

AGENCY AGREEMENT

RELATING TO

**CORONA UTILITY AUTHORITY
2025 WATER REVENUE BONDS
(WATER PROJECTS)**

Dated as of _____, 2025

by and between

CORONA UTILITY AUTHORITY

and

THE CITY OF CORONA

AGENCY AGREEMENT

THIS AGENCY AGREEMENT is made and entered into as of the 1st day of _____, 2025, by and between the CORONA UTILITY AUTHORITY, a joint powers agency duly organized and existing under and by virtue of the laws of the State of California (the "Authority") and the CITY OF CORONA, a city and municipal corporation, duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "City").

WITNESSETH

WHEREAS, the Authority and the City have entered into that certain Water Enterprise Lease Agreement, dated February 6, 2002 (the "2002 Lease"), under which the City leased the water enterprise of the City (the "Water Enterprise") to the Authority in consideration for certain lease payments to be made thereunder; and

WHEREAS, the Authority has issued its \$[_____] 2025 Water Revenue Bonds (Water Projects) (the "Bonds"), a portion of the proceeds of which will be used to construct certain improvements to the Water Enterprise (the "2025 Project"); and

WHEREAS, the City will construct and retain fee title to the 2025 Project and the 2025 Project will become a component of the Water Enterprise of the Authority pursuant to the 2002 Lease; and

WHEREAS, it is the intent of the City and the Authority that the 2025 Project not increase the value of the Water Enterprise, or the lease payments due under the 2002 Lease; and

WHEREAS, it is in the interests of the Authority and the City that the City construct and install the 2025 Project, and the Authority hereby agrees to appoint the City as its agent for such purposes;

COVENANTS

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other valuable consideration, the parties agree as follows:

Section 1. Definitions. All words and phrases defined in Article I of that certain Indenture of Trust, dated as of [_____] 1, 2025, between the Authority and The Bank of New York Mellon Trust Company, N.A. (the "Trustee") shall have the same meaning in this Agency Agreement unless otherwise defined herein.

Section 2. Appointment of City. The Authority hereby appoints the City as its agent to carry out all phases of the acquisition, construction and installation of the 2025 Project and the City, as agent of the Authority, assumes all rights, duties, responsibilities and liabilities of the Authority regarding the acquisition, construction and installation of the 2025 Project, except as limited herein. It is recognized by the parties that the Authority has appointed the City for the purposes specified in this Agreement, rather than appoint another firm or entity for said purposes, based upon the Authority's determination that the City is suitable to perform the

duties, responsibilities and liabilities delegated to and assumed by it pursuant to this Agreement due to the expertise, knowledge and ability of the City's personnel with respect to similar undertakings.

Section 3. Contracts and Payments. The City, as agent of the Authority, may enter into any purchase order, construction management agreement, architecture or engineering contract or construction contract required for the design, construction, installation and completion of the 2025 Project as a portion of moneys sufficient for the payment thereof are then on deposit in the Project Fund established pursuant to Section 3.04 of the Indenture, together with remaining moneys set aside by the Authority for the purpose of acquiring, constructing and installing the 2025 Project.

Section 4. Description of Project. The City, as agent of the Authority, shall have the right to make any changes in the description of the 2025 Project or of any component thereof whenever the City deems such changes to be necessary and appropriate; provided that any such change shall not alter the essential nature of the 2025 Project, and that an increase in the Construction Costs shall not result from such change, unless the City confirms that funds with the Authority are sufficient to pay such increase.

Section 5. Supervision of Construction and Installation. The City, as agent of the Authority, shall have sole responsibility for and shall supervise construction of the 2025 Project and the purchase and installation of any personal property constituting a part of the 2025 Project. The City shall monitor the performance by any construction manager and by the construction contractors to the extent the City deems appropriate. The City shall permit the Authority, or its assignee, to inspect construction at any and all reasonable times which are deemed appropriate by the Authority, or its assignee.

Section 6. Enforcement of Contracts. The Authority hereby assigns to the City all rights and powers to enforce in its own name or the name of the Authority such purchase orders or contracts as are required for design, construction, purchase and completion of the 2025 Project, which enforcement may be at law or in equity; provided that the assignment made by the Authority herein shall not prevent the Authority, or its assignee, from asserting such rights and powers in its own behalf.

Section 7. Limited Obligation. The Authority shall not be responsible for providing, nor shall it or the Trustee provide from the proceeds of the Bonds, for the payment of Project Costs in an amount greater than the amount of said proceeds and other funds to be deposited by the Trustee in the Project Fund pursuant to the Indenture.

Section 8. Inspection of Records. The Authority shall have the right to inspect periodically the books and records of the City relating to the design, acquisition, construction and installation of the 2025 Project, and the City shall permit the Authority to make such inspections thereof at all reasonable times as the Authority shall deem appropriate.

Section 9. Time of Completion and Liquidated Damages. The acquisition, construction and installation of the 2025 Project shall be completed on or prior to [_____], 2028. It is agreed that if the City does not cause the completion of the

acquisition, construction and installation of the 2025 Project by the completion date, as specified in the specifications therefor, by construction contractors or a construction manager, whichever the City deems appropriate, liquidated damages will be assessed against the construction contractors or construction manager for each day completion is delayed in an amount not less than the maximum amount of debt service accruing on the Bonds on a daily basis. The City shall assure that all construction contracts or the construction management agreement, whichever the City deems appropriate, shall contain a provision for liquidated damages in compliance with this Section.

Section 10. Plans and Specifications. The City agrees that it will assure that the 2025 Project will be acquired, constructed and installed in accordance with final plans and specifications approved by the City. No changes or modifications which require an amendment to a pre-existing building permit shall be made in or to the final plans and specifications unless such changes or modifications are approved in writing by the City. Before approving any such changes to be undertaken, the City shall assure that there has been deposited in the Project Fund, or on hand with the Authority, moneys sufficient to pay any increased costs resulting from such changes or modifications. Upon completion of construction and installation of the 2025 Project, the City will assure that there is filed with the Trustee a "Certificate of Completion" executed by the City Representative and stating that such construction and installation has been completed in accordance with the plans and specifications therefor approved by the City.

Section 11. Prevailing Wages. Each contract entered into between the City, as the agent for the Authority, and any contractor shall provide that such contractor shall pay not less than the general prevailing rate of wages as determined in accordance with Sections 1770 *et seq.* of the Labor Code.

Section 12. Nondiscrimination. Each contract entered into between the City, as the agent for the Authority, and any contractor shall provide that such contractor shall not discriminate against any other contractor or any employee or applicant for employment because of the race, religious creed, color, national origin or sex of such person, unless based upon a bona fide occupational qualification. In addition, in selecting contractors or in employing persons for the purposes of construction or construction management, the City shall not discriminate on the basis of race, religious creed, color, national origin, or sex of such person, unless based upon a bona fide occupational qualification.

Section 13. Performance Security. Each construction contractor hired by the City, on behalf of the Authority, shall be required to provide payment and performance bonds in amounts equal to the maximum price under its contract.

Section 14. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Authority, the City and their respective successors and assigns.

Section 15. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 16. Amendments, Changes and Modifications. This Agreement may not be effectively amended, changed, modified, altered or terminated without the written agreement of both parties hereto.

Section 17. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 18. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 19. Headings. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 20. Notices. Any notices or filings required to be given or made under this Agreement shall be served, given or made in writing upon the City by personal delivery or registered mail addressed to:

City of Corona
400 South Vicentia Avenue, Suite 120
Corona, CA 92882
Attention: Utilities Director

and upon the Authority by personal delivery or registered mail addressed to:

Corona Utility Authority
400 South Vicentia Avenue, Suite 120
Corona, CA 92882
Attention: Executive Director

or at such other place as may be designated by either party in writing.

(Signature page follows)

IN WITNESS WHEREOF, the City has caused this Agreement to be executed by its officers, and the Authority has caused this Agreement to be executed by its officers, all as of the day and year first above written.

CITY OF CORONA

By: _____
Jim Steiner, Mayor

ATTEST:

Sylvia Edwards, City Clerk

CORONA UTILITY AUTHORITY

By: _____
Jim Steiner, President

ATTEST:

Sylvia Edwards, Secretary

*-Signature Page-
Agency Agreement*