.82:1
321	091-419-007	506,194.00	23,442.77	21.59:1
322	091-419-008	442,167.00	23,442.77	18.86:1
323	091-419-009	540,000.00	23,442.77	23.03:1
324	091-419-010	359,183.00	23,442.77	15.32:1
325	091-419-011	367,008.00	23,442.77	15.66:1
326	091-419-012	245,261.00	23,442.77	10.46:1
327	091-419-013	435,684.00	23,442.77	18.59:1
328	091-419-014	629,850.00	23,442.77	26.87:1
329	091-419-015	462,530.00	23,442.77	19.73:1
330	091-419-016	360,542.00	23,442.77	15.38:1
331	091-419-017	525,300.00	23,442.77	22.41:1
332	091-419-018	532,970.00	23,442.77	22.73:1
333	091-419-020	512,397.00	23,442.77	21.86:1
334	091-419-021	415,828.00	23,442.77	17.74:1
335	091-419-022	394,089.00	23,442.77	16.81:1
336	091-419-023	519,159.00	23,442.77	22.15:1
337	091-419-028	271,943.00	23,442.77	11.6:1
338	091-419-029	375,323.00	23,442.77	16.01:1
339	091-419-030	631,380.00	23,442.77	26.93:1
340	091-419-031	430,682.00	23,442.77	18.37:1
341	091-419-032	360,309.00	23,442.77	15.37:1
342	091-419-033	397,288.00	23,442.77	16.95:1
343	091-419-034	543,993.00	23,442.77	23.21:1
344	091-419-035	539,967.00	23,442.77	23.03:1
345	091-419-036	286,256.00	23,442.77	12.21:1
346	091-419-037	381,702.00	23,442.77	16.28:1
347	091-419-038	297,476.00	23,442.77	12.69:1
348	091-419-039	557,133.00	23,442.77	23.77:1
349	091-419-040	270,078.00	23,442.77	11.52:1
350	091-419-041	309,091.00	23,442.77	13.18:1
351	091-419-042	357,716.00	23,442.77	15.26:1

352	091-419-043	408,438.00	23,442.77	17.42:1
353	091-419-055	319,002.00	23,442.77	13.61:1
354	091-419-056	515,000.00	23,442.77	21.97:1
355	091-419-057	299,574.00	23,442.77	12.78:1
356	091-419-058	332,739.00	23,442.77	14.19:1
357	091-419-060	562,822.00	23,442.77	24.01:1
358	091-440-001	566,684.00	23,442.77	24.17:1
359	091-440-002	364,834.00	23,442.77	15.56:1
360	091-440-003	386,734.00	23,442.77	16.5:1
361	091-440-004	634,644.00	23,442.77	27.07:1
362	091-440-005	714,293.00	23,442.77	30.47:1
363	091-440-006	403,484.00	23,442.77	17.21:1
364	091-440-007	478,714.00	23,442.77	20.42:1
365	091-440-008	607,145.00	23,442.77	25.9:1
366	091-440-009	634,916.00	23,442.77	27.08:1
367	091-440-010	668,100.00	23,442.77	28.5:1
368	091-440-011	659,000.00	23,442.77	28.11:1
369	091-440-012	642,860.00	23,442.77	27.42:1
370	091-440-013	654,411.00	23,442.77	27.92:1
371	091-440-014*	673,607.00	23,442.77	28.73:1
372	091-441-001	401,334.00	23,442.77	17.12:1
373	091-441-002	523,556.00	23,442.77	22.33:1
374	091-441-003	755,000.00	23,442.77	32.21:1
375	091-441-004	566,494.00	23,442.77	24.16:1
376	091-441-005	501,059.00	23,442.77	21.37:1
377	091-441-006	397,566.00	23,442.77	16.96:1
378	091-441-007	401,334.00	23,442.77	17.12:1
379	091-441-008	469,469.00	23,442.77	20.03:1
380	091-441-009	366,296.00	23,442.77	15.63:1
381	091-441-010	501,416.00	23,442.77	21.39:1
382	091-441-011	433,456.00	23,442.77	18.49:1
383	091-441-014	414,477.00	23,442.77	17.68:1
384	091-441-015	643,970.00	23,442.77	27.47:1
385	091-441-016	413,902.00	23,442.77	17.66:1
386	091-441-017	383,441.00	23,442.77	16.36:1
387	091-441-018	682,000.00	23,442.77	29.09:1
388	091-441-019	691,000.00	23,442.77	29.48:1
389	091-441-020	503,351.00	23,442.77	21.47:1
390	091-441-022	565,937.00	23,442.77	24.14:1
391	091-441-023	427,179.00	23,442.77	18.22:1



392	091-441-024	416,607.00	23,442.77	17.77:1
393	091-441-027	579,545.00	23,442.77	24.72:1
394	091-441-028	485,713.00	23,442.77	20.72:1
395	091-441-029	664,209.00	23,442.77	28.33:1
396	091-442-001	329,197.00	23,442.77	14.04:1
397	091-442-002	629,222.00	23,442.77	26.84:1
398	091-442-003	445,346.00	23,442.77	19:1
399	091-442-004	700,554.00	23,442.77	29.88:1
400	091-442-005	598,230.00	23,442.77	25.52:1
401	091-442-006	482,241.00	23,442.77	20.57:1
402	091-442-007	457,872.00	23,442.77	19.53:1
403	091-442-008	730,000.00	23,442.77	31.14:1
404	091-442-009	429,391.00	23,442.77	18.32:1
405	091-442-010	418,648.00	23,442.77	17.86:1
406	091-442-011	431,293.00	23,442.77	18.4:1
407	091-442-012	656,818.00	23,442.77	28.02:1
408	091-442-013	452,150.00	23,442.77	19.29:1
409	091-442-014	564,892.00	23,442.77	24.1:1
410	091-442-015	581,786.00	23,442.77	24.82:1
411	091-442-016	673,138.00	23,442.77	28.71:1
412	091-442-017	400,622.00	23,442.77	17.09:1
413	091-442-018	458,821.00	23,442.77	19.57:1
414	091-442-019	585,786.00	23,442.77	24.99:1
415	091-442-020	501,419.00	23,442.77	21.39:1
416	091-442-021	294,696.00	23,442.77	12.57:1
417	091-442-022	421,458.00	23,442.77	17.98:1
418	091-442-023	452,150.00	23,442.77	19.29:1
419	091-442-024	423,382.00	23,442.77	18.06:1
420	091-442-025	642,000.00	23,442.77	27.39:1
421	091-442-026	513,312.00	23,442.77	21.9:1
422	091-442-027	364,978.00	23,442.77	15.57:1
423	091-443-001	499,782.00	23,442.77	21.32:1
424	091-443-002	699,720.00	23,442.77	29.85:1
425	091-443-003	516,669.00	23,442.77	22.04:1
426	091-443-004	452,579.00	23,442.77	19.31:1
427	091-443-005	542,695.00	23,442.77	23.15:1
428	091-443-006	639,846.00	23,442.77	27.29:1
429	091-443-007	528,307.00	23,442.77	22.54:1
430	091-443-008	596,306.00	23,442.77	25.44:1
431	091-443-009	489,798.00	23,442.77	20.89:1

432	091-443-010	371,992.00	23,442.77	15.87:1
433	091-443-011	531,661.00	23,442.77	22.68:1
434	091-443-012	379,293.00	23,442.77	16.18:1
435	091-443-013	239,688.00	23,442.77	10.22:1
436	091-443-014	462,850.00	23,442.77	19.74:1
437	091-443-015	234,489.00	23,442.77	10:1
438	091-443-016	546,991.00	23,442.77	23.33:1
439	091-444-001	428,289.00	23,442.77	18.27:1
440	091-444-002	637,500.00	23,442.77	27.19:1
441	091-444-003	449,752.00	23,442.77	19.19:1
442	091-444-004	277,380.00	23,442.77	11.83:1
443	091-444-005	443,631.00	23,442.77	18.92:1
444	091-444-006	542,000.00	23,442.77	23.12:1
445	091-444-007	318,265.00	23,442.77	13.58:1
446	091-444-008	436,538.00	23,442.77	18.62:1
447	091-444-009	550,000.00	23,442.77	23.46:1
448	091-444-011	424,997.00	23,442.77	18.13:1
449	091-444-012	321,575.00	23,442.77	13.72:1
450	091-444-013	315,517.00	23,442.77	13.46:1
451	091-444-014	299,975.00	23,442.77	12.8:1
452	091-444-015	317,205.00	23,442.77	13.53:1
453	091-444-016	498,780.00	23,442.77	21.28:1
454	091-444-017	520,000.00	23,442.77	22.18:1
455	091-444-018	258,839.00	23,442.77	11.04:1
456	091-444-019	311,689.00	23,442.77	13.3:1
457	091-444-020	514,998.00	23,442.77	21.97:1
458	091-444-021	385,122.00	23,442.77	16.43:1
459	091-444-022	391,460.00	23,442.77	16.7:1
460	091-444-023	330,658.00	23,442.77	14.1:1
461	091-444-024	363,638.00	23,442.77	15.51:1
462	091-444-025	592,562.00	23,442.77	25.28:1
463	091-444-026	542,957.00	23,442.77	23.16:1
464	091-444-027	452,595.00	23,442.77	19.31:1
465	091-444-028	537,000.00	23,442.77	22.91:1
466	091-444-029	363,342.00	23,442.77	15.5:1
467	091-444-030	596,700.00	23,442.77	25.45:1
468	091-444-031	625,800.00	23,442.77	26.69:1
469	091-444-033	527,000.00	23,442.77	22.48:1
470	091-444-034	445,495.00	23,442.77	19:1
471	091-444-035	324,939.00	23,442.77	13.86:1

472	091-444-036	556,614.00	23,442.77	23.74:1
473	091-444-037	582,601.00	23,442.77	24.85:1
474	091-444-038	405,237.00	23,442.77	17.29:1
475	091-444-039	424,941.00	23,442.77	18.13:1
476	091-444-040	388,458.00	23,442.77	16.57:1
477	091-444-041	394,088.00	23,442.77	16.81:1
478	091-444-042	330,247.00	23,442.77	14.09:1
479	091-444-043	410,523.00	23,442.77	17.51:1
480	091-444-044	503,077.00	23,442.77	21.46:1
481	091-444-045	381,243.00	23,442.77	16.26:1
482	091-444-046	426,840.00	23,442.77	18.21:1
483	091-444-047	243,797.00	23,442.77	10.4:1
484	091-444-048	475,000.00	23,442.77	20.26:1
485	091-444-049	381,130.00	23,442.77	16.26:1
486	091-444-050	413,457.00	23,442.77	17.64:1
487	091-444-051	407,888.00	23,442.77	17.4:1
488	091-444-052	545,000.00	23,442.77	23.25:1
489	091-444-053	240,890.00	23,442.77	10.28:1
490	091-444-054	490,209.00	23,442.77	20.91:1
491	091-444-055	258,989.00	23,442.77	11.05:1
492	091-444-056	488,154.00	23,442.77	20.82:1
493	091-444-057	258,228.00	23,442.77	11.02:1
494	091-444-058	504,900.00	23,442.77	21.54:1
495	091-444-059	429,534.00	23,442.77	18.32:1
496	091-444-060	530,400.00	23,442.77	22.63:1
497	091-444-061	569,961.00	23,442.77	24.31:1
498	091-444-062	505,497.00	23,442.77	21.56:1
499	091-444-063	362,635.00	23,442.77	15.47:1
500	091-444-064	346,235.00	23,442.77	14.77:1
501	091-444-067	142,600.00	23,442.77	6.08:1
502	091-444-068	473,382.00	23,442.77	20.19:1
503	091-445-001	652,642.00	23,442.77	27.84:1
504	091-445-002	608,723.00	23,442.77	25.97:1
505	091-445-003	440,747.00	23,442.77	18.8:1
506	091-445-004	619,069.00	23,442.77	26.41:1
507	091-445-005	574,247.00	23,442.77	24.5:1
508	091-445-006	482,084.00	23,442.77	20.56:1
509	091-445-007	537,195.00	23,442.77	22.92:1
510	091-445-008	522,881.00	23,442.77	22.3:1
511	091-445-009	495,425.00	23,442.77	21.13:1

512	091-445-010	676,260.00	23,442.77	28.85:1
513	091-445-011	648,000.00	23,442.77	27.64:1
514	091-445-012	681,000.00	23,442.77	29.05:1
515	091-445-013	468,308.00	23,442.77	19.98:1
516	091-445-014	667,000.00	23,442.77	28.45:1
517	091-445-015	598,863.00	23,442.77	25.55:1
518	091-445-016	642,030.00	23,442.77	27.39:1
519	091-445-017	647,336.00	23,442.77	27.61:1
520	091-445-018	437,010.00	23,442.77	18.64:1
521	091-445-019	138,421.00	23,442.77	5.9:1
522	091-445-020	641,000.00	23,442.77	27.34:1
523	091-445-021	662,000.00	23,442.77	28.24:1
524	091-445-022	673,200.00	23,442.77	28.72:1
525	091-445-023	454,527.00	23,442.77	19.39:1
526	091-445-024	662,000.00	23,442.77	28.24:1
527	091-445-025	469,065.00	23,442.77	20.01:1
528	091-445-026	522,036.00	23,442.77	22.27:1
529	091-445-027	420,084.00	23,442.77	17.92:1
530	091-445-028	259,386.00	23,442.77	11.06:1
531	091-445-029	658,133.00	23,442.77	28.07:1
532	091-445-030	681,000.00	23,442.77	29.05:1
533	091-445-031	662,000.00	23,442.77	28.24:1
534	091-446-001	451,689.00	23,442.77	19.27:1
535	091-446-002	662,000.00	23,442.77	28.24:1
536	091-446-003	682,000.00	23,442.77	29.09:1
537	091-446-004	662,000.00	23,442.77	28.24:1
538	091-446-005	523,419.00	23,442.77	22.33:1
539	091-446-006	578,712.00	23,442.77	24.69:1
540	091-446-007	488,975.00	23,442.77	20.86:1
541	091-446-008	641,000.00	23,442.77	27.34:1
542	091-446-009	245,182.00	23,442.77	10.46:1
543	091-446-010	537,197.00	23,442.77	22.92:1
544	091-446-011	496,002.00	23,442.77	21.16:1
545	091-446-012	685,000.00	23,442.77	29.22:1
546	091-446-013	697,068.00	23,442.77	29.73:1
547	091-446-014	493,471.00	23,442.77	21.05:1
548	091-446-015	586,938.00	23,442.77	25.04:1
549	091-446-016	624,777.00	23,442.77	26.65:1
550	091-446-017	542,957.00	23,442.77	23.16:1
551	091-446-018	636,724.00	23,442.77	27.16:1

552	091-446-019	662,000.00	23,442.77	28.24:1
553	091-446-020	468,308.00	23,442.77	19.98:1
554	091-446-021	509,643.00	23,442.77	21.74:1
555	091-446-022	523,419.00	23,442.77	22.33:1
556	091-446-023	523,419.00	23,442.77	22.33:1
557	091-446-024	537,197.00	23,442.77	22.92:1
558	091-446-025	733,482.00	23,442.77	31.29:1
559	091-446-026	523,419.00	23,442.77	22.33:1
<b>Total</b>		<b>\$272,288,293.00</b>	<b>\$13,210,000.00</b>	<b>20.61:1</b>

\*No assessed value was available for Assessor's Parcel Number 091-440-014. Instead, the Assessed Value for this parcel was determined using the current market value as estimated by Zillow.

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## APPENDIX C

### SUMMARY OF THE FISCAL AGENT AGREEMENT

*The following is a summary of certain provisions of the Fiscal Agent Agreement, and is supplemental to the summary of other provisions of such document described elsewhere in this Official Statement. This summary does not purport to be comprehensive or definitive, and reference should be made to such document for full and complete statement of its provisions. All capitalized terms used but not otherwise defined in this Appendix shall have the meanings assigned to such terms in the Fiscal Agent Agreement.*

### DEFINITIONS

Unless the context otherwise requires, the following terms have the meanings set forth in the Fiscal Agent Agreement:

“Administrative Expense Fund” means the Nipomo Community Services District Assessment District No. 2020-1 (Blacklake Sewer Consolidation) Administrative Expense Fund established with the Treasurer.

“Administrative Expense Requirement” means an amount, not in excess of the aggregate maximum annual assessment for Administrative Expenses permitted to be levied within the Assessment District as set forth in the Engineer’s Report, to be specified each year by the Treasurer to be used for Administrative Expenses.

“Administrative Expenses” means the ordinary and necessary fees and expenses for determination of the Assessment and administering the levy and collection of the Assessment and servicing, calling and redeeming the Bonds, including any or all of the following: the fees and expenses of the Fiscal Agent (including any fees or expenses of its counsel), the expenses of the District in carrying out its duties under the Agreement (including, but not limited to, annual audits and costs incurred in the levying and collection of the Assessment) including the fees and expenses of its counsel and all other costs and expenses of the District or the Fiscal Agent incurred in connection with the discharge of their respective duties under the Agreement and, in the case of the District, in any way related to the administration of the Assessment District.

“Agreement” means the Fiscal Agent Agreement, dated as of August 1, 2020, by and between the District and the Fiscal Agent, as amended or supplemented pursuant to the terms thereof.

“Annual Debt Service” means all principal of, including mandatory sinking fund payments, and interest on the Bonds due in a Bond Year.

“Assessment” or “Assessments” means the special assessments levied in the Assessment District in accordance with the 1913 Act and the Resolution of Formation, exclusive of any assessments levied to pay Administrative Expenses, together with the net proceeds derived from any foreclosure proceedings and interest and penalties thereon.

“Assessment District” means Nipomo Community Services District Assessment District No. 2020-1 (Blacklake Sewer Consolidation).

“Assessment Fund” means the Nipomo Community Services District Assessment District No. 2020-1 (Blacklake Sewer Consolidation) Assessment Fund established and held by the District pursuant to the Agreement.

“Assessment Installment” means the annual portion of the Assessment levied to pay the principal of, including mandatory sinking fund payments, and interest on the Bonds which does not include assessments levied by the District to pay Administrative Expenses.

“Authorized Investments” means, subject to applicable law, (1) Federal Securities; (2) an Investment Agreement, acceptable to, and approved in writing by, the Treasurer; (3) taxable government money market mutual funds rated in one of the two highest rating categories by S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, or Moody’s Investors Service, restricted to obligations with average maturities of one year or less, insured or fully guaranteed as to the principal and interest thereon by the full faith and credit of the United States of America or by repurchase agreements collateralized by such obligations including money market mutual funds for which the Fiscal Agent or affiliates receives and retains for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise; (4) tax-exempt obligations, including tax exempt money market mutual funds, rated at least “A” or higher by S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, or Moody’s Investors Service, and including those for which the Fiscal Agent or an affiliate receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise; (5) commercial paper of “prime” quality of the highest ranking or of the highest letter and numerical rating at the time of purchase as provided for by Moody’s Investors Service or S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, limited to issuing corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars (\$500,000,000) and having an “A” or higher rating for such corporation’s debt, other than commercial paper, as provided for by Moody’s Investors Service or S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, and which may not exceed 180 days maturity nor represent more than 10% of the outstanding paper of an issuing corporation; (6) notes, bonds or other obligations which are at all times secured by a perfected first security interest in securities of the types listed by Section 53651 of the California Government Code as eligible securities for the purpose of securing local agency deposits or which are listed as an Authorized Investment under any of the clauses (1) through (5) (except those described in clause (6)) and which have a market value, determined at least weekly, at least equal to 102% of the amount of principal and accrued interest on such obligation, which will be placed by delivery into the custody of a trust company or the trust department of a bank which is not affiliated with the issuer of the secured obligation and which bank will be responsible for making any market value determinations, and the security interest will be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted; (7) the State of California Local Agency Investment Fund; (8) time or demand deposits, interest-bearing money market accounts, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, other deposit products, certificates of deposit, including those placed by a third party pursuant to an agreement between the Fiscal Agent and the District, or bankers acceptances of depository institutions (including those of the Fiscal Agent or its affiliates) fully insured by the Federal Deposit Insurance Corporation or with institutions rated in one of the two highest rating categories by Moody’s Investors Service or S&P Global Ratings, a Standard & Poor’s Financial Services LLC business; (9) repurchase agreements secured by Federal Securities; and (10) any other investment in which funds of the District may be legally invested.

“Authorized Representative of the District” means the members of the Board, the General Manager, the Treasurer, the Finance Director or any other person or persons designated by the Board of the District and authorized to act on behalf of the District by a written certificate signed on behalf of the District by any member of the Board and containing the specimen signature of each such person.

“Board” means the Board of Directors of the Nipomo Community Services District.

“Bond Counsel” means an attorney or a firm of attorneys, selected by the District, of nationally recognized standing in matters pertaining to the tax treatment of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.



“Bond Purchase Agreement” means the Bond Purchase Agreement authorized and executed by the District and Piper Sandler & Co., as the initial purchaser of the Bonds.

“Bond Register” means the books which the Fiscal Agent keeps or causes to be kept pursuant to the Agreement, on which the registration and transfer of the Bonds will be recorded.

“Bond Year” means the one year period or shorter period ending each year on September 2, or such other date as may be specified by the District.

“Bondowner” or “Owner” means the person or persons in whose name or names any Bond is registered as shown on the Bond Register.

“Bonds” means \$\_\_\_\_\_ principal amount of Nipomo Community Services District Assessment District No. 2020-1 (Blacklake Sewer Consolidation) Limited Obligation Improvement Bonds, Series 2020, issued pursuant to the Resolution of Issuance and the Fiscal Agent Agreement.

“Business Day” means any day of the year in New York, New York or Los Angeles, California other than a Saturday, Sunday, a day on which the New York Stock Exchange is closed or any day on which the Fiscal Agent is not open for business.

“Certificate of the District” means a written certificate executed by an Authorized Representative of the District.

“Closing Date” means the date of delivery of the Bonds by the District and payment therefor by the original purchaser thereof.

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

“Costs of Issuance Fund” means the Nipomo Community Services District Assessment District No. 2020-1 (Blacklake Sewer Consolidation) Costs of Issuance Fund established with the Fiscal Agent pursuant to the Agreement.

“County” means the County of San Luis Obispo.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“DTC Participants” means securities brokers and dealers, banks, trust companies, clearing corporations and other organizations maintaining accounts with DTC.

“District” means Nipomo Community Services District, a special district duly organized and existing under the laws of the State of California.

“Engineer’s Report” means the report concerning the Assessment District prepared by Willdan Financial Services, Inc., as preliminarily approved by the District on March 11, 2020 and approved in final form by the District on May 13, 2020, and on file with the Secretary.

“Federal Securities” means, subject to applicable law, United States Treasury notes, bonds, bills or certificates of indebtedness, including United States Treasury Obligations, State and Local Government Series (“SLGS”) or other direct obligations issued by the United States Treasury for which the faith and credit of the United States are pledged for the payment of principal and interest; and obligations issued by banks for cooperatives, federal land banks, federal intermediate credit banks, federal home loan banks, the Federal Home Loan Bank Board, the Tennessee Valley Authority, or other federal agencies or United States Government-sponsored enterprises.

“Fiscal Agent” means The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States of America, or any other bank or trust company which may at any time be substituted in its place as provided in the Agreement and any successor thereto.

“Fiscal Year” means the twelve-month period terminating on June 30 of each year, or any other annual accounting period selected and designated by the District as its Fiscal Year in accordance with applicable law.

“Improvements” means the design, acquisition and construction of certain public capital facilities needed to combine the Town sewer system and the Blacklake sewer system, as described in the Engineer’s Report.

“Improvement Fund” means the Nipomo Community Services District Assessment District No. 2020-1 (Blacklake Sewer Consolidation) Improvement Fund established pursuant to the Agreement.

“Independent Financial Consultant” means a financial consultant or firm of such consultants generally recognized to be well qualified in the financial consulting field, appointed and paid by the District and who, or each of whom:

- (1) is in fact independent and not under the domination of the District;
- (2) does not have any substantial interest, direct or indirect, with the District; and
- (3) is not connected with the District as a member, officer or employee of the District, but who may be regularly retained to make annual or other reports to the District.

“Insurer” means Build America Mutual Assurance Company, or any successor thereto.

“Insured Bonds” mean the Bonds maturing on September 2 of the years \_\_\_\_\_ through \_\_\_\_\_, inclusive.

“Interest Payment Date” means each March 2 and September 2, commencing March 2, 2021.

“Investment Agreement” means one or more agreements entered into between the Fiscal Agent, for the benefit of the District, and an entity or entities whose long term uninsured, unsecured and unguaranteed debt or claims- paying ability is rated as of the date of the Investment Agreement in either of the two highest categories (without regard to gradations of plus and minus within such categories) by S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, or Moody’s Investors Service, or an agreement between the Fiscal Agent, for the benefit of the District, and an entity which is rated as of the date of the Investment Agreement in either of the two highest categories (without regard to gradations of plus and minus within such categories) by S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, or Moody’s Investors Service.

“Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., at its principal office in The City of New York, New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 3%, and (ii) the then applicable highest rate of interest on the Insured Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. In the event JPMorgan Chase Bank, N.A., ceases to announce its Prime Rate, the Prime Rate shall be the prime or base lending rate of such other bank, banking association or trust company as the Insurer, in its sole and absolute discretion, shall designate. Interest at the Late Payment Rate on any amount owing to the Insurer shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

“Maximum Annual Debt Service” means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

“1913 Act” means the Municipal Improvement Act of 1913, being Division 12 (commencing with Section 10000) of the California Streets and Highways Code.

“1915 Act” means the Improvement Bond Act of 1915, being Division 10 (commencing with Section 8500) of the California Streets and Highways Code.

“Nonpurpose Investment” means Authorized Investments described as Nonpurpose Investments in the Tax Certificate.

“Notice of Assessment” means the Notice of Assessment recorded in the Office of the County Recorder of the County of San Luis Obispo on June 10, 2020, as Document No. 2020028262.

“Outstanding Bonds” or “Outstanding” means all Bonds theretofore issued by the District, except:

- (1) Bonds theretofore canceled or surrendered for cancellation in accordance with the Agreement;
- (2) Bonds for the payment or redemption of which moneys will have been deposited in trust (whether upon or prior to the maturity or the redemption date of such Bonds), provided that, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption will shall have been given as provided in the Agreement; and
- (3) Bonds defeased pursuant to the Agreement.

“Owner” means, with respect to any Bond, the person shown as the owner thereof in the Bond Register. “Rebate Fund” means the fund by that name established pursuant to the Agreement in which there are established the accounts described in the Agreement.

“Policy” shall mean the Municipal Bond Insurance Policy issued by the Insurer that guarantees the scheduled payment of principal of and interest on the Insured Bonds when due.

“Record Date” means the fifteenth day of the month preceding an Interest Payment Date, whether or not such day is a Business Day.

“Redemption Fund” means the Nipomo Community Services District Assessment District No. 2020-1 (Blacklake Sewer Consolidation) Redemption Fund established with the Fiscal Agent pursuant the Agreement.

“Refunding Bond Proceeds” mean proceeds of any bonds issued to refund the Bonds pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds.

“Reserve Fund” means the Nipomo Community Services District Assessment District No. 2020-1 (Blacklake Sewer Consolidation) Reserve Fund established with the Fiscal Agent pursuant to the Agreement.

“Reserve Requirement” means, as of any date of calculation, 50% of the then Maximum Annual Debt Service due on the Bonds.

“Resolution of Formation” means Resolution No. 2020-1555 adopted by the Board on May 13, 2020, forming the Assessment District and confirming the levy of assessments in accordance with the Engineer’s Report presented at such meeting.

“Resolution of Intention” means Resolution No. 2020-1547, adopted by the Board of the District on March 11, 2020, stating the District’s intention, among other things, to issue the Bonds.

“Resolution of Issuance” means Resolution No. 2020-1569, adopted by the Board of the District on July 22, 2020, authorizing the issuance of the Bonds and approving the terms and provisions of the Agreement.

“Secretary” means the Secretary of the District (currently the General Manager of the District), or the Deputy Secretary of the District, and his or her designee.

“Securities Depositories” means The Depository Trust Company, 55 Water Street, New York, New York 10041, Attn: Redemption Area, Facsimile transmission: (212) 855 7232, (212) 855 7233, or such other securities depositories as are designated by the District and whose business is to perform the functions of a clearing agency with respect to exempted securities, as defined in Section 3(a)(12) of the Securities Exchange Act of 1934, and who is registered as a clearing agency under Section 17A of the Act, such other addresses and/or such other securities depositories as the District may designate in a Certificate of the District delivered to the Fiscal Agent.

“Superintendent of Streets” means the Director of Engineering and Operations, or his or her designee.

“Supplemental Fiscal Agent Agreement” or “Supplement” means any supplemental agreement amending or supplementing the Agreement.

“Tax Certificate” means the Tax Certificate delivered upon the issuance of the Bonds.

“Term Bonds” mean the Bonds maturing on September 2 in the years 20 \_\_\_\_, 20 \_\_\_\_ and 2050.

“Treasurer” means the Treasurer of the District (currently the General Manager of the District), acting as Treasurer of the Assessment District pursuant to the Resolution of Issuance, or his or her designee.

“Yield on the Bonds” has the meaning as described in the Tax Certificate.

#### AUTHORIZATION AND ISSUANCE OF THE BONDS

Equality of Bonds; Pledge of Assessments; No Obligation to Cure Deficiency. Pursuant to the 1913 Act, the 1915 Act and the Agreement, the Bonds are equally secured by a first pledge of and will be equally payable from the Assessments without priority for number, issue date, date of sale, date of execution or date of delivery, and the payment of the interest on and principal, including mandatory sinking fund payments, of the Bonds and any premiums upon the redemption thereof are equally secured by a first pledge of and will be exclusively paid from the Assessments. The Bonds will also be secured by a first pledge of moneys on deposit in the Assessment Fund, Redemption Fund and the Reserve Fund which are set aside for the payment of the Bonds. The Assessments, the amounts in the foregoing funds and any interest earned on such amounts will constitute a trust fund held for the benefit of the Owners of the Bonds to be applied to the payment of the interest on, premium, if any, and principal of, including mandatory sinking fund payments, the Bonds. So long as any of the Bonds remain Outstanding, such amounts will not be used for any other purpose, except as permitted by the 1913 Act, the 1915 Act, the Agreement or any Supplemental Fiscal Agent Agreement.

Assessments. The Assessments remaining unpaid, and the aggregate principal amount thereof, have been determined by the Treasurer and the Treasurer has filed a list of said Assessments in the office of the Superintendent of Streets. For a particular description of the lots or parcels of land bearing the respective assessment numbers set forth in said unpaid list and upon which Assessments remain unpaid, reference has been made to the Notice of Assessment and to the diagram recorded in the office of the Superintendent of

Streets after confirmation of the Assessments by the Board through the adoption of the Resolution of Formation, the several lots or parcels of land represented by said assessment numbers being so numbered and designated upon the diagram and Assessments as so confirmed and recorded. Collection of the remaining Assessments will cease in the event sufficient moneys are available to redeem the Bonds as provided in the Agreement.

Type and Nature of Bonds; Limited Liability. Notwithstanding anything contained in the Agreement, in the Bonds, in the 1915 Act, any other provision of law, or in any of the resolutions adopted in connection with the proceedings for the Assessment District to the contrary, all Bonds authorized pursuant to the Agreement are a special obligation of the District, and the District will not under any circumstances (including, without limitation, after any installment of principal or interest of any Assessment levied on any lot or parcel in the Assessment District becomes delinquent or after the District acquires title to any such lot or parcel whether through foreclosure or otherwise) be obligated to pay principal, premium, if any, or interest on the Bonds from any source whatsoever other than the Redemption Fund (including any transfers thereto from the Improvement Fund, the Assessment Fund and Reserve Fund). Neither the District, the Board, the officers or employees of the District, any person or entity acting for or on behalf of the District in connection with the issuance of the Bonds or in connection with the formation or operation of the Assessment District, nor any persons executing the Bonds, are liable personally on the Bonds or subject to any personal liability for the Bonds or any personal liability or accountability whatsoever by reason of or in connection with the issuance of the Bonds or by reason of any act or acts or the failure or omission to take any act or acts (including, without limitation, a negligent act or omission) in connection with or related to the formation or operation of the Assessment District.

Refunding Bonds; No Additional Bonds. The Bonds are subject to refunding pursuant to the procedures of the Refunding Act of 1984 for 1915 Improvement Act Bonds (the "Refunding Bonds"). The District covenants not to issue or incur any bonds, debt or other obligations secured by or payable from the Assessments, except Refunding Bonds that generate debt service savings in each year following the issuance of such Refunding Bonds.

#### OTHER TERMS AND PROVISIONS OF THE BONDS

Execution and Authentication. The Bonds will be signed on behalf of the District by the manual or facsimile signature of the Treasurer of the District and by the manual or facsimile signature of the Secretary in their capacity as officers of the District. In case any one or more of the officers who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed have been authenticated and delivered by the Fiscal Agent (including new Bonds delivered pursuant to the provisions hereof with reference to the transfer and exchange of Bonds or to lost, stolen, destroyed or mutilated Bonds), such Bonds will nevertheless be valid and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office.

Bond Register. The Fiscal Agent will keep or cause to be kept, at its corporate trust office, sufficient books for the registration and transfer of the Bonds which will at all times during regular business hours upon reasonable prior notice be open to inspection by the District; and, upon presentation for such purpose, the Fiscal Agent will, under such reasonable regulations as it may prescribe, register or transfer or cause to be transferred on said Bond Register, Bonds as provided in the Agreement.

The District and the Fiscal Agent may treat the Owner of any Bond whose name appears on the Bond Register as the absolute Owner of such Bond for any and all purposes, and the District and the Fiscal Agent will not be affected by any notice to the contrary. The District and the Fiscal Agent may rely on the address of the Owner as it appears in the Bond Register for any and all purposes. It is the duty of the Bondowner to give written notice to the Fiscal Agent of any change in the Owner's address so that the Bond Register may be revised accordingly.

Mutilated, Lost, Destroyed or Stolen Bonds. If any Bond becomes mutilated, the District will execute, and the Fiscal Agent will authenticate and deliver, a new Bond of like tenor, date, maturity and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Fiscal Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Fiscal Agent will be handled in accordance with the Agreement. If any Bond is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Fiscal Agent; and, if such evidence is satisfactory to the Fiscal Agent and, if indemnity satisfactory to the Fiscal Agent is given, the District, at the expense of the Bondowner, will execute and the Fiscal Agent will authenticate and deliver, a new Bond of like tenor and maturity, numbered and dated as such Fiscal Agent determines in lieu of and in substitution for the Bond so lost, destroyed or stolen. Any Bond issued in lieu of any Bond alleged to be lost, destroyed or stolen will be equally and proportionately entitled to the benefits of the Agreement with all other Bonds issued thereunder. The Fiscal Agent may not treat both the original Bond and any replacement Bond as being Outstanding Bonds for the purpose of determining the principal amount of Bonds which may be executed, authenticated and delivered or for the purpose of determining any percentage of Bonds Outstanding under the Agreement, but both the original and replacement bond will be treated as one and the same. Notwithstanding any other provision of the Agreement, in lieu of delivering a new Bond to replace a Bond which has been mutilated, lost, destroyed or stolen, and which has matured or is about to mature, the Fiscal Agent may make payment with respect to such Bond upon receipt of indemnity satisfactory to it and the District.

Form of Bonds; Temporary Bonds. At the option of the District, the definitive Bonds may be typewritten, and the Bonds and the certificate of authentication will be substantially in the form provided in the Agreement. Until definitive Bonds are prepared, the District may cause to be executed and delivered, in lieu of such definitive Bonds, temporary Bonds in typed, written, printed, lithographed or engraved form and in fully registered form, subject to the same provisions, limitations and conditions as are applicable in the case of definitive Bonds, except that they may be in any denominations authorized by the District. Until exchanged for definitive Bonds, any temporary Bonds will be entitled and subject to the same benefits and provisions of the Agreement as definitive Bonds. If the District issues temporary Bonds, it will execute and furnish definitive Bonds without unnecessary delay and thereupon any temporary Bond may be surrendered to the Fiscal Agent at the aforesaid office, without expense to the Owner, in exchange for a definitive Bond of the same maturity, interest rate and principal amount in any authorized denomination. All temporary Bonds so surrendered will be canceled by the Fiscal Agent and will not be reissued.

## REDEMPTION OF BONDS

Effect of Notice and Availability of Redemption Money. Notice of redemption having been duly given, as provided in the Agreement, and the amount necessary for the redemption having been made available for that purpose and being available therefor on the date fixed for such redemption:

(a) the Bonds, or portions thereof, designated for redemption will, on the date fixed for redemption, become due and payable at the redemption price thereof as provided in the Agreement, anything in the Agreement or in the Bonds to the contrary notwithstanding;

(b) upon presentation and surrender thereof at the corporate trust office of the Fiscal Agent, the redemption price of such Bonds will be paid to the Owner thereof;

(c) from and after the redemption date the Bonds or portions thereof so designated for redemption will be deemed to be no longer Outstanding and such Bonds or portions thereof will cease to bear further interest; and

(d) from and after the date fixed for redemption no Owner of any of the Bonds or portions thereof so designated for redemption will be entitled to any of the benefits of the Agreement, or to any other rights, except with respect to payment of the redemption price and interest accrued to the redemption date from the amounts so made available.

## CREATION OF FUNDS AND ACCOUNTS

Funds and Accounts. There have been created and established the following funds and accounts, which funds and accounts the District has agreed and covenanted to maintain with the Fiscal Agent so long as any Bonds are Outstanding under the Agreement:

(a) the Nipomo Community Services District Assessment District No. 2020-1 (Blacklake Sewer Consolidation) Costs of Issuance Fund (the “Costs of Issuance Fund”);

(b) the Nipomo Community Services District Assessment District No. 2020-1 (Blacklake Sewer Consolidation) Redemption Fund (the “Redemption Fund”), in which there will be established and created a Principal Account, an Interest Account, a Capitalized Interest Account and a Prepayment Account;

(c) the Nipomo Community Services District Assessment District No. 2020-1 (Blacklake Sewer Consolidation) Reserve Fund (the “Reserve Fund”); and

(d) the Nipomo Community Services District Assessment District No. 2020-1 (Blacklake Sewer Consolidation) Improvement Fund (the “Improvement Fund”).

The District has covenanted and agreed to establish with the Treasurer the Nipomo Community Services District Assessment District No. 2020-1 (Blacklake Sewer Consolidation) Administrative Expense Fund (the “Administrative Expense Fund”) and the Nipomo Community Services District Assessment District No. 2020-1 (Blacklake Sewer Consolidation) Assessment Fund (the “Assessment Fund”).

Except for the Administrative Expense Fund and the Rebate Fund, all moneys in the funds and accounts established under the Agreement will be held by the either the Fiscal Agent or the Treasurer for the benefit of the Bondowners, will be accounted for separately and apart from all other accounts, funds, money or other resources of the District held by the Fiscal Agent and will be allocated, applied and disbursed solely to the uses and purposes set forth in the Agreement.

The Fiscal Agent may establish such additional funds, accounts or subaccounts of the funds or accounts listed above as it deems necessary or prudent to further its duties pursuant to the Agreement or any Supplemental Fiscal Agent Agreement and will establish any additional funds, accounts or subaccounts which the District directs it to establish.

Costs of Issuance Fund. The Fiscal Agent will pay the costs of issuing the Bonds from the Costs of Issuance Fund as set forth in the Agreement. Amounts on deposit in the Costs of Issuance Fund after the completion of the Improvements and the payment of all claims with respect thereto will be used as determined by the District in the manner provided in Section 10427 of the 1913 Act. At the direction of an Authorized Representative of the District, the Fiscal Agent will transfer any remaining balance in the Costs of Issuance Fund for deposit in the Improvement Fund and the Costs of Issuance Fund will be closed.

Assessment Fund. Upon receipt of Assessment Installments, the Treasurer will immediately deposit the Assessment Installments into the Assessment Fund. On or prior to the twenty-fifth day of February and August of each year commencing February 25, 2023, the District will transfer to the Fiscal Agent for deposit to the following funds and accounts the amounts set forth in the following clauses, in the following order of priority:

(a) the Interest Account of the Redemption Fund, an amount sufficient to make the payment of interest due on the next succeeding Interest Payment Date for the Bonds;

(b) the Principal Account of the Redemption Fund, the amount needed to make the payment of principal, including mandatory sinking fund payments, due on the following September 2 on the Outstanding Bonds;

- (c) the Reserve Fund, the amount needed to restore the Reserve Fund to the Reserve Requirement;
- (d) the Rebate Fund, the amount, if any, as specified in a written direction of the District.

At the election of the District, some or all of the moneys remaining in the Assessment Fund after the deposits described above will be transferred by the Treasurer to the Prepayment Account of the Redemption Fund to redeem Bonds as provided in the Agreement. To the extent that the amounts in the Assessment Fund are insufficient to redeem Bonds in an authorized denomination, such moneys will be used for the payment of interest or principal, including mandatory sinking fund payments, on the next Interest Payment Date. The District will apply such amounts, as a credit against each of the unpaid Assessments in amounts equal to each parcel's share or portion thereof, of the total amount of Assessment.

Upon provision for payment or redemption of all Bonds and after payment of any amounts due to the Fiscal Agent, all moneys remaining in the Assessment Fund will be paid to the District.

Redemption Fund. The principal of, including mandatory sinking fund payments, and interest on the Bonds until maturity will be paid by the Fiscal Agent from the Redemption Fund. At the maturity of the Bonds, and after all principal, including mandatory sinking fund payments, and interest then due on any Outstanding Bonds has been paid or provided for, moneys in the Redemption Fund will be transferred to the Assessment Fund.

(a) Moneys in the Capitalized Interest Account will be used for payment of interest on the Bonds through and including September 2, 2022 as the same becomes due. Any amounts remaining in the Capitalized Interest Account on September 15, 2022 will be transferred to the Interest Account of the Redemption Fund and the Capitalized Interest Account will be closed.

(b) On or prior to the first day of March or September of each year, commencing March 1, 2023, the Fiscal Agent will transfer from the Redemption Fund to the Interest Account of the Redemption Fund an amount such that the balance in the Interest Account one day prior to each Interest Payment Date will be equal to the installment of interest due on the Bonds on said Interest Payment Date. Moneys in the Interest Account will be used for the payment of interest on the Bonds on and after March 2, 2023 as the same becomes due.

(c) On or prior to the first day of September of each year, commencing September 1, 2023, the Fiscal Agent will transfer from the Redemption Fund to the Principal Account of the Redemption Fund an amount up to the principal payment, including mandatory sinking fund payments, due on the Bonds on the following September 2. Moneys in the Principal Account will be used to pay the principal, including mandatory sinking fund payments, of the Bonds as the same become due at maturity or as a result of mandatory sinking fund redemption.

(d) Any amounts remaining in the Redemption Fund, other than in the Prepayment Account and the Capitalized Interest Account, on September 15 of each year, after all principal, including mandatory sinking fund payments, and interest payments due on the prior September 2 have been paid, will be remitted to the District for deposit into the Assessment Fund.

(e) Moneys set aside in the Prepayment Account of the Redemption Fund will be used solely for the purpose of redeeming Bonds and will be applied on or after the redemption date to the payment of principal of, including mandatory sinking fund payments, and premium, if any, on the Bonds to be redeemed upon presentation and surrender of such Bonds.

Upon receiving any prepayment of an Assessment, the District will transfer all or a portion of such prepayment to the Fiscal Agent for deposit in the Prepayment Account, which when coupled with the moneys transferred from the Reserve Fund pursuant to the Agreement to the Prepayment Account, will be used to redeem Bonds pursuant to the Agreement or any Supplemental Fiscal Agent Agreement on the next



Interest Payment Date for which proper notice pursuant to the Agreement or applicable provision of a Supplemental Fiscal Agent Agreement can be given by the Fiscal Agent. Upon receipt of written instructions from the District, the Fiscal Agent will transfer that portion, if any, of the prepayment representing accrued interest owing on the Bonds to the Interest Account of the Redemption Fund and that portion representing principal, including mandatory sinking fund payments, and premium due on the Bonds on the next principal payment date to the Principal Account of the Redemption Fund. If less than all of the amounts in the Prepayment Account, together with the money transferred from the Reserve Fund, can be used to redeem Bonds in increments of \$5,000, the remaining portion is to be retained in the Prepayment Account and, when at the written direction of an Authorized Representative of the District there is sufficient money to redeem Bonds, will be used to redeem Bonds as provided in the Agreement or as provided in a Supplemental Fiscal Agent Agreement. Money received from the District from funds other than the prepayment of Assessments and proceeds of refunding bonds, including any surplus amount in the Improvement Fund transferred to the Fiscal Agent in accordance with Section 10427(d) of the 1913 Act, and all or a portion of in lieu charges credited to the Assessment District will be deposited in the Prepayment Account and used to redeem Bonds as provided in the Agreement or pursuant to the terms of a Supplemental Fiscal Agent Agreement.

If, after all of the Bonds have been redeemed and canceled or paid and canceled, there are moneys remaining in any account of the Redemption Fund, said moneys will be transferred to the District for deposit to the Assessment Fund.

Reserve Fund. The Fiscal Agent will initially deposit into the Reserve Fund the amount specified in the Agreement. Thereafter, the Treasurer will transfer sufficient funds from the Assessment Fund as provided in the Agreement in order to maintain the Reserve Requirement in the Reserve Fund at all times. On or before each February 15 and August 15, the Fiscal Agent will determine whether the amount on deposit in the Reserve Fund equals the Reserve Requirement.

Moneys in the Reserve Fund will be used solely for the purpose of paying the principal of, including mandatory sinking fund payments, and interest on the Bonds when due in the event that the moneys in the Redemption Fund are insufficient therefor. The Fiscal Agent will withdraw moneys as necessary from the Reserve Fund for deposit in the Redemption Fund on or before the first day of March and September of each year.

In the event an Assessment is prepaid in whole or in part and used to redeem Bonds, the Assessment being prepaid will be reduced by the amount transferred from the Reserve Fund pursuant to the Agreement to the Prepayment Account of the Redemption Fund. The amount transferred will be that portion of the balance then in the Reserve Fund equal to the proportion that the Assessment prepaid bears to the total of all Assessments remaining unpaid as of such date. The District will notify, or cause the Fiscal Agent to be notified, of the amount to be transferred.

In the event that moneys in the Reserve Fund and the moneys in the Redemption Fund and the Assessment Fund are sufficient to retire all of the Outstanding Bonds plus accrued interest thereon, such moneys in the Reserve Fund and the Assessment Fund will at the written direction of District be transferred to the Redemption Fund for the payment of the Bonds.

All amounts remaining in the Reserve Fund in the year in which the last Assessment Installments become due and payable will be credited toward said Assessment Installments as set forth in the Agreement:

On or prior to July 1st of the Fiscal Year next preceding the Fiscal Year in which the last unpaid Assessment Installment securing the Bonds becomes due and payable, the District will determine the amount remaining in the Reserve Fund, and will declare such amount to be surplus and direct the Fiscal Agent as to the transfer of such amount in order that it may be credited in the manner set forth in Section 10427.1 of the 1913 Act; provided that if all or any part of such Assessments remain unpaid and are payable in installments, the amount apportioned to each parcel will be credited against the last of such unpaid

Assessment Installments and, if the amount apportioned to each parcel exceeds the amount of said last installment, then such excess will be credited against the next to last of such Assessment Installments.

Notwithstanding any provisions in the Agreement to the contrary, moneys in the Reserve Fund in excess of the Reserve Requirement will be withdrawn from the Reserve Fund by the Fiscal Agent on or before each February 15 and August 15, and will be transferred to the Interest Account, the Principal Account or the Prepayment Account in an amount directed in writing by an Authorized Representative of the District received at least one Business Day prior to each February 15 and August 15. In the absence of written direction from the District, all amounts will be transferred to the Redemption Fund and will be used as provided in the Agreement.

Rebate Fund. The Fiscal Agent will deposit in the Rebate Fund (which fund will be established if and when needed as a separate fund to be held by the Fiscal Agent upon receipt of a certificate of an Authorized Representative of the District) from time to time, as set forth in the Agreement, an amount determined by the District to be subject to rebate to the United States of America in accordance with the Agreement and the Tax Certificate. Amounts in the Rebate Fund will be applied and disbursed by the Fiscal Agent solely for the purposes and at the times set forth in written requests of the District filed with the Fiscal Agent.

Improvement Fund. The moneys in the Improvement Fund will be applied to pay the costs of the Improvements and will be disbursed by the Fiscal Agent as specified in a written direction from an Authorized Representative of the District which must be submitted in connection with each requested disbursement.

Upon receipt of a certificate of an Authorized Representative of the District stating that all or a specified portion of the amount remaining in the Improvement Fund is no longer needed to pay costs of the Improvements, the Fiscal Agent will transfer all or such specified portion, as applicable, of the moneys remaining on deposit in the Improvement to the Prepayment Account of the Redemption Fund to be used to redeem Bonds or for such other purposes as permitted by the 1913 Act and the 1915 Act, all as directed in said certificate.

Investments. Moneys held in any of the funds and accounts under the Agreement will be invested at the written direction of an Authorized Representative of the District only in Authorized Investments which will be deemed at all times to be a part of such funds and accounts. The Fiscal Agent will provide monthly statements or reports of the principal balances and investment earnings thereon in each fund and account maintained by the Fiscal Agent under the Agreement.

Authorized Investments will be purchased at such prices as directed by an Authorized Representative of the District in written directions delivered to the Fiscal Agent. The Fiscal Agent may conclusively rely upon the written instructions of the Authorized Representative as to both the suitability and legality of directed investments. Directions as to the purchase of all Authorized Investments will be subject to the limitations set forth in the Agreement and such additional limitations or requirements consistent with the foregoing as may be established by the Treasurer.

Moneys in all funds and accounts except for the Reserve Fund will be invested in Authorized Investments maturing, or with respect to which payments of principal and interest are scheduled or otherwise payable, not later than the date on which the Treasurer has estimated that such moneys will be required by the Fiscal Agent for the purposes specified in the Agreement. Moneys in the Reserve Fund will be invested in Authorized Investments.

All interest, profits and other income received from the investment of moneys in any fund or account established pursuant to the Agreement will be retained therein, except as transfers from such funds or accounts are authorized in the Agreement. For investment purposes only, the Fiscal Agent may commingle the funds and accounts established under the Agreement, and administered by the Fiscal Agent,

but will account for each separately.

Notwithstanding anything to the contrary contained in the Agreement, an amount of interest received with respect to any Authorized Investment equal to the amount of accrued interest, if any, paid as part of the purchase price of such Authorized Investment will be credited to the fund or account for the credit of which such Authorized Investment was acquired.

For the purpose of determining the amount in any fund or account other than the Reserve Fund, all Authorized Investments credited to such fund or account will be valued at the lower of the cost or the market value thereof, exclusive of accrued interest. Amounts in the Reserve Fund will be valued at their market value at least semi-annually on or before February 15 and August 15 (or more frequently as may be requested by the Treasurer, but in no event more often than monthly).

The Fiscal Agent, or any of its affiliates, may act as principal or agent in the making or disposing of any investment or as a sponsor, depository, manager for or advisor to any issuer of Authorized Investments. The Fiscal Agent will sell, or present for redemption, any Authorized Investment so purchased whenever it is necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Authorized Investment is credited, and, subject to the provisions of the Agreement, the Fiscal Agent will not be liable or responsible for any loss resulting from such investment, or any other investment made at the direction of the District or otherwise made in accordance with the Agreement.

In the absence of written investment direction from the Authorized Representative received at least two Business Days prior to the maturity of an Authorized Investment, the Fiscal Agent will hold such funds uninvested.

The Fiscal Agent may rely conclusively upon the written instructions of the District directing investments in Authorized Investments as to the fact that each such investment is permitted by the laws of the State of California and is an Authorized Investment as required by the Agreement and will not be required to make further investigation with respect thereto. With respect to any restrictions set forth in the list of Authorized Investments which embody legal conclusions (e.g., the existence, validity and perfection of security interests in collateral), the Fiscal Agent will be entitled to rely conclusively on an opinion of counsel or upon a representation of the provider of such Authorized Investment obtained at the District's expense.

Except as specifically provided in the Agreement, the Fiscal Agent will not be liable to pay interest on any moneys received by it, but will be liable only to account to the District for earnings derived from funds that have been invested.

The District has acknowledged that regulations of the Comptroller of the Currency grant the District the right to receive brokerage confirmation of security transactions to be effected by the Fiscal Agent under the Agreement as they occur. The District has specifically waived the right to receive such confirmation to the extent permitted by applicable law and has agreed that it will instead receive periodic cash transaction statements which include detail for the investment transactions effected by the Fiscal Agent under the Agreement; provided, however, that the District retains its right to receive brokerage confirmation on any investment transaction requested by the District.

Delinquency Resulting in Ultimate or Temporary Loss on Bonds. If a temporary deficiency occurs in the Assessment Fund with which to pay Bonds that have then matured, past due interest or the principal and interest on Bonds coming due during the current year, but it does not appear to the Treasurer that there will be an Ultimate Loss to the Bondowners, the Treasurer will transfer moneys on deposit in the Assessment Fund to the Fiscal Agent and will cause the Fiscal Agent to pay the principal of Bonds which have matured as presented and make interest payments on the Bonds when due, as long as there are available funds in the Redemption Fund, in the following order of priority:

- (1) All matured interest payments will be made before the principal of any Bonds is paid.
- (2) Interest on Bonds of earlier maturity will be paid before interest on Bonds of later maturity.
- (3) Within a single maturity, interest on lower-numbered Bonds will be paid before interest on higher-numbered Bonds.
- (4) The principal of Bonds will be paid in the order in which the Bonds are presented for payment. Any Bond which is presented but not paid will be assigned a serial number according to the order of presentment and will be returned to the Bondowner.

When funds become available for the payment of any Bond which was not paid upon presentment, the Treasurer will cause the Fiscal Agent to notify the registered owner of such Bond by registered mail to present the Bond for payment. If the Bond is not presented for payment within ten days after the mailing of the notice, interest will cease to run on such Bond.

If it appears to the Treasurer that there is a danger of an Ultimate Loss accruing to the Bondowners for any reason, he or she is required pursuant to the 1915 Act to withhold payment on all matured Bonds and interest on all Bonds and report the facts to the Board so that the Board may take proper action to equitably protect all Bondowners. Upon the receipt of such notification from the Treasurer, the Board will fix a date for a hearing upon such notice. At the hearing the Board must determine whether in its judgment there will ultimately be insufficient money in the Assessment Fund to pay the principal of the unpaid Bonds and interest thereon. If the Board determines that in its judgment there will ultimately be a shortage in the Assessment Fund to pay the principal of the unpaid Bonds and interest thereon (an "Ultimate Loss"), the Board will direct the Treasurer to pay to the Owners of all Outstanding and unpaid Bonds such proportion thereof as the amount of funds on hand in the Assessment Fund bears to the total amount of the unpaid principal of the Bonds and interest which has accrued or will accrue thereon. Similar proportionate payments will thereafter be made periodically as moneys come into the Assessment Fund.

Upon the determination by the Board that an Ultimate Loss will occur, the Treasurer will cause the Fiscal Agent to notify all Bondowners to surrender their Bonds to the Treasurer for cancellation. Upon cancellation of the Bonds, the Bondowner will be credited with the principal amount of the Bond so canceled. The Treasurer will then pay by warrant the proportionate amount of principal and accrued interest due on the Bonds of each Bondowner as may be available from time to time out of the money in the Redemption Fund. Interest will cease on principal payments made from the date of such payment, but interest will continue to accrue on the unpaid principal at the rate specified on the Bonds until payment thereof is made. No premiums will be paid on payments of principal on Bonds made pursuant to the Agreement in advance of the maturity date thereon.

If a Bond is not surrendered for registration and payment, the Treasurer will cause the Fiscal Agent to give notice at the expense of the District to the Bondowner by registered mail, at the Bondowner's last address as shown on the registration books, of the amount available for payment. Interest on such amount will cease as of ten days from the date of mailing of such notice.

If the Board determines that in its judgment there will not be an Ultimate Loss, it will direct the Treasurer to pay matured Bonds and interest as long as there is available money in the Redemption Fund. The priority of payments will be as set forth in the Agreement.

Notwithstanding the above, neither the Board, the Treasurer nor the Fiscal Agent shall not take any action described above without the prior written consent of the Insurer.

## COVENANTS AND WARRANTY

Warranty. The District will preserve and protect the security of the Bonds and the rights of the Owners against all claims and demands of all persons.

Covenants. So long as any of the Bonds are Outstanding and unpaid, the District has made the following covenants with the Owners under the provisions of the 1913 Act, the 1915 Act and the Agreement (to be performed by the District or its proper officers, agents or employees), which covenants are necessary, convenient and desirable to secure the Bonds and tend to make them more marketable; provided, however, that said covenants do not require the District to expend any funds or moneys other than the Assessments:

(a) Punctual Payment; Covenant Against Encumbrances. The District has covenanted that it will receive all Assessment Installments in trust and will, consistent with the Agreement, deposit the Assessment Installments in the Assessment Fund, and the District will have no beneficial right or interest in the amounts so deposited except as provided by the Agreement. All such Assessment Installments, whether received by the District in trust or deposited with the Fiscal Agent, all as provided in the Agreement, will nevertheless be disbursed, allocated and applied solely to the uses and purposes set forth in the Agreement, and will be accounted for separately and apart from all other money, funds, accounts or other resources of the District.

The District has covenanted that it will duly and punctually pay or cause to be paid the principal of and interest on every Bond issued under the Agreement, together with the premium, if any, thereon on the date, at the place and in the manner set forth in the Bonds and in accordance with the Agreement to the extent Assessments and interest earnings transferred to the Redemption Fund are available therefor, and that the payments into the Redemption Fund and the Reserve Fund will be made, all in strict conformity with the terms of the Bonds and the Agreement, and that it will faithfully observe and perform all of the conditions, covenants and requirements of the Agreement and all Supplements and of the Bonds issued under the Agreement. If at any time the total balance in the Redemption Fund and the Reserve Fund is sufficient to redeem all Outstanding Bonds pursuant to the Agreement, the Treasurer may direct the Fiscal Agent to effect such redemption on the earliest date on which all Outstanding Bonds may be redeemed.

The District will not mortgage or otherwise encumber, pledge or place any charge upon any of the Assessment Installments, and will not issue any obligation or security superior to the Bonds, payable in whole or in part from the unpaid Assessments.

(b) Covenant to Levy. The District will cause the Assessment Installments required to pay the principal of and interest on the Bonds when due to be placed on the tax bills of the owners of the parcels assessed and has covenanted to levy assessments, as permitted by law and the Resolution of Formation, to satisfy the Administrative Expense Requirement.

(c) Commence Foreclosure Proceedings. The District will commence foreclosure proceedings October 1 of the Fiscal Year immediately following the Fiscal Year in which delinquency in the payment of an Assessment Installment occurs, except the District need not commence such proceedings with respect to any property other than property owned by a single property owner who is delinquent in excess of \$3,000 in the payment of Assessment Installments if both (i) the aggregate amount of such delinquent Assessment Installments does not exceed five percent (5%) of the Assessment Installments posted to the tax roll for the preceding Fiscal Year and (ii) the balance on deposit in the Reserve Fund is not less than the Reserve Requirement. Commencement of any foreclosure proceedings includes the District's efforts to collect the delinquent Assessment Installments by sending subsequent notice of delinquency and a demand for immediate payment thereof. The District may treat any delinquent Assessment Installment sold to an independent third-party or to any funds of the District for at least 100% of the delinquent amount as having been paid. Proceeds of any such sale up to 100% of the delinquent amount shall be deposited in the Assessment Fund. Notwithstanding the above, as long as the Assessment Installments are the subject of the County's Teeter Plan and the District is receiving 100% of the Assessment Installments it levies, the District shall not have any obligation to commence judicial foreclosure proceedings as described above.

(d) Books and Accounts. The District will cause the Fiscal Agent to keep proper books of record and accounts, separate from all other records and accounts of the District, in which complete and correct entries will be made of all transactions made by its Fiscal Agent under the Agreement. Such books of record and accounts will at all times during business hours and upon reasonable prior notice be subject to the inspection of the District or of the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding or their representatives authorized in writing.

(e) Collection of the Administrative Expense Requirements. The District has covenanted that it will collect annually an amount specified by the Treasurer to be the Administrative Expense Requirement to pay for Administrative Expenses. The Administrative Expense Requirement so collected will not exceed the amount specified in the Engineer's Report.

Tax Covenants. The District has covenanted that it will take all actions necessary in order that interest on the Bonds be and remain excluded pursuant to section 103(a) of the Code from the gross income of the owners thereof for federal income tax purposes, and that it will not use or invest, and will not permit the use or investment of, and will not omit to use or invest Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner that if made or omitted, respectively, could cause the interest on any Bond to fail to be excluded pursuant to section 103(a) of the Code from the gross income of the owner thereof for federal income tax purposes.

Continuing Disclosure Certificate. The District has covenanted and agreed that it will comply with and carry out all of its obligations under the Continuing Disclosure Certificates to be executed and delivered by the District in connection with the issuance of each series of Bonds. Notwithstanding any other provision of the Agreement, failure of the District to comply with the Continuing Disclosure Certificates will not be considered an event of default.

#### AMENDMENTS TO AGREEMENT

Amendments Not Requiring Bondowner Consent. The District may from time to time, and at any time, without notice to or consent of any of the Bondowners, adopt Supplements to the Agreement for any of the following purposes:

(a) to cure any ambiguity or to correct or supplement any provisions in the Agreement provided that such action does not materially adversely affect the interests of the Bondowners;

(b) to add to the covenants and agreements of, and the limitations and the restrictions upon, the District contained in the Agreement, other covenants, agreements, limitations and restrictions to be observed by the District which are not contrary to or inconsistent with the Agreement as theretofore in effect;

(c) to modify, amend or supplement the Agreement in such manner as to permit the qualification of the Agreement under the Trust Indenture Act of 1939, as amended, or any similar federal statute later in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which will not, materially adversely affect the interests of the Owners of the Bonds; or

(d) to modify, alter, amend or supplement the Agreement in any other respect which is not materially adverse to the Bondowners.

Amendments Requiring Bondowner Consent. Exclusive of the Supplements described in the Agreement, the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding have the right to consent to and approve such Supplements as are deemed necessary or desirable by the District for the purpose of waiving, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Agreement; provided, however, that

nothing in the Agreement permits, (a) an extension of the maturity date of the principal, or the payment date of interest on, any Bond, (b) a reduction in the principal amount of, or redemption premium on, any Bond or the rate of interest thereon, (c) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds the Owners of which are required to consent to such Supplement without the consent of the Owners of all the Bonds then Outstanding.

If at any time the District desires to enter into a Supplement, which pursuant to the terms of the Agreement requires the consent of the Bondowners, the District will so notify the Fiscal Agent and deliver to the Fiscal Agent a copy of the proposed Supplement. The Fiscal Agent will, at the expense of the District, cause notice of the proposed Supplement to be mailed, by first class mail postage prepaid, to all Bondowners and their addresses as they appear in the Bond Register. Such notice will briefly set forth the nature of the proposed Supplement and state that a copy thereof is on file at the office of the Superintendent of Streets and the corporate trust office of the Fiscal Agent for inspection by all Bondowners. The failure of any Bondowners to receive such notice will not affect the validity of such Supplement when consented to and approved by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding as required by the Agreement. Whenever at any time within one year after the date of the first mailing of such notice the Fiscal Agent will receive an instrument or instruments purporting to be executed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments will refer to the proposed Supplement described in such notice, and will specifically consent to and approve the Supplement substantially in the form of the copy referred to in such notice as on file with the Superintendent of Streets and the Fiscal Agent, such proposed Supplement, when duly executed by the District, will thereafter become a part of the proceedings for the issuance of the Bonds. In determining whether the Owners of a majority of the aggregate principal amount of the Bonds have consented to the adoption of any Supplement, Bonds which are owned by the District or by any person directly or indirectly controlling or controlled by or under the direct or indirect common control with the District, will be disregarded and treated as though they were not Outstanding for the purpose of any such determination. Upon request, the District will designate to the Fiscal Agent those Bonds disqualified by the Agreement.

Upon the execution and delivery by the District and the Fiscal Agent of any Supplement and the receipt of consent to any such Supplement from the Owners of not less than a majority in aggregate principal amount of Bonds Outstanding in instances where such consent is required pursuant to the provisions of the Agreement, the Agreement will be, and will be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under the Agreement of the District, the Fiscal Agent and all Owners of Bonds then Outstanding will thereafter be determined, exercised and enforced under the Agreement, subject in all respects to such modifications and amendments.

No Supplement pursuant to the Agreement may modify or amend any of the rights or obligations of the Fiscal Agent without its written consent thereto. The Fiscal Agent will be provided an opinion of counsel, at the expense of the District, that any such Supplement complies with the provisions of the Agreement and the Fiscal Agent may conclusively rely upon such opinion.

Notation of Bonds; Delivery of Amended Bonds. After the effective date of any action taken as provided in the Agreement, the District may determine that the Bonds may bear a notation, by endorsement in form approved by the District, as to such action, and in that case upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for the purpose at the office of the Fiscal Agent, a suitable notation as to such action will be made on such Bonds. If the District so determines, new Bonds so modified as, in the opinion of the District, are necessary to conform to such action will be prepared and executed, and in that case upon demand of the Owner of any Bond Outstanding at such effective date such new Bonds will be exchanged at the office of the Fiscal Agent without cost to each Owner, for Bonds then Outstanding, upon surrender of such Outstanding Bonds.

## EVENTS OF DEFAULT; REMEDIES

Event of Default. Any one or more of the following events will constitute an “event of default”:

- (a) Default in the due and punctual payment of the principal of or redemption premium, if any, on any Bond when and as the same become due and payable, whether at maturity as therein expressed or from mandatory redemption;
- (b) Default in the due and punctual payment of the interest on any Bond when and as the same become due and payable; or
- (c) Default by the District in the observance of any of the other agreements, conditions or covenants on its part in the Agreement or in the Bonds contained, and the continuation of such default for a period of thirty (30) days after the District has been given notice in writing of such default by the Fiscal Agent or any Owner, provided that if within thirty (30) days the District has commenced curing of the default and diligently pursues elimination thereof, such period will be extended to permit such default to be eliminated.

Remedies of Owners. Following the occurrence of an event of default, any Owner has the right for the equal benefit and protection of all Owners similarly situated:

- (a) By mandamus or other suit or proceeding at law or in equity to enforce his or her rights against the District and any of the members, officers and employees of the District, and to compel the District or any such members, officers or employees to perform and carry out their duties under the 1913 Act or the 1915 Act and their agreements with the Owners as provided in the Agreement;
- (b) By suit in equity to enjoin any actions or things which are unlawful or violate the rights of the Owners; or
- (c) By a suit in equity to require the District and its members, officers and employees to account as the trustee of an express trust.

Nothing in the Agreement, or in the Bonds, affects or impairs the obligation of the District, which is absolute and unconditional, to pay the interest on and principal of the Bonds to the respective Owners of the Bonds at the respective dates of maturity, as provided in the Agreement, out of the Assessments pledged for such payment, or affects or impairs the right of action, which is also absolute and unconditional, of such Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds and in the Agreement.

A waiver of any default of breach of duty or contract by any Owner will not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission by any Owner to exercise any right or power accruing upon any default will impair any such right or power or will be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Owners by the 1913 Act or the 1915 Act or by the Agreement may be enforced and exercised from time to time and as often as will be deemed expedient by the Owners.

If any suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Owners, the District and the Owners will be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken. No remedy conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy is cumulative and is in addition to every other remedy given under the Agreement or now or later existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the 1913 Act, the 1915 Act or any other law. In no event will the Fiscal



Agent have any responsibility to cure or cause the District or any other person or entity to cure an event of default under the Agreement.

## DEFEASANCE

Defeasance. If the District pays or causes to be paid, or there is otherwise paid, to the Owners of any Outstanding Bonds the interest due thereon and the principal thereof, at the times and in the manner stipulated therein and in the Agreement, then the Owners of such Bonds will cease to be entitled to the pledge of Assessments and other amounts under the Agreement, and all covenants, agreements and other obligations of the District to the Owners of such Bonds under the Agreement will thereupon cease, terminate and become void and be discharged and satisfied except for the District's covenant under the Agreement. In such event, the Fiscal Agent will execute and deliver to the District all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiscal Agent will pay over or deliver to the District after payment of any amounts due the Fiscal Agent under the Agreement all money or securities held by it pursuant to the Agreement which are not required for the payment of the interest due on, and the principal of, such Bonds.

Any Outstanding Bond will be deemed to have been paid within the meaning expressed in the Agreement if such Bond is paid in any one or more of the following ways:

(a) by paying or causing to be paid the principal of and interest with respect to such Bond, as and when the same become due and payable;

(b) by depositing with the Fiscal Agent at or before maturity, money which, together with the amounts then on deposit in the Assessment Fund, the Reserve Fund and the Redemption Fund, is fully sufficient to pay the principal of, premium and interest on such Bond as and when the same will become due and payable; or

(c) by depositing with the Fiscal Agent Federal Securities in such amount as an Independent Financial Consultant determines will, together with the interest to accrue thereon and moneys then on deposit in the Assessment Fund, the Reserve Fund and the Redemption Fund which is available to pay such Bond, together with the interest to accrue thereon without further investment, be fully sufficient to pay and discharge the principal of, premium, if any, and interest on such Bond as and when the same become due and payable;

then, notwithstanding that such Bond has not been surrendered for payment, all obligations of the District under the Agreement with respect to such Bond ceases and terminates, except for the obligation of the Fiscal Agent to pay or cause to be paid to the Owner of any Bond not so surrendered and paid, all sums due thereon from funds provided to it by the District and except for the District's covenant under the Agreement.

The investments in the defeasance escrow relating to Insured Bonds will be limited to non-callable, direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or as otherwise maybe authorized under State law and approved by the Insurer.

At least three (3) Business Days prior to any defeasance, the District will deliver to the Insurer draft copies of an escrow agreement, an opinion of bond counsel regarding the validity and enforceability of the escrow agreement and the defeasance of the Bonds, a verification report (a "Verification Report") prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to the Insurer and shall be in form and substance satisfactory to the Insurer. In addition, the escrow agreement will provide that: a) any substitution of securities following the execution and delivery of the escrow agreement shall require the delivery of a Verification Report, an opinion of bond counsel that such substitution will not

adversely affect the exclusion from gross income of the holders of the Bonds of the interest on the Bonds for federal income tax purposes and the prior written consent of the Insurer, which consent will not be unreasonably withheld; b) the District will not exercise any prior optional redemption of Insured Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii) as a condition to any such redemption there shall be provided to the Insurer a Verification Report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption; and c) the District will not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of the Insurer.

## BOND INSURANCE PROVISIONS

Provisions Relating to the Insurance Policy. Notwithstanding anything to the contrary set forth in the Agreement, the insurance provisions described below will govern and such provisions will not be amended without the prior written consent of the Insurer.

Notice Relating to Fiscal Agent. The Insurer will receive prior written notice of any name change of the Fiscal Agent or the resignation or removal of the Fiscal Agent. Any Fiscal Agent must be (a) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least \$250 million of assets, (b) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least \$1 billion of assets, or (c) otherwise approved by the Insurer in writing. No removal, resignation or termination of the Fiscal Agent will take effect until a successor, meeting such requirements or acceptable to the Insurer will be qualified and appointed.

### Amendments, Supplements and Consents.

(a) *General.* The Insurer's prior written consent is required for all amendments and supplements to the Agreement, with the exceptions noted below. The District will send copies of any such amendments or supplements to the Insurer and the rating agencies which have assigned a rating to the Insured Obligations.

(b) *Consent of the Insurer.* Any amendments or supplements to the Agreement will require the prior written consent of the Insurer with the exception of amendments or supplements:

- i. To cure any ambiguity or formal defect or omissions or to correct any inconsistent provisions in the transaction documents or in any supplement thereto, or
- ii. To grant or confer upon the holders of the Insured Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the holders of the Insured Bonds, or
- iii. To add to the conditions, limitations and restrictions on the issuance of bonds or other obligations under the provisions of the Agreement other conditions, limitations and restrictions thereafter to be observed, or
- iv. To add to the covenants and agreements of the District herein other covenants and agreements thereafter to be observed by the District or to surrender any right or power therein reserved to or conferred upon the District.

(c) *Consent of the Insurer in Addition to Bondholder Consent.* Any amendment, supplement, modification to, or waiver of, any of the Agreement that requires the consent of holders of the Insured Bonds or adversely affects the rights or interests of the Insurer will be subject to the prior written consent of the Insurer.

(d) *Insolvency.* Any reorganization or liquidation plan with respect to the District must be acceptable to the Insurer. The Fiscal Agent and each owner of the Insured Bonds appoint the Insurer as their agent and attorney-in-fact with respect to the Insured Bonds and agree that the Insurer may at any time during the continuation of any proceeding by or against the District under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “Insolvency Proceeding”) direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a “Claim”), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Fiscal Agent and each owner of the Insured Bonds delegate and assign to the Insurer, to the fullest extent permitted by law, the rights of the Fiscal Agent and each owner of the Insured Bonds with respect to the Insured Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding.

(e) *Control by the Insurer Upon Default.* Anything in the Agreement to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, the Insurer will be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Insured Bonds or the Fiscal Agent for the benefit of the holders of the Insured Bonds. No default or event of default may be waived without the Insurer’s written consent.

(f) *The Insurer as Owner.* Upon the occurrence and continuance of a default or an event of default, the Insurer will be deemed to be the sole owner of the Insured Bonds for all purposes under the Agreement, including, without limitations, for purposes of exercising remedies and approving amendments.

(g) *Consent of the Insurer for Acceleration.* The Insurer’s prior written consent is required as a condition precedent to and in all instances of acceleration.

(h) *Grace Period for Payment Defaults.* No grace period will be permitted for payment defaults on the Insured Bonds. No grace period for a covenant default will exceed thirty (30) days without the prior written consent of the Insurer.

(i) *Special Provisions for Insurer Default.* If an Insurer Default will occur and be continuing, then, notwithstanding anything in paragraphs (b)-(f) above to the contrary, (1) if at any time prior to or following an Insurer Default, the Insurer has made payment under the Policy, to the extent of such payment the Insurer shall be treated like any other holder of the Insured Bonds for all purposes, including giving of consents, and (2) if the Insurer has not made any payment under the Policy, the Insurer will have no further consent rights until the particular Insurer Default is no longer continuing or the Insurer makes a payment under the Policy, in which event, the foregoing clause (1) will control. For purposes of this paragraph, “Insurer Default” means: (A) the Insurer has failed to make any payment under the Policy when due and owing in accordance with its terms; or (B) the Insurer will (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality will order the suspension of payments on the Policy or will obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of BAM (including without limitation under the New York Insurance Law).

The Insurer As Third Party Beneficiary. The Insurer is recognized as and will be deemed to be a third party beneficiary of the Agreement and may enforce the provisions of the Agreement as if it were a

party thereto.

Payment Procedure Under the Policy. In the event that principal and/or interest due on the Insured Bonds will be paid by the Insurer pursuant to the Policy, the Insured Bonds will remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the District, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the District to the registered owners will continue to exist and will run to the benefit of the Insurer, and the Insurer will be subrogated to the rights of such registered owners.

In the event that on the second (2nd) business day prior to any payment date on the Insured Bonds, the Fiscal Agent has not received sufficient moneys to pay all principal of and interest on the Insured Bonds due on such payment date, the Fiscal Agent will immediately notify the Insurer or its designee on the same business day by telephone or electronic mail, of the amount of the deficiency. If any deficiency is made up in whole or in part prior to or on the payment date, the Fiscal Agent shall so notify the Insurer or its designee.

In addition, if the Fiscal Agent has notice that any holder of the Insured Bonds has been required to disgorge payments of principal of or interest on the Insured Bonds pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such holder within the meaning of any applicable bankruptcy law, then the Fiscal Agent will notify the Insurer or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of the Insurer.

The Fiscal Agent will irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for holders of the Insured Bonds as follows:

(a) If there is a deficiency in amounts required to pay interest and/or principal on the Insured Bonds, the Fiscal Agent will (i) execute and deliver to the Insurer, in form satisfactory to the Insurer, an instrument appointing the Insurer as agent and attorney-in-fact for such holders of the Insured Bonds in any legal proceeding related to the payment and assignment to the Insurer of the claims for interest on the Insured Bonds, (ii) receive as designee of the respective holders (and not as Fiscal Agent) in accordance with the tenor of the Policy payment from the Insurer with respect to the claims for interest so assigned, (iii) segregate all such payments in a separate account (the "BAM Policy Payment Account") to only be used to make scheduled payments of principal of and interest on the Insured Obligation, and (iv) disburse the same to such respective holders; and

(b) If there is a deficiency in amounts required to pay principal of the Insured Bonds, the Fiscal Agent will (i) execute and deliver to the Insurer, in form satisfactory to the Insurer, an instrument appointing the Insurer as agent and attorney-in-fact for such holder of the Insured Bonds in any legal proceeding related to the payment of such principal and an assignment to the Insurer of the Insured Bonds surrendered to the Insurer, (ii) receive as designee of the respective holders (and not as Fiscal Agent) in accordance with the tenor of the Policy payment therefore from the Insurer, (iii) segregate all such payments in the BAM Policy Payment Account to only be used to make scheduled payments of principal of and interest on the Insured Bonds, and (iv) disburse the same to such holders.

The Fiscal Agent will designate any portion of payment of principal on Insured Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Bonds registered to the then current holder, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Bond to the Insurer, registered in the name directed by the Insurer, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Fiscal Agent's failure to so designate any payment or issue any replacement Insured Bond shall have no effect on the amount of principal or interest payable by the District on any Insured Bond or the subrogation or assignment rights of the Insurer.

Payments with respect to claims for interest on and principal of Insured Bonds disbursed by the Fiscal Agent from proceeds of the Policy will not be considered to discharge the obligation of the District with respect to such Insured Bonds, and the Insurer will become the owner of such unpaid Insured Bonds and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise. The Agreement will not be discharged or terminated unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

Irrespective of whether any such assignment is executed and delivered, the District, and the Fiscal Agent agree for the benefit of the Insurer that:

a) They recognize that to the extent the Insurer makes payments directly or indirectly (e.g., by paying through the Fiscal Agent), on account of principal of or interest on the Insured Bonds, the Insurer will be subrogated to the rights of such holders to receive the amount of such principal and interest from the District, with interest thereon, as provided and solely from the sources stated in the Agreement and the Insured Bonds; and

b) They will accordingly pay to the Insurer the amount of such principal and interest, with interest thereon as provided in the transaction documents and the Insured Bonds, but only from the sources and in the manner provided therein for the payment of principal of and interest on the Insured Bonds to holders, and will otherwise treat the Insurer as the owner of such rights to the amount of such principal and interest.

Additional Payments. The District agrees unconditionally that it will pay or reimburse the Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that the Insurer may pay or incur, including, but not limited to, fees and expenses of the Insurer's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Agreement ("Administrative Costs"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of the Insurer spent in connection with the actions described in the preceding sentence. The District agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to the Insurer until the date the Insurer is paid in full.

Notwithstanding anything herein to the contrary, the District agrees to pay to the Insurer (i) a sum equal to the total of all amounts paid by the Insurer under the Policy ("BAM Policy Payment"); and (ii) interest on such BAM Policy Payments from the date paid by the Insurer until payment thereof in full by the District, payable to the Insurer at the Late Payment Rate per annum (collectively, "BAM Reimbursement Amounts") compounded semi-annually. Notwithstanding anything to the contrary, including without limitation the post default application of revenue provisions, the Insurer Reimbursement Amounts shall be, and the District covenants and agrees that the BAM Reimbursement Amounts are, payable from and secured by a lien on and pledge of the same revenues and other collateral pledged to the Insured Bonds on a parity with debt service due on the Insured Bonds.

Reserve Fund. The prior written consent of the Insurer will be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Reserve Fund, if any. Amounts on deposit in the Reserve Fund shall be applied solely to the payment of debt service due on the Bonds.

Exercise of Rights by the Insurer. The rights granted to the Insurer under the Agreement to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and will not be construed or deemed to be taken for the benefit, or on behalf, of the holders of the Insured Bonds and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the holders of the Insured Bonds or any other person is required in addition to the consent of the

Insurer.

The Insurer will be entitled to pay principal or interest on the Insured Bonds that will become Due for Payment but will be unpaid by reason of Nonpayment by the District (as such terms are defined in the Policy) and any amounts due on the Insured Bonds as a result of acceleration of the maturity thereof in accordance with the Agreement, whether or not the Insurer has received a claim upon the Policy.

No contract will be entered into or any action taken by which the rights of the Insurer or security for or source of payment of the Insured Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.

If an event of default occurs under any agreement pursuant to which any Obligation of the District has been incurred or issued and that permits the holder of such Obligation or trustee to accelerate the Obligation or otherwise exercise rights or remedies that are adverse to the interest of the holders of the Insured Bonds or the Insurer, as the Insurer may determine in its sole reasonable discretion, then an event of default will be deemed to have occurred under the Agreement for which the Insurer or the Fiscal Agent, at the direction of the Insurer, will be entitled to exercise all available remedies hereunder at law and in equity. For purposes of the foregoing "Obligation" means any bonds, loans, certificates, installment or lease payments or similar obligations that are payable and/or secured on a parity or subordinate basis to the Insured Bonds.

#### MISCELLANEOUS

Cancellation of Bonds. All Bonds surrendered to the Fiscal Agent for payment upon maturity or for redemption will upon payment therefor, and any Bond purchased by the District as authorized in the Agreement will be, cancelled forthwith and will not be reissued. The Fiscal Agent will destroy such Bonds as provided by law and furnish to the District a certificate of destruction.

Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by the Agreement to be signed or executed by Bondowners may be in any number of concurrent instruments of similar tenor, may be signed or executed by such Owners in person or by their attorneys appointed by an instrument in writing for that purpose, or by the commercial bank, trust company or other depository for such Bonds. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, and of the ownership of Bonds will be sufficient for the purposes of the Agreement (except as otherwise provided in the Agreement), if made in the following manner:

(a) The fact and date of the execution by any Owner or his or her attorney of any such instrument and of any instrument appointing any such attorney, may be proved by a signature guarantee of any commercial bank or trust company located within the United States of America. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such signature guarantee shall also constitute sufficient proof of his authority.

(b) As to any Bond, the person in whose name the same will be registered in the Bond Register will be deemed and regarded as the absolute Owner thereof for all purposes, and payment of or on account of the principal of any such Bond, and the interest thereon, will be made only to or upon the order of the registered Owner thereof or his or her legal representative. All such payments will be valid and effectual to satisfy and discharge the liability upon such Bond and the interest thereon to the extent of the sum or sums to be paid. The Fiscal Agent will not be affected by any notice to the contrary. Nothing contained in the Agreement will be construed as limiting the Fiscal Agent to such proof, it being intended that the Fiscal Agent may accept other evidence of the matters stated in the Agreement which the Fiscal Agent may deem sufficient. Any request or consent of the Owner of any Bond will bind every future Owner of the same Bond in respect of anything done or suffered to be done by the Fiscal Agent in pursuance of such request

or consent.

Unclaimed Moneys. Anything in the Agreement to the contrary notwithstanding, any money held by the Fiscal Agent in trust for the payment and discharge of any of the Bonds which remains unclaimed for one year after the Bonds become due and payable, if such money was held by the Fiscal Agent at such date, or for one year after the date of deposit of such money if deposited with the Fiscal Agent after said date when such Bonds become due and payable, will be repaid by the Fiscal Agent to the District, as its absolute property and free from trust, and the Fiscal Agent will thereupon be released and discharged with respect thereto and the Owners will look only to the District for the payment of such Bonds; provided, however, that, before being required to make any such payment to the District, the Fiscal Agent will, at the written request and the expense of the District, cause to be mailed to the registered Owners of such Bonds, at their addresses as they appear on the Bond Register, a notice that said money remains unclaimed and that, after a date named in said notice, which date will not be less than thirty (30) days after the date of the mailing of such notice, the balance of such money then unclaimed will be returned to the District.

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## APPENDIX D

### COUNTY OF SAN LUIS OBISPO DEMOGRAPHIC AND ECONOMIC INFORMATION

The following information concerning the County of San Luis Obispo is presented as general background data. The Bonds are payable solely from the Assessments and other sources described herein (see “SECURITY FOR THE BONDS”). The taxing power of the County of San Luis Obispo, the State of California or any political subdivision thereof is not pledged to the payment of the Bonds. See the information under the caption “THE BONDS.”

#### Introduction

The County of San Luis Obispo (the “County”) was formed in 1850 as a general law county, pursuant to the established general laws of the State of California. A five-member Board of Supervisors, elected for four-year terms in district nonpartisan elections, governs the County. The seven incorporated cities in the County are Paso Robles, Atascadero, Morro Bay, San Luis Obispo, Pismo Beach, Arroyo Grande, and Grover Beach which comprise approximately 56% of the total population in the County.

#### Population

According to the Department of Finance estimates, the population in the County remained relatively stable over the last five years.

#### Population of San Luis Obispo County and Incorporated Cities (As of January 1)

Area	2016	2017	2018	2019	2020
Arroyo Grande	17,858	17,842	17,864	17,839	17,687
Atascadero	30,340	30,506	30,387	30,348	30,057
El Paso de Robles	30,949	31,234	31,157	31,136	31,221
Grover Beach	13,455	13,474	13,422	13,320	13,214
Morro Bay	10,403	10,417	10,359	10,269	10,188
Pismo Beach	8,211	8,288	8,275	8,237	8,139
San Luis Obispo (city)	45,894	46,092	46,015	45,937	45,920
SUBTOTAL	157,110	157,853	157,479	157,086	156,426
Unincorporated	120,723	120,732	121,118	121,269	120,833
TOTAL	277,833	278,585	278,597	278,355	277,259

Source: State of California, Department of Finance; Table 2: E-4 Population Estimates for Cities, Counties and State, 2016-2020 with 2010 Census Benchmark, Sacramento, California, May 2020.

#### Industry and Employment

The following table compares estimates of the labor force, civilian employment and unemployment for Nipomo residents, County residents, State residents and United States residents between 2015 through 2019. The unemployment rate for May for the County, State and United States was 12.7%, 15.9% and 13.3%.

**County of San Luis Obispo**  
**Civilian Labor Force, Employment and Unemployment**  
**Annual Average for Years 2015 Through 2019**

Year and Area	Labor Force	Civilian Employment	Unemployment	Unemployment Rate
<b>2015</b>				
Nipomo	9,000	8,400	600	6.9%
County	138,900	132,300	6,600	4.7
State	18,828,800	17,660,700	1,168,100	6.2
United States	157,130,000	148,834,000	8,296,000	5.3
<b>2016</b>				
Nipomo	9,000	8,500	600	6.3%
County	139,500	133,400	6,000	4.3
State	19,021,200	17,980,100	1,041,100	5.5
United States	159,187,000	151,436,000	7,751,000	4.9
<b>2017</b>				
Nipomo	9,100	8,600	500	5.3%
County	140,400	135,400	5,000	3.6
State	19,176,400	18,257,100	919,300	4.8
United States	160,320,000	153,337,000	6,982,000	4.4
<b>2018</b>				
Nipomo	9,000	8,600	400	4.4%
County	140,300	136,000	4,200	3.0
State	19,280,800	18,460,700	820,100	4.3
United States	162,075,000	155,761,000	6,314,000	3.9
<b>2019</b>				
Nipomo	9,100	8,700	400	4.2%
County	140,900	136,900	4,000	2.9
State	19,411,600	18,627,400	784,200	4.0
United States	163,539,000	157,538,000	6,001,000	3.7

† Preliminary. Data is seasonally adjusted. The unemployment data for the County and State is calculated using unrounded data.

Source: State Employment Development Department, Labor Market Information Division, and U.S. Bureau of Labor Statistics.

The largest industries in the County, in terms of the percentage of employment in each respective industry, are estimated by the State Employment Development Department as follows:

**County of San Luis Obispo  
Employment by Industry Group  
Annual Averages**

Industry Employment <sup>(1)</sup>	2014	2015	2016	2017	2018 <sup>(2)</sup>
Agriculture	4,700	5,000	4,800	5,200	5,200
Natural Resources Mining and Construction	6,400	6,700	7,200	7,500	7,800
Manufacturing	6,800	7,000	7,000	7,300	7,800
Trade, Transportation, Warehousing/Utilities	20,500	20,800	21,000	21,100	21,000
Information	1,400	1,500	1,300	1,300	1,300
Finance, Insurance, and Real Estate	3,800	3,900	3,800	3,900	3,900
Professional and Business Services	9,400	10,100	10,500	10,700	10,800
Education and Health Services	16,200	16,500	17,000	17,400	17,800
Leisure and Hospitality	16,800	17,600	18,500	19,100	19,200
Other Services	3,600	3,800	3,800	4,000	4,000
Government	22,900	23,600	23,900	24,100	24,300
TOTAL <sup>(3)</sup>	112,600	116,400	118,800	121,500	122,900

(1) Based on place of work.

(2) Most recent annual estimated data available.

(3) "Total" may not be precise due to independent rounding.

Source: State of California, Employment Development Department.

**Agriculture**

The County is comprised of approximately 2,126,240 acres, of which approximately 1,389,350 acres (representing 65.3%) are zoned for agricultural uses. The value of agricultural production since 2014 is set forth in the table below.

**County of San Luis Obispo  
Value of Agricultural Production  
Calendar Years 2014 Through 2018<sup>(1)</sup>  
(In Thousands)**

	2014	2015	2016	2017	2018 <sup>(1)</sup>
Wine Grapes	\$203,785	\$146,435	\$242,900	\$267,662	\$276,002
Strawberries	205,765	222,604	241,282	228,169	268,356
Broccoli	57,158	47,759	43,878	42,996	48,348
Avocados	22,714	16,613	44,628	27,295	46,145
Cattle and Calves	129,600	66,000	39,984	43,241	43,761
Vegetable Transplants	33,679	38,730	34,195	33,119	35,245
Cauliflower	13,478	13,000	16,334	23,253	30,122
Cut Flowers	27,043	27,629	29,547	27,165	36,538
Head Lettuce	20,480	25,485	19,582	17,477	25,734
Lemons	15,864	16,417	16,008	16,016	24,548
Top Ten Crops Subtotal	729,566	620,672	728,338	726,393	834,799
All Other Crops	170,504	207,501	201,592	198,305	200,700
TOTAL	\$900,070	\$828,173	\$929,930	924,698	1,035,499

(1) Most recent annual data available.

Source: San Luis Obispo County Department of Agriculture/Weights and Measures.

## Major Employers

The following table provides a listing of major employers headquartered or located in the County and their estimated full-time equivalent (FTE) employment levels.

### County of San Luis Obispo Major Employers

Employer	Product or Service	Estimated No. of Employees
California Polytechnic State University, SLO	Education	3,000
County of San Luis Obispo	Government	2,920
Atascadero State Hospital	Health Services	2,000
Pacific Gas and Electric Company	Utility	1,866
California Men's Colony	Correction Institution	1,517
Cal Poly Corporation	Education	1,400
Tenet Healthcare	Health Services	1,305
Compass Health Inc.	Health Services	1,200
Lucia Mar Unified School District	Education	1,000
Paseo Robles Public Schools	Education	935

*Sources: County of San Luis Obispo 2018-19 Comprehensive Financial Report.*

## Personal Income

The United State Department of Commerce, Bureau of Economic Analysis (the "BEA") produces economic accounts statistics that enable government and business decision-makers, researchers, and the public to follow and understand the performance of the national economy.

The BEA defines "personal income" as income received by persons from all sources, including income received from participation in production as well as from government and business transfer payments. Personal income represents the sum of compensation of employees (received), supplements to wages and salaries, proprietors' income with inventory valuation adjustment (IVA) and capital consumption adjustment (CCAdj), rental income of persons with CCAdj, personal income receipts on assets, and personal current transfer receipts, less contributions for government social insurance. Per capita personal income is calculated as the personal income divided by the resident population based upon the Census Bureau's annual midyear population estimates.

The table below presents the latest available total personal income and per capita personal income for the County, the State and the nation for the calendar years 2015 through 2019.

**County of San Luis Obispo, State of California and United States  
Personal Income  
Calendar Years 2015 Through 2019<sup>(1)</sup>**

Year and Area	Personal Income (millions of dollars)	Per Capita Personal Income(dollars)
<b>2019<sup>(1)</sup></b>		
County	-	-
State	\$ 2,633,925	\$66,661
United States	18,599,062	56,663
<b>2018</b>		
County	\$ 16,612	\$58,491
State	2,514,129	63,711
United States	17,813,035	54,526
<b>2017</b>		
County	\$ 15,736	\$55,635
State	2,370,112	60,219
United States	16,870,106	51,910
<b>2016</b>		
County	\$ 14,955	\$54,041
State	2,263,890	57,801
United States	16,111,636	49,890
<b>2015</b>		
County	\$ 14,489	\$51,714
State	2,171,947	55,808
United States	15,709,242	48,994

(1) Most recent year for which annual data for the County, the State and the nation is available.  
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

**Assessed Value, Tax Levy and Delinquencies**

County assessed valuations and tax levies and delinquencies as of June 30 for the past ten Fiscal Years are shown in the tables below.

**County of San Luis Obispo**  
**Assessed Valuations**  
**Fiscal Years 2003-04 Through 2012-13**  
(\$ in thousands)

<b>Fiscal Year</b>	<b>Secured</b>	<b>Unsecured</b>	<b>Exemptions</b>	<b>Net Assessed Valuation</b>	<b>% Change</b>
2009-10	\$42,185,284	\$1,148,662	\$ (914,309)	\$42,419,637	-0.4%
2010-11	41,846,720	1,118,384	(927,194)	42,037,910	-0.9
2011-12	41,223,923	1,081,597	(965,089)	41,340,431	-1.7
2012-13	41,667,316	1,138,202	(1,009,234)	41,796,284	1.1
2013-14	42,900,845	1,195,631	(1,036,531)	43,059,945	3.0
2014-15	45,288,599	1,230,775	(1,093,212)	45,426,162	5.5
2015-16	48,037,099	1,257,845	(1,122,568)	48,172,375	6.0
2016-17	50,458,742	1,362,539	(1,173,683)	50,647,598	5.1
2017-18	53,278,739	1,386,183	(1,248,961)	53,415,961	5.5
2018-19	56,147,148	1,420,625	(1,305,110)	56,262,663	5.3

*Source: County of San Luis Obispo Auditor-Controller's Office, Property Tax Division.*

**County of San Luis Obispo**  
**Summary of Property Tax Collections and Delinquencies**  
**Fiscal Years 2009-10 through 2018-19**  
(\$ in thousands)

<b>Fiscal Year (June 30)</b>	<b>Total Levy</b>	<b>Collected Amount</b>	<b>Delinquent Amount<sup>†</sup></b>	<b>% Levy Delinquent</b>
2009-10	\$412,698	\$398,951	\$13,747	3.33%
2010-11	408,623	397,830	10,793	2.64
2011-12	403,472	396,238	7,234	1.79
2012-13	405,225	399,807	5,418	1.34
2013-14	421,140	416,450	4,690	1.11
2014-15	447,088	442,330	4,758	1.06
2015-16	470,629	466,465	4,164	0.88
2016-17	495,277	490,890	4,387	0.89
2017-18	522,528	517,777	4,751	0.91
2018-19	549,869	544,994	4,874	0.89

<sup>†</sup> Property taxes are due in two installments and become delinquent on December 10, with respect to the installment due on November 1 and on April 10, with respect to the installment due on February 1.

*Source: County Auditor-Controller.*

**Principal Taxpayers**

Assessed values for the principal taxpayers totaled approximately \$3.5 billion, or 6.15% of the County's 2018-19 Net Assessed Valuations. The principal largest taxpayers in the County, as shown on the Fiscal Year 2018-19 secured tax roll, and the approximate amounts of their assessed values within the County are shown in the table below.

**County of San Luis Obispo  
Principal Taxpayers  
Fiscal Year 2018-19**

Company	Type of Business	2018-19 Assessed Value (in thousands) <sup>†</sup>	% of Total
Pacific Gas and Electric	Utility	\$ 2,578,307	4.58%
Phillips 66 Company	Oil Refinery	161,646	0.29
Jamestown Premier	Commercial	113,238	0.20
Southern California Gas Company	Utility	108,816	0.19
CAP VIII Mustang Village LLC	Apartments	92,424	0.16
AT&T California	Utility	90,307	0.16
Treasury Wines Estates	Winery	90,052	0.16
E&J Gallo Winery/Vineyards	Winery	85,577	0.15
Sierra Vista Hospital	Hospital	80,002	0.14
Firestone Walker LLC	Brewery	68,644	0.12
Subtotal		3,469,013	6.15
Remaining taxpayers		\$52,793,650	93.85
TOTAL		\$56,262,663	100.00

<sup>†</sup> Excludes exempt publicly owned property, State assessed property and property subject to special taxes.  
Source: County of San Luis Obispo Auditor-Controller's Office.

**Commercial Activity**

Commercial activity is an important contributor to San Luis Obispo County's economy. The following table estimates the County's commercial activity between calendar years 2015 through 2019.

**County of San Luis Obispo  
Trade Outlets and Taxable Sales  
for Calendar Years 2015-2019<sup>(1)</sup>  
(\$ in Thousands)**

Taxable Retail Sales	2015	2016	2017	2018	2019 <sup>(1)</sup>
Motor Vehicle & Parts Dealer	\$ 588,253	\$ 633,200	\$ 664,737	\$ 661,237	\$ 653,526
Home Furnishings & Appliances Store	158,500	160,801	160,917	166,561	150,050
Bldg Mater. & Garden Equip. & Supplies	366,798	377,911	410,711	433,830	427,121
Food and Beverage Stores	271,426	273,525	290,285	300,376	314,628
Gasoline Stations	445,989	395,974	416,298	475,355	476,941
Clothing & Clothing Accessories Store	241,557	246,464	252,651	254,959	250,271
General Merchandise Store	372,670	369,328	372,525	369,245	371,209
Food Services & Drinking Places	624,743	652,261	673,027	687,249	711,919
Other Retail	445,044	463,720	489,289	516,389	569,176
Total Retail & Food Services	3,514,981	3,573,185	3,730,441	3,865,203	3,924,841
All Other Outlets	1,468,895	1,486,038	1,610,949	1,551,129	1,576,453
TOTAL ALL OUTLETS	\$4,983,875	\$5,059,223	\$5,341,390	\$5,416,332	\$5,501,294

(1) Most recent annual data available.

Source: Taxable Sales in California (Sales and Use Tax) Annual Reports, California State Board of Equalization.

## Construction Activity

The total valuation of building permits issued in the County as estimated by the Construction Industry Research Board was approximately \$541.6 million for calendar year 2019. The following table provides an estimated building permit valuation summary for calendar years 2015 through 2019.

**County of San Luis Obispo  
Building Permit Valuation  
for Calendar Years 2015 - 2019**  
(\$ in thousands)

Year	Residential		Valuation <sup>(1)</sup>	Nonresidential Valuation	Total <sup>(2)</sup>
	Single Family	Multifamily			
2015	664	216	\$287,715	\$144,025	\$431,740
2016	531	283	279,712	157,487	437,199
2017	696	445	328,232	120,402	448,633
2018	636	207	267,300	167,767	435,068
2019	697	204	410,042	131,602	541,644

(1) Includes the value of residential alterations and additions.

(2) Total represents the sum of residential and nonresidential building permit valuations. Columns may not total due to independent rounding.

Source: Construction Industry Research Board.



## APPENDIX E

### FORM OF OPINION OF BOND COUNSEL

[Closing Date]

Nipomo Community Services District  
148 South Wilson Street  
Nipomo, CA 93444

\$[principal amount]  
Nipomo Community Services District  
Assessment District No. 2020-1 (Blacklake Sewer Consolidation)  
Limited Obligation Improvement Bonds  
Series 2020

Ladies and Gentlemen:

We have acted as bond counsel to the Nipomo Community Services District (the “District”) in connection with the issuance of \$[principal amount] aggregate principal amount of Nipomo Community Services District Assessment District No. 2020-1 (Blacklake Sewer Consolidation) Limited Obligation Improvement Bonds, Series 2020 (the “Bonds”), pursuant to The Improvement Bond Act of 1915, Division 10 of the California Streets and Highways Code (the “Bond Law”), and pursuant to a Fiscal Agent Agreement, dated as of August 1, 2020 (the “Fiscal Agent Agreement”), by and between the District and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the “Fiscal Agent”). The Bonds are limited obligations of the District secured under the Fiscal Agent Agreement by a pledge of Assessments and certain other moneys held under the Fiscal Agent Agreement. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Fiscal Agent Agreement.

As bond counsel, we have examined applicable provisions of the Bond Law and copies certified to us as being true and complete copies of the proceedings of the District, for the authorization and issuance of the Bonds, including the Fiscal Agent Agreement and the Tax Certificate (referred to below). Our services as bond counsel were limited to an examination of such proceedings and to the rendering of the opinions set forth below. In this connection we have also examined such certificates of public officials and officers of the District as we have considered necessary for the purposes of this opinion.

We have assumed the genuineness of all documents and signatures presented to us. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Fiscal Agent Agreement and the Tax Certificate.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding special obligations of the District, payable solely from Assessments and the other assets pledged therefor under the Fiscal Agent Agreement and are enforceable in accordance with their terms.

2. The Fiscal Agent Agreement has been duly and validly authorized, executed and delivered by the District and, assuming the Fiscal Agent Agreement constitutes the legally valid and binding obligation of the Fiscal Agent, constitutes the legally valid and binding obligation of the District, enforceable against the District in accordance with its terms. The Fiscal Agent Agreement creates a valid pledge, to secure the payment of principal of and interest on the Bonds, of the Assessments and certain other amounts held by the Fiscal Agent in certain funds and accounts established pursuant to the Fiscal Agent Agreement, subject to the provisions of the Fiscal Agent Agreement permitting the application thereof for other purposes and subject to the terms and conditions set forth therein.

3. Under current law, and assuming continued compliance by the District with certain covenants in the Fiscal Agent Agreement and the Tax Certificate executed on the date hereof by the District and applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), as described below, interest on the Bonds is excluded from the gross income of the owners thereof for federal income tax purposes

4. Under current law, interest on the Bonds is not treated as an item of tax preference for purposes of the alternative minimum tax.

5. We are further of the opinion that under existing law interest on the Bonds is exempt from personal income taxes of the State of California.

The Code imposes certain requirements that must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from the gross income of the owners thereof for federal income tax purposes. Non-compliance with such requirements could cause the interest on the Bonds to be included in the gross income of the owners thereof retroactive to the date of issuance of the Bonds. The District is making representations relevant to the determination of, and are covenanting to comply with the applicable provisions of the Code to maintain, the exclusion of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes. In reaching our opinions described above, we have relied on and assumed the accuracy of such representations and the present and future compliance by the District with its covenants. Further, except as expressly stated above, we express no opinion as to any federal or state tax consequence of the receipt or accrual of interest on, or the ownership or disposition of, the Bonds.

Certain requirements and procedures contained or referred to in the Fiscal Agent Agreement or other documents pertaining to the Bonds may be changed, and certain actions may be taken or not taken, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of counsel nationally recognized in the area of tax-exempt obligations. With respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes, we express no opinion as to the effect of any change to any document pertaining to the Bonds or of any action taken or not taken where such change is made or action is taken or not taken without our approval or in reliance upon the advice of counsel other than Norton Rose Fulbright US LLP.

The opinions expressed in paragraphs 1 and 2 above are qualified to the extent the enforceability of the Bonds and the Fiscal Agent Agreement may be limited by applicable bankruptcy, insolvency, debt adjustment, reorganization, moratorium or similar laws or equitable principles relating to or limiting

creditors' rights generally or as to the availability of any particular remedy. The enforceability of the Bonds and the Fiscal Agent is subject to the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, to the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law, and to the limitations on legal remedies against governmental entities in California.

No opinion is expressed herein on the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

This opinion is limited to the laws of the State of California and the federal laws of the United States.

Respectfully submitted,

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## APPENDIX F

### BOOK-ENTRY ONLY SYSTEM

*The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, premium, if any, accreted value and interest on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC to the District which the District believes to be reliable, but the District and the Underwriter do not and cannot make any independent representations concerning these matters and do not take responsibility for the accuracy or completeness thereof. Neither the DTC, Direct Participants, Indirect Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.*

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each annual maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited through the facilities of DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership

interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as prepayments, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Fiscal Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Fiscal Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Fiscal Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Bond Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Fiscal Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Fiscal Agent. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be

deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Fiscal Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Fiscal Agent. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered to DTC.

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## APPENDIX G

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Nipomo Community Services District (the “Issuer”) in connection with the issuance of Nipomo Community Services District Assessment District No. 2020-1 (Blacklake Sewer Consolidation) Limited Obligation Improvement Bonds, Series 2020, in the aggregate principal amount of \$\_\_\_\_\_ (the “Bonds”). The Bonds are being issued pursuant to a Resolution adopted by the Board of Directors of the Issuer on July 22, 2020, and a Fiscal Agent Agreement dated as of August 1, 2020 (the “Fiscal Agent Agreement”) by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the “Fiscal Agent”). The Issuer and Dissemination Agent hereby covenant and agree as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with SEC Rule 15c2-12(b)(5), as amended.

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

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Dissemination Agent” shall mean Special District Financing & Administration, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

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

“Participating Underwriter” shall mean Piper Sandler & Co.

“Repository” shall mean the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“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.

Section 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, by February 1 of each year, commencing February 1, 2021, provide to the Repository, in an electronic format as prescribed by the Municipal Securities Rulemaking Board, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) Business Days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer 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 the Issuer’s

fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) If the Issuer is unable to provide to the Repository or the Dissemination Agent an Annual Report by the date required in subsection (a), the Issuer shall in a timely manner send a notice to the Municipal Securities Rulemaking Board, in an electronic format as prescribed by the Municipal Securities Rulemaking Board, in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) confirm the electronic filing requirements of the Municipal Securities Rulemaking Board for the Annual Report; and

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

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

(a) Audited Financial Statements of the Issuer 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, together with the following statement: THE ISSUER'S ANNUAL FINANCIAL STATEMENT IS PROVIDED SOLELY TO COMPLY WITH THE SECURITIES EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15c2-12. NO FUNDS OR ASSETS OF THE ISSUER ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE BONDS, AND THE ISSUER IS NOT OBLIGATED TO ADVANCE AVAILABLE FUNDS TO COVER ANY DELINQUENCIES. INVESTORS SHOULD NOT RELY ON THE FINANCIAL CONDITION OF THE ISSUER IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE BONDS.

(b) Updates to information regarding the annual aggregate special assessment installments, amount collected, delinquent amount and percent delinquent for the most recent fiscal year and the amount and percent remaining delinquent for any prior fiscal year, as shown in Tables 3, 4, 5, 6 and 9 of the Official Statement excluding therefrom information on direct and overlapping debt.

Such information listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the Repository 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. The Issuer 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, the Issuer shall give, or cause the Dissemination Agent to give, 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 or the issuance by the Internal Revenue Service of proposed or final determinations of taxability or of a Notice of Proposed Issue (IRS Form 5701-TEB);
6. tender offers;
7. defeasances;
8. ratings changes;
9. bankruptcy, insolvency, receivership or similar proceedings; and
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, trustee or similar officer for an obligated person in a proceeding under the United States 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, the Issuer 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 paragraph 5(a)(5) above, notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
2. the consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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;
3. appointment of a successor or additional trustee or the change of the name of a trustee;
4. nonpayment related defaults;
5. modifications to the rights of Owners of the Bonds;
6. notices of redemption;
7. release, substitution or sale of property securing repayment of the Bonds; 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 Bondholders.

(c) Upon the occurrence of a Listed Event under Section 5(b) above, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

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

(e) The Issuer hereby agrees that the undertaking set forth in this Disclosure Certificate is the responsibility of the Issuer and that the Dissemination Agent shall not be responsible for determining whether the Issuer's instructions to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

(f) 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 MSRB consistent with the Rule.

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

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Special District Financing & Administration.

Section 8. Amendment Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity nature or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Fiscal Agent Agreement, or (ii) does not, in the opinion of a nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to the Repository in the same manner as for a Listed Event under Section 5(c).

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer 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 Certificate, the Issuer shall have no obligation under this Disclosure Certificate 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 the Issuer or the Dissemination Agent to comply with any provision of this Disclosure Certificate any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Fiscal Agent Agreement or any Supplemental Fiscal Agent Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only duties as are specifically set forth in this Disclosure Certificate, and the Issuer 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 obligations of the Issuer 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 performance on the part of the Issuer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Notices. Any notice or communication required or permitted hereunder shall be given in writing, sent by (a) personal delivery delivered by a representative of the party giving such notice, or (b) overnight delivery by recognized overnight courier, or (c) United States mail, postage prepaid, registered or certified mail, or facsimile, addressed as follows:

If to the Issuer:

Nipomo Community Services District  
148 S. Wilson Street  
Nipomo, California 93444

or to such other address or to the attention of such other person as hereinafter shall be designated in writing by the applicable party sent in accordance herewith. Any such notice or communication shall be deemed to have been delivered either at the time of personal delivery actually received by the addressee or a representative of the addressee at the address provided above or, if delivered on a business day in the case of delivery service or certified or registered mail, as of the earlier of the date delivered or the date 72 hours following the date deposited in the United States mail at the address provided herein, or if by telecopier, upon electronic confirmation of good receipt by the receiving telecopier.

Section 14. Future Determination of Obligated Persons. In the event that the Securities Exchange Commission amends, clarifies or supplements the Rule in such a manner that requires any landowner within the District to be an obligated person as defined in the Rule, nothing contained herein shall be construed to require the Issuer to meet the continuing disclosure requirements of the Rule with respect to such obligated person and nothing in this Disclosure Certificate shall be deemed to obligate the Issuer to disclose information concerning any owner of land within the District except as required as part of the information required to be disclosed by the Issuer pursuant to Section 4 and Section 5 hereof.

Dated: August \_\_\_\_, 2020

NIPOMO COMMUNITY SERVICES DISTRICT

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

**EXHIBIT A**

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD  
OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Nipomo Community Services District

Name of Bond Issue: \$\_\_\_\_\_Nipomo Community Services District Assessment District  
No. 2020-1 (Blacklake Sewer Consolidation) Limited Obligation  
Improvement Bonds, Series 2020

Date of Issuance: August \_\_\_, 2020

NOTICE IS HERBY GIVEN that the Issuer has not provided an Annual Report with respect to the above- named Bonds as required by the Fiscal Agent Agreement dated as of August 1, 2020, by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as Fiscal Agent. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_.

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

\_\_\_\_\_,  
as Dissemination Agent on behalf of Issuer

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**APPENDIX H**

**SPECIMEN MUNICIPAL BOND INSURANCE POLICY**

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## MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: \_\_\_\_\_

MEMBER: [NAME OF MEMBER]

BONDS: \$ \_\_\_\_\_ in aggregate principal  
amount of [NAME OF TRANSACTION]  
[and maturing on]

Effective Date: \_\_\_\_\_

Risk Premium: \$ \_\_\_\_\_  
Member Surplus Contribution: \$ \_\_\_\_\_  
Total Insurance Payment: \$ \_\_\_\_\_

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

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

SPECIMEN

**Notices (Unless Otherwise Specified by BAM)**

Email:

[claims@buildamerica.com](mailto:claims@buildamerica.com)

Address:

200 Liberty Street, 27th floor  
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN



**CALIFORNIA**  
**ENDORSEMENT TO**  
**MUNICIPAL BOND**  
**INSURANCE POLICY**  
**NO.**

This Policy is not covered by the California Insurance Guaranty Association established pursuant to Article 15.2 of Chapter 1 of Part 2 of Division 1 of the California Law.

Nothing herein shall be construed to waive, alter, reduce or amend coverage in any other section of the Policy. If found contrary to the Policy language, the terms of this Endorsement supersede the Policy language

IN WITNESS WHEREOF, BUILDAMERICA MUTUAL ASSURANCE COMPANY has caused this policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By

\_\_\_\_\_  
Authorized Officer





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[www.royceprinting.com](http://www.royceprinting.com)