



Sutter Butte Flood Control Agency

Board of Directors Agenda - Regular Meeting, November 12, 2025, 1 p.m.
City of Yuba City Council Chambers – 1201 Civic Center Blvd., Yuba City

The agenda is posted in the building of the Sutter Butte Flood Control Agency at 1445 Butte House Road. Suite B, Yuba City. The agenda summary, backup materials, and approved minutes are also posted on the Sutter Butte Flood Control Agency website at sutterbutteflood.org. Materials related to an item on this agenda and submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the office of the Board Clerk at 1445 Butte House Road, Suite B, Yuba City, during normal business hours. In compliance with the American with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available. If you have a disability and need, disability related modifications or accommodations to participate in this meeting, please contact the SBFCA office at 530-755-9859 or admin@sutterbutteflood.org. Requests must be made one full business day before the start of the meeting.

County of Sutter

Jeff Stephens
Mike Ziegenmeyer
Alt. Karm Bains
Alt. Jeff Boone

County of Butte

Bill Connelly
Tod Kimmelshue

City of Yuba City

Marc Boomgaarden
Dave Shaw
Alt. Toni Cole
Alt. Michael Pasquale

City of Live Oak

Jeramy Chapdelaine
Alt. Nancy Santana

City of Gridley

Bruce Johnson

City of Biggs

Bo Sheppard

Levee District 1

Charlie Hoppin
Al Montna
Alt. Gary Marler
Alt. Drew Stresser

Levee District 9

Mike Morris
Chris Schmidl

Persons wishing to address the Board during consideration of matters listed on the agenda will be allowed to do so. Testimony should always begin with the speaker giving his or her name and place of residence. Requests for assistive listening devices or other accommodations, such as interpretive services, should be made through the Sutter Butte Flood Control Agency office at 530-755-9859. Requests should be made at least 72 hours prior to the meeting. Later requests will be accommodated to the extent feasible.

AGENDA SUMMARY

REGULAR MEETING/CALL TO ORDER

- Roll Call
- Pledge of Allegiance

PUBLIC COMMENT

Members of the public will be allowed to address the Sutter Butte Flood Control Agency's Board of Directors on items of interest to the public that are within the subject matter jurisdiction of the Board. Any member of the

audience who may wish to bring a matter before the Board that has not been placed on the agenda may do so at this time; however, State law provides that no action may be taken on any item not appearing on the posted Agenda.

CONSENT CALENDAR

The Consent Calendar groups together those items which are considered noncontroversial or for which prior policy direction has been given to staff and that require only routine action by the Board. The Chair will advise the audience that the matters may be adopted in total by one motion; however, the Board may, at its option or upon request of a member of the public, consider any matter separately.

1. Approval of the Minutes for the October 8, 2025 Regular Board Meeting
2. Approval of Resolution No. 2025-06, which authorizes the Executive Director to submit a grant application and to execute, upon review and approval of counsel, a grant agreement with the Wildlife Conservation Board (WCB), as well as any related documentation, for the construction of the Oroville Wildlife Area (OWA) Robinson's Riffle Restoration Project
3. Approval of a proposed Debt Management Policy

INFORMATIONAL AND POSSIBLE APPROVAL ITEMS

4. Approval of the Sale and Issuance of Assessment Revenue Refunding Bonds in a Not-to-Exceed Principal Amount of \$71.5 Million to Refinance Certain Outstanding Bonds
5. Receive and File Monthly Financial Reports
6. Presentation and File Program/Project Update

ADJOURNMENT

The next regularly scheduled Board of Directors meeting will be held on Wednesday, December 10, 2025 at 1 p.m.



Sutter Butte Flood Control Agency

Board of Directors Regular Meeting Minutes, September 10, 2025, 1 p.m.
City of Yuba City Council Chambers - 1201 Civic Center Blvd., Yuba City, CA

The Sutter Butte Flood Control Agency (Agency) Board of Directors (Board), State of California, met on the above date at 1 p.m. at the City of Yuba City Council Chambers - 1201 Civic Center Boulevard, Yuba City, CA.

These minutes do not represent a transcript of the meeting and are intended to be a summary of the most important points. For a complete record, please refer to the video recording of the meeting, which is posted on SBFCA's website: <http://sutterbutteflood.org/board/meetings-agendas/>

MEMBERS PRESENT

County of Sutter:	Jeff Stephens. Mike Ziegenmeyer
County of Butte:	Bill Connelly
City of Yuba City:	Marc Boomgaarden
City of Gridley:	Bruce Johnson
City of Biggs:	Bo Sheppard
Levee District 9:	Mike Morris, Chris Schmidl
Levee District 1:	Al Montna, Drew Stresser

MEMBERS ABSENT: Jeramy Chapdelaine, Charlie Hoppin, Tod Kimmelshue, Dave Shaw

STAFF PRESENT: Michael Bessette, Executive Director; Chris Fritz, Director of Engineering, Agency Counsel, Brian Hamilton; Sean Meyers, Budget Manager, and Terra Yaney, Board Clerk

MEETING/CALL TO ORDER

At 1:00 p.m., Director Marc Boomgaarden opened the meeting and led the group in the pledge of allegiance.

PUBLIC COMMENT

No public comment.

CONSENT CALENDAR

1. Approval of the Minutes for the September 10, 2025 Regular Board Meeting
2. Approval of Task Order 15 Amendment No. 1 with ECORP Consulting Inc. for Environmental Permitting Support for the OWA Robinson's Riffle Project

A motion to approve the Consent Calendar was made by Mike Ziegenmeyer and seconded by Bruce Johnson. The motion passed with no objection. The Consent Calendar was approved as follows:

- | | |
|-------------------------|--------------------------|
| • Marc Boomgaarden- yes | • Chris Schmidl - yes |
| • Bill Connelly- yes | • Bo Sheppard- yes |
| • Bruce Johnson- yes | • Jeff Stephens- yes |
| • Al Montna- yes | • Drew Stresser - yes |
| • Mike Morris - yes | • Mike Ziegenmeyer - yes |

No public Comment. The entire discussion and presentation is available on the SBFCA website at: <http://sutterbutterflood.org/board/meetings-agendas/>

INFORMATIONAL AND POSSIBLE APPROVAL ITEMS

3. Information Item regarding Potential Refinancing of Outstanding Bonds and Additional Borrowing

Budget Manager Seth Wurzel gave a PowerPoint presentation. In his presentation he gave an informational briefing on the potential refinancing of SBFCA's 2013 and 2015 Assessment Revenue Bonds and the possible issuance of additional bonds to support the Sutter Bypass East Levee Project (SBEL).

He reported that the outstanding bonds total approximately \$71.135 million, with fixed interest rates ranging from 3.375% to 5.00%. Both bond series are now eligible for redemption without penalty.

Mr. Wurzel presented two options to the board for consideration.

- Option one: Refinance approximately \$46.63M of the outstanding bonds at lower interest rates. It is estimated that refinancing could potentially achieve an NPV savings from \$1M-2.5M, with annual savings of \$85K-200K. The savings would increase funds available for advancing the SBEL project.
- Option two: Issue new bonds to generate additional funding for the implementation of the SBEL. This could result in approximately \$4M in funding with additional issuance costs at approximately \$50-75K. The new bonds would be structured within the term of current maturity/assessment authorization (Oct 2045). The new proceeds must be used within 36 months; funds could potentially support the Tudor Flood Risk Reduction Project.

After discussion the board directed staff to proceed with option one to refinance the outstanding bonds.

The entire discussion and presentation is available on the SBFCA website at: <http://sutterbutterflood.org/board/meetings-agendas/>

4. Presentation and File Monthly Financial Report

Budget Manager Sean Myers presented the monthly financial reports for June accrual and August and answered questions regarding operating revenue of advanced funding. The entire report, along with a PowerPoint presentation is available on the SBFCA website at: <http://sutterbutterflood.org/board/meetings-agendas/>

5. Presentation and File Program/Project Update

Executive Director Michael Bessette gave a presentation by outlining the recent and ongoing activities of the agency. He reported that the Tudor Flood Risk Reduction project is making very good progress, the third and last cutoff was completed in mid-September and the contractor is working on levee regrade activities.

He went onto report that the project team continues to advance the design and permitting work for the Sutter Bypass East Levee repairs. The design team submitted the 90% design for review to DWR, USACE and the IPE and recently received the review comments. DWR posted the CEQA IS/MND for public review, the comment period ended in August. They are currently in the process of preparing the Notice of Determination. He reported that SBFCA and Calpine met with DWR on August to discuss funding the remainder of the repairs. A follow up meeting was held on September 25 to continue these discussions.

Mr. Bessette provided an update on the City of Oroville Levee Repair project. He reported that we received the draft analysis report from USACE. A meeting to provide input to the study and to finalize the report was held yesterday.

He went onto report that we received approval of the Project Partnership Agreement (PPA) for the federal credit transfer from the Sutter Basin Project to the San Joaquin Project (SJAFCA) from the Assistant Secretary of the Army (ASA) and it was taken to the Central Valley Flood Protection Board for approval and execution on September 26.

It was also reported that the design team is to working through both the Section 404 and 408 review process for the OWA Thermalito Afterbay Outlet Boat Ramp and Campground Project in order to bid the project later this year. Construction is currently planned for July through October of 2026.

He went onto report that staff continues to coordinate with FEMA and Sutter County on FEMA's remapping of all of Sutter County. The existing flood insurance rate maps are currently paper maps and they are being updated to digital. FEMA will also incorporate SBFCA's 100-year FEMA accreditation package for the southern Feather River West Levee Reaches (Yuba City basin). It is anticipated that the review/processing period will take approximately 3 to 5 years.

The entire report is available on the SBFCA website at: <http://sutterbutterflood.org/board/meetings-agendas/>

PUBLIC COMMENT

None

ADJOURNMENT

With no further business coming before the Board, the meeting was adjourned at 1:43 p.m.

ATTEST BY: _____

Terra Yaney, Board Clerk

Board Chair



Sutter Butte Flood Control Agency

A Partnership for Flood Safety

November 12, 2025

TO: Board of Directors

FROM: Michael Bessette, Executive Director
Chris Fritz, Director of Engineering

SUBJECT: Authorize the Executive Director to submit a grant application and execute a funding agreement with the Wildlife Conservation Board for the Oroville Wildlife Area Robinson's Riffle Restoration Project.

Recommendation

It is recommended that the Board of Directors approve Resolution No. 2025-06, which authorizes the Executive Director to submit a grant application and to execute, upon review and approval of counsel, a grant agreement with the Wildlife Conservation Board (WCB), as well as any related documentation, for the construction of the Oroville Wildlife Area (OWA) Robinson's Riffle Restoration Project.

Background

The Wildlife Conservation Board (WCB) was created by statute in 1947 to conserve California's wildlife resources and provide for suitable public recreation. WCB funds acquisition, restoration, and public access projects throughout the State. SBFCA's Oroville Wildlife Area Robinson's Riffle Restoration Project is a multi-benefit project that restores habitat and reduces flood stages within the Feather River. The project will excavate approximately 51 acres adjacent to the Feather River to remove relict tailings and create seasonal floodplain and side channel habitat. The excavated material would be screened to generate coarse gravel and sediment which would then be used to enhance the river channel with a complex mosaic of riffles, pools, and gravel bars to benefit migratory salmonids such as Chinook Salmon. SBFCA has requested approximately \$31.9M from WCB for construction of the Project.

Fiscal Impact

There is no net budgetary impact from the Board's approval of staff's recommendation. The total state cost-share for the project is proposed at 100%.

Attachments: Resolution 2025-06

RESOLUTION NO. 2025-06

**A RESOLUTION BY THE BOARD OF DIRECTORS OF THE
SUTTER BUTTE FLOOD CONTROL AGENCY
AUTHORIZING AN APPLICATION FOR FUNDING FROM THE WILDLIFE
CONSERVATION BOARD AND DESIGNATING A REPRESENTATIVE TO EXECUTE
THE FUNDING AGREEMENT AND ANY AMENDMENTS THERETO, FOR THE
OROVILLE WILDLIFE AREA ROBINSON’S RIFFLE RESTORATION PROJECT**

WHEREAS, the Sutter Butte Flood Control Agency (“SBFCA”) proposes the Oroville Wildlife Area Robinson's Riffle Restoration Project ("Project"), a nature based multi-benefit initiative to restore habitat and reduce flood stages within the Feather River; and

WHEREAS, SBFCA is completing CEQA compliance through the Programmatic EIR for the State Water Resources Control Board Statewide Restoration General Order (SRGO PEIR); and

WHEREAS, SBFCA wishes to receive funding for this project through the California Wildlife Conservation Board; and

WHEREAS, SBFCA is authorized to enter into an agreement with the Wildlife Conservation Board and the State of California.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF
THE SUTTER BUTTE FLOOD CONTROL AGENCY:**

1. That pursuant and subject to all of the terms and conditions of the Greenhouse Gas Reduction Fund, Budget Act of 2024, Streamflow Programs (SB 108, Sec. 107(1)(3)), SBFCA shall submit a proposal to obtain funding from the Wildlife Conservation Board for the Oroville Wildlife Area River Restoration Project at Robinson’s Riffle.
2. That the Board of Directors authorizes the Executive Director, or designee, to execute the funding agreement with the Wildlife Conservation Board and any amendments thereto.
3. That the Executive Director, or designee, shall prepare the necessary data, make investigations, and take other such actions as necessary and appropriate to execute the Oroville Wildlife Area Robinson’s Riffle Restoration Project.

CERTIFICATION

I hereby certify that the foregoing Resolution No. 2025-03 was duly and regularly adopted by the Board of Directors of SBFCA at the meeting held on November 12, 2025.

Chair

APPROVED AS TO FORM
GENERAL COUNSEL

By:_____
SCOTT SHAPIRO



Sutter Butte Flood Control Agency

A Partnership for Flood Safety

November 12, 2025

TO: Board of Directors

FROM: Michael Bessette, Executive Director
Seth Wurzel, LWA - Budget Manager
Dan Cox, KNN - Municipal Advisor

SUBJECT: Approval of a proposed Debt Management Policy

Recommendation

Staff recommends that the Board approve a proposed debt management policy.

Background & Discussion

SBFCA previously issued Assessment Revenue Bonds, Series 2013 in the principal amount of \$41,035,000 and Assessment Revenue Bonds, Series 2015 in the principal amount of \$47,070,000 for the Feather River West Levee Improvement Project. SBFCA is currently undertaking a refunding of a portion of those bonds.

Prior to the refunding, SBFCA will need to establish a Debt Management Policy in order to comply with Government Code section 8855(i), which became effective January 1, 2017 and requires issuers to certify before any debt is issued, and as part of its report of proposed debt issuance submitted to CDIAC, that it has adopted a local debt policy concerning the use of debt proceeds and that the debt policy includes the following:

- The purposes for which the debt proceeds may be used
- The types of debt that may be issued
- The relationship of the debt to, and integration with, the issuer's capital improvement program or budget
- Policy goals related to the issuer's planning goals and objectives
- The internal control procedures that the issuer has implemented or will implement to ensure the proceeds of the proposed debt issuance will be directed to the intended use.

The proposed policy for consideration by the Board was prepared by SBFCA's municipal advisor and includes input from staff and SBFCA's bond counsel.

Fiscal Impact

Approval of a debt management policy, by itself, has no fiscal impact to the Agency, however, it is a prerequisite to completing the issuance of refunding bonds being undertaken to achieve debt service savings.

Attachment: Proposed Debt Management Policy dated November 12, 2025



DEBT MANAGEMENT POLICY

November 12, 2025

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Sutter Butte Flood Control Agency Debt Management Policy

I. Introduction

The purpose of the Sutter Butte Flood Control Agency (“SBFCA” or “Agency”) Debt Management Policy (the “Policy”) is to promote sound and uniform practices for issuing and managing bonds and other forms of indebtedness, to provide guidance to decision makers regarding the appropriate use of debt and other repayment obligations of SBFCA and to comply with Government Code section 8855(i), which became effective January 1, 2017.

This code section, added by SB 1029, requires any issuer of public debt to provide the California Debt Investment Advisory Commission (CDIAC) with certain reports and information related to the issuance of public debt. Section 8855(i) requires issuers to certify before any debt is issued, and as part of its report of proposed debt issuance submitted to CDIAC, that it has adopted a local debt policy concerning the use of debt proceeds and that the debt policy includes the following:

- The purpose for which the debt proceeds may be used;
- The types of debt that may be issued;
- The relationship of the debt to and integration with the issuer’s capital improvement program or budget;
- Policy goals related to the issuer’s planning goals and objectives; and
- Internal control procedures that the issuer has implemented to ensure that the proceeds of the debt issuance will be directed to the intended purposes.

II. Policy Objectives

The Policy objectives are as follows:

- To help maintain the financial stability of SBFCA by encouraging sound decision-making so that its long-term financing commitments are affordable and do not create undue risk or burden.
- To protect SBFCA’s credit rating and minimize SBFCA’s borrowing costs.
- To meet the requirements of state and federal law and regulation, including federal requirements regarding disclosure and administration of tax-exempt indebtedness.
- To incorporate best practices into SBFCA’s issuance and administration of its indebtedness.
- Ensure that SBFCA’s debt is consistent with SBFCA’s planning goals and objectives and capital improvement program or budget, as applicable.



III. Types of Debt

Given SBFCA's focused purpose, it will primarily issue only debt that is secured by its assessments, in the form of assessment revenue bonds, bond anticipation notes, certificates of participation or similar instruments such as assessment-secured loan agreements. The indenture or similar document for such bonds, notes, certificates of participation or loans set forth the assessments that are pledged, the priority of that pledge relative to operations and other debt, and limits the conditions under which additional parity debt can be incurred. At the time any other type of debt may be considered in the future, specific policies should be drafted for Board consideration, consistent with State law and best practices.

IV. Debt Management Responsibility

The Executive Director is appointed as the SBFCA official responsible for the following:

- Debt issuance and management, recognizing that assigned staff may be charged with the day-to-day responsibilities.
- Formulating SBFCA's debt management plans, seeking Board of Director approval to execute such plans, and ensuring the appropriate management of outstanding debt.
- Keeping the SBFCA Board informed of the Agency's debt-related activities through informational reports, briefings, or workshops. Forecasting debt service payments to ensure the assessments necessary to service the debt and to comply with SBFCA's indentures or other financing agreements.

The Executive Director may delegate this responsibility to appropriate Agency Staff or consultants who possess the requisite expertise with respect to municipal debt and finance.

V. Uses and Limits on Indebtedness

Debt provides a tool for financing capital projects that are too large to accommodate as part of the annual budget, to share the cost of major improvements between current and future assessment payers and/or to accelerate the delivery of a project when compared to funding on a pay-as-you-go-basis. On the other hand, debt service represents a fixed cost that will compete with other expenditures in SBFCA's budget and cannot be deferred in any given year. In order to achieve the proper balance in its use of debt, SBFCA will follow the following policies:

Except to alleviate cash-flow timing issues within a fiscal year, SBFCA will not issue debt to finance operating expenses. SBFCA may consider issuing debt in the event of an extraordinary expense, such as the financing of a major judgment.



SBFCA will consider the use of debt to prepay or otherwise finance obligations to the extent it can demonstrate that such financing is not designed to defer customary expenditures.

SBFCA will evaluate the benefit and risks of each proposed issue of new debt on a case-by-case basis, considering such factors as SBFCA's overall fiscal health, the potential impact of increased debt service on the overall cost to the assessment payers. In general, debt may be considered to finance such projects if it meets one or more of the following minimum criteria:

- It meets SBFCA's goal of distributing the payments for the asset over its useful life so that benefits more closely match costs for both current and future assessment payers.
- The need for the project is compelling in terms of on-going cost savings or the need for public safety or services, and the size of the project makes funding out of existing resources or near-term revenues impractical.

VI. Method of Sale

Bonds and other municipal securities can be sold at a public offering (available to the general public through broker-dealers) through either a competitive or negotiated sale.

Under a competitive sale, the terms of the bonds are determined by SBFCA, with the assistance of its municipal advisor and bond counsel, and the sale is awarded to the underwriter judged to have submitted the lowest true interest cost, which takes into account interest rates and any discounts or premiums, including the underwriters' spread (their compensation). Under a negotiated sale, SBFCA selects its underwriter in advance, based on proposals received or by other means such as prior experience. SBFCA, its municipal advisor and bond counsel work with the underwriter in structuring, marketing and finally offering an issue to investors. The best method of sale depends on the type of security, credit factors, and market conditions. Given SBFCA's use of assessments to support any debt and relative infrequency in entering the public bond market, in most cases SBFCA's debt may be more effectively offered through a negotiated sale, however the decision regarding method of sale shall be made on a case by case basis.

An alternative method of obtaining financing is through a direct placement with a bank, federal or state agency or other institution. SBFCA will consider directly placing its debt for small and/or short-term borrowings or in instances where difficult credit or disclosure considerations or other special circumstances so warrant, or as needed to take advantage of federal or state sponsored financing resources.

The method of sale shall be subject to approval by the Board.



VII. Financing Professionals

The Executive Director will be responsible for recommending the various professionals required for a financing, based on prior experience, recommendations or a request for proposal process, as they deem appropriate.

A. Bond and Disclosure Counsel

Bond counsel prepares the various legal documents for a transaction and renders a variety of opinions, including an opinion regarding the tax-exemption of bonds. For all public sales of debt, SBFCA will retain the services of disclosure counsel to prepare the official statement. The Executive Director, in consultation with legal counsel, will determine whether to select a second law firm to provide the services of disclosure counselor or to assign such duties to bond counsel.

B. Municipal Advisor

A municipal financial advisor assists in evaluating financing options, structuring of its debt offerings, making recommendations as to the method of sale, conducting competitive bond sales, and assisting with bringing negotiated bond sales to market, including making recommendations to SBFCA on proposed interest rates, prices and yields in light of market conditions and the characteristics of the bonds. SBFCA will utilize a registered municipal advisor for its public debt offerings (i.e., bond sales).

C. Underwriter

If SBFCA elects to sell its debt through a competitive sale, the underwriter will be selected based on the best bid. When SBFCA issues its debt through a negotiated sale, it will select one or more underwriters. In a direct placement, there is no underwriter and SBFCA may select an institution to provide financing through a request for proposal process.

D. Trustee and Fiscal Agent

The trustee or fiscal agent is a division of a commercial bank that services bonds and other financial instruments. The Executive Director shall have the discretion to select a commercial banking firm as trustee or fiscal agent, either through a request for qualifications process or by relying on existing banking relationships if deemed to be advantageous.

VIII. Structuring Debt Financing

A. Term and Structure

Long-term debt financing of capital projects will be amortized over a period no longer than the useful life of the assets being financed, and in no event should exceed the expected final collection of assessments or approximately thirty years, whichever is less. Refunding of existing obligations will be amortized over a period no longer than the term of the existing obligation to be refunded.



Debt service will generally be structured to be level over the length of the bonds. Alternate debt structures may be used to wrap new debt around existing debt to create overall level debt service or to achieve other financial planning goals appropriate to the specific project.

The dates for which debt service is scheduled (typically semi-annually) will take into account the cashflows of the assessment that will service such debt or as required by then existing financial documents.

B. Debt Service Reserve Fund

To the extent required by the market and/or an existing indenture, SBFCA may fund a debt service reserve fund or similar fund out of bond proceeds no greater than the amount allowed under federal tax law. SBFCA may fund additional reserves out of its own funds as advantageous to the marketing of its bonds or to otherwise provide financial stability or is otherwise advantageous.

C. Disclosure

For all public sales of debt, SBFCA will retain the services of disclosure counsel (who may also serve as bond counsel) to prepare the Official Statement to be used in connection with the offering and sale of debt. The Executive Director and other appropriate staff will be asked to review this document to ensure that it is accurate and does not fail to include information that such staff and officials think might be material to an investor. SBFCA will make every effort to ensure the fullest disclosure possible in SBFCA's disclosure documents, including, as appropriate, seeking staff training in disclosure matters. A Preliminary Official Statement will be released to the market only after the completion of the "due diligence" meetings with appropriate staff and approval in form by the Board.

D. Credit Ratings

The Executive Director, in consultation with the municipal advisor and other members of the financing team, will evaluate and make recommendations regarding the number of credit ratings to seek and the rating agency(ies) to use on any given bond issue. SBFCA will work to maintain its current credit ratings and to increase ratings when the opportunity to do so exists. The Executive Director will periodically communicate with the agencies rating SBFCA's debt so that they will remain well-informed.

E. Credit Enhancement

SBFCA will consider the use of credit enhancements such as bond insurance on a case-by-case basis. The cost-benefit of insurance will be evaluated through the final maturity and through the first optional call date, recognizing that municipal bonds are commonly refunded prior to maturity. SBFCA will consider the use of a surety policy in lieu of a cash funded reserve, but in doing so will consider estimated earnings on a cash funded reserve and the impact of a cash funded reserve fund on borrowing capacity.



F. Derivatives

SBFCA will not use interest rate swaps in connection with structuring its debt issues. SBFCA may use derivative-like investment products to invest bond funds, but only upon staff's analysis of the investment as part of the staff report transmitting the financing and specific approval as part of the Board action.

IX. Refunding Bonds

In order to provide for the potential for refunding its bonds in the future, and absent compelling reasons to the contrary, SBFCA generally will structure its bond issues with an optional call beginning no later than ten and one-half years from the date of issuance. Such compelling reasons to deviate from this policy would be a taxable bond issue, where the additional interest cost required for an optional call may outweigh the likely benefits or a bond issue that would mature only a few years after the optional call date, making a refunding impractical. When structuring its bond issues, SBFCA will take into account the coupon structure of its debt (i.e., discount bonds or premium bonds that mature after the call date) and its impact on its option to execute a refunding.

SBFCA will periodically review its outstanding debt portfolio to identify opportunities to achieve net economic benefits from refunding its bonds. Recognizing that SBFCA's ability to refund its debt is limited because of the market practice of making most fixed-rate bond issues non-callable for their first eight to ten years, and the elimination of the ability to refund bonds with new tax-exempt bonds substantially before the call date (a tax-exempt "advance refunding," which was eliminated by the 2017 federal tax act), SBFCA will seek to deploy its refunding options prudently. At a minimum, SBFCA will seek to achieve net present value ("NPV") savings equal to at least three percent (3%) of the par amount of the bonds that are refunded. In many cases, a higher threshold may be warranted, reflecting an analysis of the potential additional value that may be obtained by deferring the refunding and/or if the Agency expects to incur significant non-contingent costs relative to the potential savings. For taxable advance refundings (whereby the outstanding bonds are redeemed more than 90 days after the issuance of the refunding bonds) or a forward delivery refunding (whereby the bonds are priced more the 4-5 weeks prior to the settlement date), the threshold goal will be at least five percent (5%) NPV savings. .

SBFCA may also consider a refunding for a non-economic purpose, including the retirement of an indenture for more desirable covenants, a change in tax status, or to change the type of debt instrument. For any financings pursued for reasons other than (or in addition to) NPV savings, SBFCA may consider minimum savings thresholds less than those identified above on a case-by-case basis.



X. Debt Administration

The Executive Director and their staff shall be responsible for ensuring that SBFCA's debt is administered in accordance with its terms, federal and State law and regulations, and best industry practices.

A. Tax-Exemption

Tax-exempt bond issues are subject to various IRS rules and regulations regarding the use of bond proceeds. SBFCA will make sure that the use of facilities financed with tax-exempt bonds are not used for ineligible private activities, and will consult with bond counsel whenever it identifies a change in use, enters into a long-term contract involving the project, or otherwise undertakes an action that could change the tax-exempt status of its bonds.

SBFCA shall periodically review and will comply with the specific post-issuance compliance procedures identified in the tax documents for its tax-exempt financings. SBFCA will retain an arbitrage rebate consultant as needed to assist in calculating any earnings on bond proceeds in excess of the rate on its bonds, and to calculate whether arbitrage should be rebated to the Federal Government.

B. Continuing Disclosure

Under federal law, SBFCA must commit to provide continuing disclosure to investors in any of its debt that is sold to underwriters to be offered to the public. All existing and future SBFCA debt should be compliant with the requirements of the Continuing Disclosure Certificates executed at the time of issuance, including the annual filing with the Municipal Securities Rulemaking Board ("MSRB")'s Electronic Municipal Market Access ("EMMA") website of SBFCA's Annual Financial Report and any other required reports; the filing of notices of the material events set out in the Continuing Disclosure Certificates; and the filing of any voluntary disclosures deemed material. All such filings will be made within the time requirements set forth in the Continuing Disclosure Certificates.

SBFCA will retain a consultant to prepare and file required reports and notices on its behalf and budget for this expense on an annual basis accordingly.

C. Investment of Bond Proceeds

Investments of bond proceeds shall be consistent with the requirements contained in the governing bond documents and by applicable provisions of state law.

D. State Reporting Requirements

The Executive Director or designee will file any reports required by State law, including the Annual Debt Transparency Report to the California Debt and Investment Advisory Commission required of all debt issued after January 1, 2017, pursuant to Government Code section 8855(k).



XI. Relationship of Debt to Capital Improvement Program and Budget

SBFCA's main purpose is improve flood risk reduction infrastructure in the Sutter Butte Basin through long-term capital planning. SBFCA may issue debt for the purposes stated in this Policy and to implement policy decisions incorporated into its capital improvement program. SBFCA shall integrate its debt issuances with the goals of its capital improvement program by considering when projects are needed in furtherance of SBFCA's public purpose in determining the timing of debt issuance.

XII. Internal Control Procedures

The Executive Director or designee will monitor the expenditure of bond proceeds to ensure they were used for the purpose and authority for which the bonds were issued, including, but not limited to the purposes set forth in the indenture or other financing agreement approved by the Board.

When reasonable, proceeds of debt will be held by a third-party trustee or fiscal agent and SBFCA will submit written requisitions for such proceeds. SBFCA will submit a requisition only after obtaining the signature of the Executive Director. In those cases where the proceeds of debt are not to be held by a third-party trustee or fiscal agent, the Executive Director shall be responsible for approving expenditures in the same manner as the approval for the expenditures of other revenues.

XIII. Conclusion

This Policy is intended to guide and regulate SBFCA's issuance of debt. This Policy should be reviewed and updated periodically to reflect changes in the market, the identification of other best practices, and to incorporate SBFCA's own experience or changing circumstances.

While adherence to this Policy is generally required, it is recognized that changes in the capital markets, SBFCA's needs and other unforeseen circumstances may from time to time produce situations that are not covered by the Policy or will require modifications or exceptions to best achieve public policy goals. Any deviations from this Policy that is recommended by staff should be highlighted in the staff report transmitting the resolution for approval of the financing.





Sutter Butte Flood Control Agency

A Partnership for Flood Safety

November 12, 2025

TO: Board of Directors

FROM: Michael Bessette, Executive Director
Seth Wurzel, LWA - Budget Manager
Dan Cox, KNN - Municipal Advisor

SUBJECT: Approval of the Sale and Issuance of Assessment Revenue Refunding Bonds in a Not-to-Exceed Principal Amount of \$71.5 Million to Refinance Certain Outstanding Bonds

Recommendation

Staff recommends approval of a resolution taking the following actions:

1. Authorizing the issuance and sale of assessment revenue bonds not to exceed \$71,500,000 in aggregate principal to refinance all or a portion of SBFCA's 2013 and 2015 Assessment Revenue Bonds
2. Approving all related documents and directing authorized officers of the Agency to take actions necessary or appropriate to consummate the transaction.

Background & Discussion

SBFCA previously issued Assessment Revenue Bonds, Series 2013 and Series 2015 in the principal amounts of \$41,035,000 and \$47,070,000, respectively, for the Feather River West Levee Improvement Project. The principal and interest on the bonds are paid from the revenues generated by SBFCA's Assessment District which levies and collects special benefit assessments each year on each benefitting parcel of property within the district. Each series of bonds has a 30-year term with principal amortizing each year and the final maturities of the 2013 and 2015 Bonds are October 1, 2043 and 2045, respectively. The combined outstanding principal amount of the 2013 and 2015 Bonds is \$71.135 million, and the remaining fixed interest rates range from 3.375% to 5.00%, depending on the series and maturity year. Both series of Bonds can now be redeemed prior to maturity with no early redemption penalty.

Based on a recent analyses, there is an opportunity to refinance portions of the 2013 and 2015 Bonds to achieve savings by the issuance of refunding bonds that would have a lower overall borrowing cost than the interest rates on a portion of the outstanding Bonds, which would result corresponding reduction of debt service payments and net present value (NPV) savings.

Of the \$71.135 million of outstanding bonds, it is currently estimated that \$46.63 million can be refunded to achieve savings. Depending on market conditions, it is estimated that a refunding could potentially achieve NPV savings of ranging between approximately \$1.4 million to \$2.75 million (roughly 3% to 5.9% of the principal amount of bonds refunded) with average annual savings within a range of between approximately \$120,000 to \$230,000 through 2040, with savings in each year. The upper end of the foregoing ranges represent estimates based on market conditions near the time of preparation of this report, while the lower end of the savings ranges include a cushion for potential adverse changes in market conditions between now and the time that the refunding bonds are sold.

The savings figures are net of the costs of issuing the refunding bonds. The net savings estimates above assume approximately \$795,000 in upfront costs for underwriting, bond and disclosure counsel, municipal advisor,

assessment administrator, credit rating, trustee, verification agent, printing/posting, bond insurance and surety in lieu of a debt service reserves fund, the lion's share of which will be contingent on the successful completion of the refunding. Bond insurance and reserve surety, which are expected to comprise roughly 35-40% of the upfront costs, will be incurred only if it is economical to do so. Noncontingent costs include support by the Assessment Administrator to prepare the needed tables to be included in the Official Statement, the rating fee (partial) and various minor cost items, most of which aren't incurred until close to the time of sale. The total noncontingent costs are expected to be no more than \$50,000, about 25% of which would not be incurred until closer to or after the time of the bond sale.

The Bonds that are not refunded could be refunded in the future, but only if market conditions warrant.

SBFCA currently levies the assessments at the maximum tax rates, which produces approximately \$6.1 million in revenues, exclusive of the administrative levy. Currently, annual debt service on the outstanding bonds is a little over \$5.5 million through 2045. Assessment revenues in excess of debt service fund the Agency's administrative costs and are used to advance the remaining flood control projects needed to achieve 100-year flood protection in the rural portion of the basin, namely the Sutter Bypass East Levee Project (SBEL). Assuming that the assessments continue to be levied at the maximum rates, completion of the refunding would increase the amounts available for the implementation of SBEL by the amount of the annual savings. Based on feedback from the Board at the October 12 meeting, staff is not recommending an increase in the size of the borrowing to include additional net proceeds for projects.

Refunding Authorization

The attached Resolution authorizing the contemplated refunding includes the approval of the forms of preliminary official statement (POS; which discloses all material facts about the bonds and bond security), the indenture of trust (contains various terms of the bonds), the bond purchase contract (contract with the underwriter which is executed at the time of the bond sale, at which point the interest rates, reoffering yields, bond principal amount and purchase price are fixed and savings are locked in), among other documents. The authorizing resolution confirms the key financing team members (the core financing team is the same team as the 2013 and 2015 Bonds) and will authorize staff to execute the final documents provided that the net present value savings from the refunding is not less than 3% of the principal amount of bonds refunded, and the underwriter discount does not exceed 0.50% of the principal amount of the bonds). As further discussed below, the principal amount of the refunding bonds may not exceed \$71.5 million. The resolution also includes good faith estimates of certain cost (rather than savings) metrics as required by Government Code section 5852.1.

The core financing team for the refunding is the same as the 2013 and 2015 Bonds (Jones Hall, Bond and Disclosure Counsel, KNN Public Finance, Financial/Municipal Advisor and the underwriting firm of Stifel), with the exception of Willdan Financial Services, the current Assessment Administrator in-lieu of the original assessment engineer which was Parsons Brinkerhoff (PB).

The Refunding Bonds

The refunding bonds will be tax-exempt, fixed rate, current interest bonds with an expected final maturity of October 1, 2040. It is currently expected that the 2043 and the 2045 term bonds of Series 2013 and 2015, respectively, will *not* be refunded because it is not currently economical to do so. In the unlikely event that market conditions improve prior to the refunding bond sale to the point where those maturities make economic sense to include, the not-to-exceed principal amount is set high enough to do so. Accordingly, while the estimated principal amount of the refunding bonds is currently approximately **\$43 million**, the authorized principal amount is not-to-exceed **\$71.5 million**. The first principal payment is expected to start in 2026, at which point principal will be paid each year with the result of overall level debt service through 2040 when combined with the unrefunded 2013 and 2015 bonds. After 2040, debt service on the unrefunded bonds remains at the current levels. The bonds will have an early redemption feature at the option of the Agency, which will be determined near the time of the bond pricing. The first optional call date is expected to be no later than October 1, 2035.

The bonds will be sold through a negotiated sale with the underwriting firm of Stifel Nicolaus. A negotiated sale is being used due to flexibility with regard to the bond sale timing and since bondholder security is primarily from the levy of annual assessments, the bonds do not represent a common type of security in the bond market and are not well suited for competitive bidding.

Following approval by the Board, receipt of the credit rating and selection of a bond insurer, if any, the Preliminary Official Statement will be circulated to prospective investors. Following a premarketing period, the bonds are offered at specific interest rates and prices/yields during a specified period during which the underwriter takes orders. The rates, prices and yields to be offered are negotiated prior to the start of the order period between the underwriter and the Agency's municipal advisor and staff. Rates and prices may be further adjusted after the order period to reflect the amount of demand for each maturity. Following agreement on the final interest rates, yields and prices, the actual amount of bonds to be issued will be finalized and the purchase contract will be executed between the Agency and the underwriter. Any unsold balances at the time the rates and prices are agreed upon would be underwritten by the underwriter and, subject to meeting the aforementioned parameters, the bond purchase agreement would be executed reflecting the final terms.

Subject to market conditions, the bond sale and closing are expected to take place in December. This time frame could be extended based on bond market conditions and/or other factors. Final rates and prices on the bonds will be dependent on market conditions at the time of sale and the rating on the bonds, among other factors.

The key provisions within the bond documents that protect bondholders, which are largely the same as in the 2013 and 2015 bond documents, include;

- A pledge of gross assessment revenues with administrative costs being paid after debt service;
- A covenant to levy the assessment at a specified minimum threshold to the maximum extent allowed by law; and,
- Additional parity bonds may only be issued as long as revenues from non-governmental assessment payers are at least 110% of debt service on the bonds secured by assessment revenues, however, following the issuance of the 2015 bonds.

Forms of Documents

The attached Resolution includes approval of the forms of various documents for the bond sale and issuance and authorizes the Executive Director and Treasurer (or their designees) to execute the final versions. The documents include:

- The Preliminary Official Statement for the bonds, which must disclose all material facts to potential investors about the Agency, bonds and bondholder security and risks;
- The form of Indenture of Trust which contains the terms of and security provisions for the bonds, as well as covenants to perform certain actions necessary to maintain the tax-exempt status of the bonds;
- The form of Escrow Agreement, which contains provisions for paying off the refunded bonds;
- The form of Bond Purchase Contract to be entered into with Stifel Nicolaus (subject to not-to exceed parameters for total principal amount and underwriter's discount and minimum savings); and,
- The form of Continuing Disclosure Certificate, which obligates the Agency to provide annual disclosure updates and notices of certain material events on an ongoing basis (included as part of the Preliminary Official Statement).

Fiscal Impact

If the issuance of the refunding bonds is completed as contemplated, the Agency would realize net present value savings of at least 3% of the principal amount of bonds refunded, which, based on the current refinancing plan, would be approximately \$1.4 million. If the transaction is not completed, the Agency could incur non-contingent costs of up to \$50,000 without bond proceeds as a source of payment.

Savings from the issuance of the 2025 Refunding Bonds has not been included within the Final Amended 5-Year Budget, therefore, the Agency is expected to realize a positive net fiscal impact of approximately \$150,000 to \$200,000 annually over the next 5 years (the budget time period) depending upon market conditions at the time of the Bond Sale.

The Agency's Budget Manager, a representative from KNN Public Finance, the Agency's Municipal Advisor will be available to answer any questions.

Attachments:

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUTTER BUTTE FLOOD CONTROL AGENCY AUTHORIZING THE ISSUANCE AND SALE OF ASSESSMENT REVENUE REFUNDING BONDS TO REFUND 2013 ASSESSMENT REVENUE BONDS AND 2015 ASSESSMENT REVENUE BONDS, AUTHORIZING THE EXECUTION AND DELIVERY OF A RELATED INDENTURE OF TRUST, ESCROW AGREEMENT, OFFICIAL STATEMENT AND BOND PURCHASE AGREEMENT, AND APPROVING RELATED DOCUMENTS AND ACTIONS

- Exhibit A- Required Disclosures Pursuant to Government Code Section 5852.1
- Exhibit B - Form of Indenture of Trust between the Sutter Butte Flood Control Agency and U.S. Bank Trust Company, National Association, as Trustee
- Exhibit C- Form of Escrow Agreement between the Sutter Butte Flood Control Agency and U.S. Bank Trust Company, National Association, as Escrow Agreement
- Exhibit D - Form of Bond Purchase Contract, Sutter Butte Flood Control Agency Assessment Revenue Bonds Series 2025
- Exhibit E - Form of Preliminary Official Statement, Sutter Butte Flood Control Agency Assessment Revenue Refunding Bonds Series 2025 (including form of Continuing Disclosure Certificate)

**SUTTER BUTTE FLOOD CONTROL AGENCY
RESOLUTION NO. 2025-07**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SUTTER BUTTE FLOOD CONTROL AGENCY AUTHORIZING THE
ISSUANCE AND SALE OF ASSESSMENT REVENUE REFUNDING
BONDS TO REFUND 2013 ASSESSMENT REVENUE BONDS AND
2015 ASSESSMENT REVENUE BONDS, AUTHORIZING THE
EXECUTION AND DELIVERY OF A RELATED INDENTURE OF
TRUST, ESCROW AGREEMENT, OFFICIAL STATEMENT AND
BOND PURCHASE AGREEMENT, AND APPROVING RELATED
DOCUMENTS AND ACTIONS**

WHEREAS, the Sutter Butte Flood Control Agency (the “Agency”) has undertaken a plan to construct various flood control improvements to provide protection from flood flows within the Feather River, Sutter Bypass and Wadsworth Canal (the “Flood Control Project”); and

WHEREAS, in order to provide financing for the Flood Control Project, the Agency has previously issued its Sutter Butte Flood Control Agency Assessment Revenue Bonds, Series 2013 in the aggregate principal amount of \$41,035,000 (the “2013 Bonds”), and its Sutter Butte Flood Control Agency Assessment Revenue Bonds, Series 2015 in the aggregate principal amount of \$47,070,000 (the “2015 Bonds”), which are secured by a pledge of and lien on certain assessment revenues of the Agency levied under the Benefit Assessment Act of 1982 (the “Assessment Revenues”); and

WHEREAS, in order to realize debt service savings, the Board of Directors of the Agency (the “Board”) proposes to authorize the issuance and sale of a series of Assessment Revenue Refunding Bonds (the “Refunding Bonds”) for the purpose of providing funds to refund all or a portion of the outstanding 2013 Bonds and 2015 Bonds, pursuant to the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Sections 53570 and 53580 of said Code (the “Refunding Bond Law”); and

WHEREAS, the Refunding Bonds will be secured by a pledge of and lien on the Assessment Revenues on a parity with the pledge and lien which secures the non-refunded portion (if any) of the outstanding 2013 Bonds and 2015 Bonds; and

WHEREAS, as required by Government Code Section 5852.1, attached hereto as Exhibit A is certain financial information relating to the Refunding Bonds that has been obtained by the Agency and is hereby disclosed and made public; and

WHEREAS, the Board has previously approved a Debt Management Policy which complies with Government Code Section 8855, and the delivery of the Refunding Bonds will be in compliance with said policy; and

WHEREAS, the Board has duly considered such transactions and wishes at this time to approve said transactions in the public interests of the Agency;

NOW, THEREFORE, BE IT RESOLVED THAT:

Section 1. Authorization of Refunding Bonds. The Board hereby authorizes the issuance of the Refunding Bonds for the purpose of providing funds to redeem the outstanding 2013 Bonds and the outstanding 2015 Bonds, in whole or in part. The Refunding Bonds shall be revenue bonds which are payable from and secured by a pledge of and lien on the Assessment Revenues on a parity with the pledge and lien which secures the non-refunded portion (if any) of the 2013 Bonds and the 2015 Bonds. The Refunding Bonds shall be issued under and in accordance with the provisions of the Refunding Bond Law, and shall be issued in the maximum principal amount of \$71,500,000.

Section 2. Approval of Indenture of Trust. The Refunding Bonds shall be issued upon the terms and conditions set forth in the Indenture of Trust between the Agency and U.S. Bank Trust Company, National Association, as trustee, which is hereby approved in substantially the form attached hereto as Exhibit B together with any changes therein or additions thereto which are deemed advisable and approved by the Executive Director or the Treasurer (each, an "Authorized Officer"), whose execution thereof shall be conclusive evidence of such approval. An Authorized Officer is hereby authorized and directed to execute the final form of the Indenture of Trust on behalf of the Agency.

Section 3. Approval of Escrow Agreement. The 2013 Bonds and 2015 Bonds shall be refunded under and in accordance with the provisions of the Escrow Agreement between the Agency and U.S. Bank Trust Company, National Association, as escrow agent, which is hereby approved in substantially the form attached hereto as Exhibit C together with any changes therein or additions thereto which are deemed advisable and approved by an Authorized Officer, whose execution thereof shall be conclusive evidence of such approval. An Authorized Officer is hereby authorized and directed to execute the final form of the Escrow Agreement on behalf of the Agency.

Section 4. Sale of the Refunding Bonds. In accordance with Section 53583(c)(1) of the Refunding Bond Law, the Board hereby authorizes and directs that the Refunding Bonds shall be sold on a negotiated basis to Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Underwriter"). The Refunding Bonds shall be sold pursuant to the terms and provisions of a Bond Purchase Agreement between the Agency and the Underwriter, which is hereby approved in substantially the form attached hereto as Exhibit D together with any changes therein or additions thereto which are deemed advisable and approved by an Authorized Officer, whose execution thereof shall be conclusive evidence of such approval. The net present value of the debt service savings which result from the refunding (as calculated by the Agency's municipal advisor) shall be not less than three percent of the principal amount of the 2013 Bonds and the 2015 Bonds which are refunded, and the Underwriter's discount shall not exceed 0.50% of the aggregate principal amount of the Refunding Bonds. An Authorized Officer is hereby authorized and directed to execute the final form of the Bond Purchase Agreement on behalf of the Agency.

Section 5. Official Statement. The Board hereby approves and deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the Preliminary Official Statement describing the Refunding Bonds in the form attached hereto as Exhibit E. An Authorized Officer is individually authorized, at the request of the Underwriter, to execute an appropriate certificate affirming the Board's determination that

the Preliminary Official Statement has been deemed final within the meaning of such Rule. Distribution of the Preliminary Official Statement by the Underwriter is hereby approved. An Authorized Officer is hereby authorized and directed to approve any changes in or additions to a final form of said Official Statement, and the execution thereof by an Authorized Officer shall be conclusive evidence of approval of any such changes and additions. The Board hereby authorizes the distribution of the Final Official Statement by the Underwriter. The Final Official Statement shall be executed on behalf of the Agency by an Authorized Officer.

Section 6. Continuing Disclosure. The Board hereby approves the Continuing Disclosure Certificate in substantially the form attached as an exhibit to the Preliminary Official Statement, together with any changes therein or additions thereto deemed advisable by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. An Authorized Officer is hereby authorized and directed to execute the final form of the Continuing Disclosure Certificate for and in the name and on behalf of the Agency.

Section 7. Engagement of Professional Services. In connection with the issuance and sale of the Refunding Bonds, the Board hereby authorizes the engagement of the services of Jones Hall LLP to act as bond counsel and disclosure counsel to the Agency, and the services of KNN Public Finance LLC to act as municipal advisor to the Agency. The Executive Director is hereby authorized and directed to execute an agreement with each of such firms, in the respective forms on file with the Clerk of the Board.

Section 8. Official Actions. The Chair, the Executive Director, the Treasurer, the Clerk of the Board and all other officers of the Agency are each authorized and directed in the name and on behalf of the Agency to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution, including but not limited to an agreement between the Agency and a municipal bond insurer with respect to the issuance of the issuance of a policy of municipal bond insurer and a policy of reserve fund insurance with respect to the Refunding Bonds. Whenever in this Resolution any officer of the Agency is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

Section 9. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

EXHIBIT A

REQUIRED DISCLOSURES PURSUANT TO GOVERNMENT CODE SECTION 5852.1

1. True Interest Cost of the Refunding Bonds (Estimated): 3.45%
2. Finance charge of the Refunding Bonds in the estimated amount of \$794,487, being the sum of all fees and charges paid to third parties.
3. Proceeds of the Refunding Bonds expected to be received by the Agency, net of proceeds for Costs of Issuance in (2) above (Estimated): \$47,116,991.
4. Total Payment Amount for the Refunding Bonds, being the sum of all debt service to be paid on the Refunding Bonds to final maturity (Estimated): \$60,462,693.

**All amounts and percentages are estimates, and are made in good faith by the Agency based on prevailing bond market conditions and information available as of the date of adoption of this Resolution. Estimates include certain assumptions regarding tax-exempt rates available in the bond market at the time of pricing the Refunding Bonds. Assumes the issuance of Refunding Bonds in the aggregate principal amount of \$43,205,000.*

INDENTURE OF TRUST

between the

SUTTER BUTTE FLOOD CONTROL AGENCY

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

Dated as of December 1, 2025

Relating to

\$_____
Sutter Butte Flood Control Agency
Assessment Revenue Refunding Bonds, Series 2025

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INDENTURE OF TRUST

This INDENTURE OF TRUST, dated as of December 1, 2025, is between the SUTTER BUTTE FLOOD CONTROL AGENCY, a joint powers agency organized and existing under the laws of the State of California (the "Agency"), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, with a corporate trust office in San Francisco, California, and being qualified to accept and administer the trusts hereby created (the "Trustee").

B A C K G R O U N D :

1. The Agency is a joint powers agency organized and existing under the Joint Exercise of Powers Act, constituting Chapter 5, Division 7, Title 1 of the Government Code of California (the "Joint Powers Act"), and under a Joint Exercise of Powers Agreement dated as of September 2007, as amended, among the counties of Sutter and Butte, the cities of Yuba City, Live Oak, Gridley and Biggs, Levee Districts 1 and 9 and the Sutter County Water Agency.

2. In order to provide funds to finance flood control improvements within a designated portion of the Feather River, known generally as the Feather River West Levee Project, the Agency has previously issued its Sutter Butte Flood Control Agency Assessment Revenue Bonds, Series 2013 in the aggregate principal amount of \$41,035,000 (the "2013 Bonds"), and its Sutter Butte Flood Control Agency Assessment Revenue Bonds, Series 2015 in the aggregate principal amount of \$47,070,000 (the "2015 Bonds") under the laws of the State of California, including the provisions of Article 4 of the Joint Powers Act.

3. The 2013 Bonds and the 2015 Bonds are secured by a pledge of and lien on certain assessment revenues of the Agency levied under the Benefit Assessment Act of 1982 (the "Assessment Revenues").

4. The 2013 Bonds and the 2015 Bonds are currently subject to redemption on any business day, at the option of the Agency, at a redemption price equal to the principal amount to be redeemed together with accrued interest thereon to the redemption date, without premium.

5. In order to realize debt service savings to the Agency, the Board of Directors of the Agency has authorized the issuance of Sutter Butte Flood Control Agency Assessment Revenue Refunding Bonds, Series 2025 in the aggregate principal amount of \$_____ (the "Bonds") for the purpose of providing funds to refund all or a portion of the outstanding 2013 Bonds and 2015 Bonds, pursuant to the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Sections 53570 and 53580 of said Code (the "Refunding Bond Law").

6. The Bonds will be secured by a pledge of and lien on the Assessment Revenues on a parity with the pledge and lien which secures the non-refunded portion of the outstanding 2013 Bonds and 2015 Bonds.

7. In order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued

and secured and to secure the payment of the principal thereof and of the interest thereon, the Board of Directors of the Agency has authorized the execution of this Indenture.

A G R E E M E N T :

In order to secure the payment of the principal of and the interest on the Bonds according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the Agency and the Trustee hereby covenant and agree with one another, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

Section 1.01. Definitions. Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms defined in Appendix A attached to this Indenture have the respective meanings specified in Appendix A when used in this Indenture.

Section 1.02. Authorization. Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Indenture, and has taken all actions necessary to authorize the execution hereof by the officers and persons signing it.

SECTION 1.03. Interpretation.

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

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

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

(d) Whenever the term "may" is used herein with respect to an action by one of the parties hereto, such action shall be discretionary and the party who "may" take such action shall be under no obligation to do so.

(e) The words “including,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.”

ARTICLE II

ISSUANCE OF BONDS

Section 2.01. Authorization and Purpose of Bonds. The Agency has reviewed all proceedings heretofore taken and has found, as a result of such review, and hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Agency is now duly empowered, under each and every requirement of law, to issue the Bonds in the manner and form provided in this Indenture.

The Agency hereby authorizes the issuance of Bonds in the aggregate principal amount of \$_____ under the Refunding Bond Law for the purposes of refunding the Refunded Prior Bonds. The Bonds are authorized to be issued under and subject to the terms of this Indenture and the Refunding Bond Law. The Bonds shall be designated the “Sutter Butte Flood Control Agency Assessment Revenue Refunding Bonds, Series 2025”.

Section 2.02. Terms of the Bonds. The Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no Bond has more than one maturity date. The Bonds shall be dated as of the Closing Date and shall mature on October 1 in the years and in the respective principal amounts and bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the respective rates per annum as set forth in the following table:

Maturity Date (October 1)	Principal Amount	Interest Rate
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Interest on the Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless:

- (a) a Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date,
- (b) a Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the Closing Date, or
- (c) interest on any Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has been paid in full, payable on each Interest Payment Date.

Interest on the Bonds shall be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owners of the Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date. At the written request of the Owner of Bonds in an aggregate principal amount of at least \$1,000,000, which written request is on file with the Trustee as of any Record Date, the Trustee shall pay interest on such Bonds on each succeeding Interest Payment Date by wire transfer in immediately available funds to such account of a financial institution within the United States of America as specified in such written request, which written request shall remain in effect until rescinded in writing by the Owner. The Trustee shall pay principal of the Bonds in lawful money of the United States of America by check of the Trustee upon presentation and surrender thereof at the Office of the Trustee. The foregoing payment provisions are subject in all respects to the provisions of Section 2.04 so long as the Bonds are registered in the book-entry system of DTC.

Section 2.03. Redemption of Bonds.

(a) Optional Redemption. The Bonds maturing on or before October 1, 20__, are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after October 1, 20__, are subject to redemption in whole, or in part among maturities on such basis as set forth in a Certificate of the Agency filed with the Trustee, and in any event by lot within a maturity, at the option of the Agency, from any available source of funds, on any Business Day on or after October 1, 20__, at a redemption price equal to 100% of the principal amount thereof to be redeemed together with accrued interest to the redemption date, without premium.

The Agency shall give the Trustee written notice of its intention to redeem Bonds under this subsection, and the manner of selecting such Bonds for redemption from among the maturities thereof and the redemption price thereof, in sufficient time to enable the Trustee to give notice of such redemption in accordance with subsection (c) of this Section.

(b) Mandatory Sinking Fund Redemption. The Term Bonds are subject to mandatory redemption in part by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on October 1 in the respective years as set forth in the following tables; *provided, however*, that if some but not all of the Term Bonds have been redeemed under subsection (a) of this Section, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of the Term Bonds so redeemed, to be

allocated among such sinking fund payments on such basis as shall be designated by the Agency in a Written Request filed with the Trustee.

**Term Bonds Maturing
October 1, 20__**

Sinking Fund
Redemption Date
(October 1)

Principal Amount
To Be Redeemed

**Term Bonds Maturing
October 1, 20__**

Sinking Fund
Redemption Date
(October 1)

Principal Amount
To Be Redeemed

(c) Notice of Redemption. The Trustee on behalf and at the expense of the Agency shall give notice of any redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, to the Municipal Securities Rulemaking Board and to the Securities Depositories, at least 20 but not more than 60 days prior to the date fixed for redemption; *provided, however,* that neither failure to receive any such notice so given nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the date of the notice, the redemption date, the redemption place and the redemption price and shall designate the CUSIP numbers, the Bond numbers and the maturity or maturities (in the event of redemption of all of the Bonds of such maturity or maturities in whole) of the Bonds to be redeemed, and shall require that such Bonds be then surrendered at the Office of the Trustee identified in such notice for redemption at the redemption price, giving notice also that further interest on such Bonds shall not accrue from and after the redemption date.

(d) Selection of Bonds of the Same Maturity for Redemption. Whenever provision is made in this Section for the redemption of less than all of the Bonds of a single maturity, the Trustee shall select the Bonds of such maturity to be redeemed by lot in any manner which the Trustee in its sole discretion deems appropriate. For purposes of such selection, all Bonds shall be deemed to be comprised of separate \$5,000 denominations and such separate denominations shall be treated as separate Bonds which may be separately redeemed.

(e) Partial Redemption of a Bond. If only a portion of any Bond is called for redemption, then upon surrender of such Bond the Agency shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Agency, a new Bond or Bonds of the same series and maturity date, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed.

(f) Effect of Redemption. From and after the date fixed for redemption, if notice of redemption has been duly mailed and funds available for the payment of the principal of and interest on the Bonds so called for redemption have been duly provided, such Bonds so called shall cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price, and no interest shall accrue thereon from and after the redemption date specified in such notice. The Trustee shall cancel and destroy all Bonds redeemed under this Section.

(g) Right to Rescind Notice of Optional Redemption. The Agency has the right to rescind any notice of the optional redemption of Bonds under subsection (a) of this Section by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of optional redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default. The Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall give notice of any rescission of redemption in the same manner in which the notice of redemption was originally given. The actual receipt of notice of such rescission shall not be a condition precedent to rescission and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission. The Agency and the Trustee shall have no liability to the Owners of any Bonds, or any other party, as a result of the Agency's decision to rescind an any redemption of the Bonds.

(h) Purchase in Lieu of Redemption. At any time prior to the selection of Bonds for redemption, the Agency may direct the Trustee to purchase any Bonds which are then subject to redemption at public or private sale, when and at such prices (including brokerage and other charges as shall be directed pursuant to a Request of the Agency filed with the Trustee. The purchase price of any such Bonds (exclusive of accrued interest) shall not exceed the redemption price then applicable to such Bonds.

Section 2.04. Book Entry System.

(a) Original Delivery. The Bonds shall be initially delivered in the form of a separate single fully registered bond (which may be typewritten) for each maturity of the Bonds. Upon initial delivery, the Trustee shall register the ownership of each Bond on the Registration Books in the name of the Nominee. Except as provided in subsection (c), the ownership of all of the Outstanding Bonds shall be registered in the name of the Nominee on the Registration Books.

With respect to Bonds the ownership of which shall be registered in the name of the Nominee, the Agency and the Trustee has no responsibility or obligation to any Depository System Participant or to any person on behalf of which the Nominee holds an interest in the Bonds. Without limiting the generality of the immediately preceding sentence, the Agency and the Trustee has no responsibility or obligation with respect to

(i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed if the Agency elects to redeem the Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any amount with respect to principal or or interest on the Bonds or (v) any consent given or other action taken by the Depository as Owner of the Bonds. The Agency and the Trustee may treat and consider the person in whose name each Bond is registered as the absolute owner of such Bond for the purpose of payment of principal of and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers of ownership of such Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and the interest on the Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Bond Owner shall receive a Bond evidencing the obligation of the Agency to make payments of principal, interest and premium under this Indenture. Upon delivery by the Depository to the Agency of written notice to the effect that the Depository has determined to substitute a new Nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the Agency shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, the Agency has previously executed and delivered to such Depository a letter representing such matters as shall be necessary to so qualify the Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the Agency or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Bond Owners. Upon the written acceptance by the Trustee, the Trustee shall agree to take all action reasonably necessary for all representations of the Trustee in such letter with respect to the Trustee to at all times be complied with. In addition to the execution and delivery of such letter, the Agency may take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. If either (i) the Depository determines not to continue to act as Depository for the Bonds, or (ii) the Agency determines to terminate the Depository as such, then the Agency shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the Agency and the Trustee in the issuance of replacement Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Bonds, and by surrendering the Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement Bonds are to be issued. The Depository, by accepting delivery of the Bonds, agrees to be bound by the provisions of this subsection. If, prior to the termination of the Depository acting as such, the Agency fails to identify another Securities Depository to replace the Depository, then the Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall

be registered in whatever name or names the Owners transferring or exchanging Bonds shall designate, in accordance with the provisions hereof.

If the Agency determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Agency may notify the Depository System Participants of the availability of such certificated Bonds through the Depository. In such event, the Trustee shall issue, transfer and exchange Bonds as required by the Depository and others in appropriate amounts; and whenever the Depository requests, the Trustee and the Agency shall cooperate with the Depository in taking appropriate action (i) to make available one or more separate certificates evidencing the Bonds to any Depository System Participant having Bonds credited to its account with the Depository, or (ii) to arrange for another Securities Depository to maintain custody of a single certificate evidencing such Bonds, all at the Agency's expense.

(d) Payments to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

Section 2.05. Form and Execution of Bonds. The Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, are set forth in Appendix B attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

The Executive Director of the Agency shall execute, and the Treasurer of the Agency shall attest, each Bond. Either or both of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on any Bond ceases to be such officer before the Closing Date, such signature shall nevertheless be as effective as if the officer had remained in office until the Closing Date. Any Bond may be signed and attested on behalf of the Agency by such persons as at the actual date of the execution of such Bond are the proper officers of the Agency, duly authorized to execute debt instruments on behalf of the Agency, although on the date of such Bond any such person was not an officer of the Agency.

Only those Bonds bearing a certificate of authentication in the form set forth in Appendix B, manually executed and dated by the Trustee, are valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee is conclusive evidence that such Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

Section 2.06. Transfer and Exchange of Bonds.

(a) Transfer. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond to the Trustee at its Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. The Trustee shall collect any tax or other governmental charge on the transfer of any Bonds under this Section. Whenever any Bond or Bonds is surrendered for transfer, the Agency shall execute and the Trustee shall

authenticate and deliver to the transferee a new Bond or Bonds of like series, interest rate, maturity and aggregate principal amount. The Agency shall pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer of Bonds.

(b) Exchange. The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations and of the same series, interest rate and maturity. The Trustee shall collect any tax or other governmental charge on the exchange of any Bonds under this subsection. The Agency shall pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange of Bonds.

(c) Limitations. The Trustee may refuse to transfer or exchange, under the provisions of this Section, any Bonds selected by the Trustee for redemption under Section 2.03, or any Bonds during the period established by the Trustee for the selection of Bonds for redemption.

Section 2.07. Registration Books. The Trustee shall keep or cause to be kept, at its Office, sufficient records for the registration and registration of transfer of the Bonds, which must at all times during normal business hours, and upon reasonable notice, be open to inspection by the Agency; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books, Bonds as hereinbefore provided.

Section 2.08. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond becomes mutilated, the Agency, at the expense of the Owner of such Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. The Trustee shall cancel every mutilated Bond surrendered to it and deliver such mutilated Bond to, or upon the order of, the Agency. If any Bond is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence is satisfactory and if indemnity satisfactory to the Trustee is given, the Agency, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the Trustee in connection therewith. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Agency whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds issued under this Indenture.

Notwithstanding any other provision of this Section, in lieu of delivering a new Bond for which principal has become due for a Bond which has been mutilated, lost, destroyed or stolen, the Trustee may make payment of such Bond in accordance with its terms upon receipt of indemnity satisfactory to the Trustee.

ARTICLE III

ISSUE OF BONDS

Section 3.01. Issuance of Bonds. Upon the execution and delivery of this Indenture, the Agency shall execute and deliver Bonds in the aggregate principal amount of \$_____ to the Trustee and the Trustee shall authenticate and deliver the Bonds to the Original Purchaser upon receipt of a Request of the Agency therefor.

Section 3.02. Deposit and Application of Proceeds. On the Closing Date, the Trustee shall apply the proceeds of the Bonds, net of the payment by the Original Purchaser to the Bond Insurer of the premium for the Bond Insurance Policy and the Reserve Policy, as follows:

- (a) The Trustee shall deposit the amount of \$_____ in the Costs of Issuance Fund.
- (b) The Trustee shall transfer the amount of \$_____, constituting the remainder of the Bond proceeds, to the Escrow Agent for deposit and application in accordance with the Escrow Agreement.

Section 3.03. Costs of Issuance Fund. There is hereby established a separate fund to be known as the "Costs of Issuance Fund", to be held by the Trustee in trust. The Trustee shall disburse moneys in the Costs of Issuance Fund from time to time to pay Costs of Issuance upon submission of a Request of the Agency stating (a) the person to whom payment is to be made, (b) the amounts to be paid, (c) the purpose for which the obligation was incurred, (d) that such payment is a proper charge against the Costs of Issuance Fund, and (e) that such amounts have not been the subject of a prior Request of the Agency; in each case together with a statement or invoice for each amount requested thereunder. On March 1, 2026, the Trustee shall transfer any amounts remaining in the Costs of Issuance Fund to the Bond Fund to be applied to pay a portion of the interest next coming due and payable on the Bonds and the Trustee shall thereupon close the Costs of Issuance Fund.

Section 3.04. 2025 Reserve Fund. There is hereby created a separate fund to be known as the "2025 Reserve Fund", to be held in trust by the Trustee. The 2025 Reserve Fund shall be maintained in the amount of the 2025 Reserve Requirement through the issuance of the Reserve Policy by the Bond Insurer, and any deficiency therein shall be replenished from the first available Assessment Revenues under Section 4.02(b). The Trustee shall apply amounts in the 2025 Reserve Fund for the purposes set forth in Section 4.02(b).

Section 3.05. Refunding of Prior Bonds. The Agency shall cause the proceeds of the Bonds to be applied to the redemption of the Refunded Prior Bonds in accordance with the provisions of the Escrow Agreement. From and after the Closing Date, the Refunded Prior Bonds shall be fully discharged and satisfied, and shall no longer be secured by a pledge of or lien on the Assessment Revenues, or any portion thereof.

Section 3.06. Validity of Bonds. The recital contained in the Bonds that they are issued pursuant to the Constitution and laws of the State of California is conclusive evidence of their validity and of the regularity of their issuance.

ARTICLE IV

ASSESSMENT REVENUES; FLOW OF FUNDS

Section 4.01. Pledge of Assessment Revenues. The Bonds shall be secured by a first pledge of all of the Assessment Revenues and all of the amounts on deposit in the Operating Fund, on a parity with the pledge which secures the Non-Refunded Prior Bonds and all outstanding Parity Obligations. In addition, the Bonds (but not the Non-Refunded Prior Bonds or any Parity Obligations) shall be secured by a pledge of all of the moneys in the 2025 Bond Service Fund and the 2025 Reserve Fund, including all amounts derived from the investment of such moneys. The Bonds, the Non-Refunded Prior Bonds and all Parity Obligations are equally secured by a pledge, charge and lien upon the Assessment Revenues and amounts on deposit in the Operating Fund without priority for series, issue, number or date. So long as any of the Bonds are Outstanding, the Assessment Revenues and such moneys may not be used for any other purpose; except that out of the Assessment Revenues there may be apportioned such sums, for such purposes, as are expressly permitted by Section 4.02.

Section 4.02. Receipt, Deposit and Application of Assessment Revenues. The Agency has heretofore established the Operating Fund, which the Agency agrees to continue to hold and maintain for the purposes and uses set forth herein. The Agency shall deposit all Assessment Revenues in the Operating Fund promptly upon the receipt thereof. The Agency shall manage, conserve and apply moneys in the Operating Fund in such a manner that all payments of principal of and interest on the Bonds, the Non-Refunded Prior Bonds and all outstanding Parity Obligations are made in full when due.

In addition to withdrawals required to pay the Non-Refunded Prior Bonds under the respective Prior Bond Indentures, and the principal of and interest on the Parity Obligations in accordance with the Parity Obligation Documents, during each Bond Year the Agency shall withdraw amounts on deposit in the Operating Fund and apply such amounts at the times and for the purposes, and in the priority, as follows:

- (a) 2025 Bond Service Fund. The Agency shall withdraw from the Operating Fund and pay to the Trustee for deposit into the 2025 Bond Service Fund (which the Trustee shall establish and hold in trust hereunder) an amount which, together with other available amounts then on deposit in the 2025 Bond Service Fund, is at least equal to the aggregate amount of principal of and interest coming due and payable on the Bonds during such Bond Year, including the principal amount of Term Bonds (if any) which are subject to mandatory sinking fund redemption during such Bond Year under Section 2.03(b). The Agency shall make all payments required under this subsection to the Trustee not later than the sixth Business Day preceding the date on which such payments are due to the Bond Owners.

The Trustee shall apply amounts in the 2025 Bond Service Fund solely for the purpose of (i) paying the interest on the Outstanding

Bonds when due and payable (including accrued interest on any Bonds purchased or redeemed hereunder), and (ii) paying the principal of the Bonds at the maturity thereof or upon the mandatory sinking fund redemption of Term Bonds under Section 2.03(b).

- (b) 2025 Reserve Fund. If the amount on deposit in the 2025 Reserve Fund at any time falls below the 2025 Reserve Requirement, the Trustee shall promptly notify the Agency and the Bond Insurer of such fact. Upon receipt of any such notice, the Agency shall transfer to the Trustee an amount of available Assessment Revenues sufficient to maintain the 2025 Reserve Requirement on deposit in the 2025 Reserve Fund (including the reimbursement of all amounts due and owing to the Bond Insurer in respect of the Reserve Policy). No deposit need be made in the 2025 Reserve Fund so long as the balance therein at least equals the 2025 Reserve Requirement. If the amount on deposit in the 2025 Reserve Fund exceeds the 2025 Reserve Requirement, the Trustee shall transfer such excess amount to the 2025 Bond Service Fund.

If the amount on deposit in the 2025 Bond Service Fund as of the fifth Business Day preceding any Interest Payment Date is insufficient to pay the principal of and interest on the Bonds then coming due, the Trustee shall (i) immediately notify the Agency and the Bond Insurer in writing of such fact, and (ii) withdraw the amount of such insufficiency from the 2025 Reserve Fund and transfer it to the 2025 Bond Service Fund. On the date on which all Bonds are retired, any moneys then on deposit in the 2025 Reserve Fund shall be withdrawn by the Trustee and transferred to the 2025 Bond Service Fund to be applied to pay debt service on the Bonds.

- (c) 2025 Redemption Fund. If the Agency elects to redeem Outstanding Bonds under Section 2.03(a), the Agency shall withdraw from available Assessment Revenues deposited in the Operating Fund, and transfer to the Trustee for deposit into the 2025 Redemption Fund (which the Trustee shall thereupon establish and hold in trust hereunder), an amount at least equal to the redemption price of the Bonds, excluding accrued interest, which is payable from the 2025 Bond Service Fund. Amounts in the Redemption Fund shall be applied by the Trustee solely for the 2025 purpose of paying the redemption price of Bonds to be redeemed under Section 2.03(a). Following any such redemption of the Bonds, any moneys remaining in the 2025 Redemption Fund shall be transferred by the Trustee to the Agency for deposit into the Operating Fund.
- (d) Surplus. If the amount of Assessment Revenues received by the Agency in any Bond Year exceeds the aggregate amounts required to be paid from the Operating Fund during such Bond Year pursuant to the preceding provisions of this Section, such excess may be applied for any lawful purposes of the Agency, including but not limited to the payment of administrative costs of the Agency and

making transfers to a capital fund for the purpose of paying capital costs.

Section 4.03. Reserve Policy. The 2025 Reserve Requirement shall be initially maintained in the form of the issuance of the Reserve Policy. Under the terms and conditions of the Reserve Policy, the Trustee shall deliver to the Bond Insurer a demand for payment under the Reserve Policy in the required form at least five Business Days before the date on which funds are required for the purposes set forth in Section 4.02(b). The Trustee shall comply with all of the terms and provisions of the Reserve Policy for the purpose of assuring that funds are available thereunder when required for the purposes of the 2025 Reserve Fund, within the limits of the coverage amount provided by the Reserve Policy. All amounts drawn by the Trustee under the Reserve Policy shall be deposited into the 2025 Reserve Fund and applied for the purposes thereof.

Section 4.04. Investments.

(a) Investment of Funds Held by Agency. All moneys in the Operating Fund may be invested by the Agency from time to time in any securities in which the Agency may legally invest funds subject to its control.

(b) Investment of Funds Held by Trustee. The Trustee shall invest moneys in the funds and accounts held by it hereunder in Permitted Investments specified in a Request of the Agency delivered to the Trustee at least two Business Days in advance of the making of such investments. In the absence of any such direction from the Agency, the Trustee shall hold such moneys uninvested and notify the Agency that it is doing so.

(c) General Investment Provisions. Obligations purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account. Whenever in this Indenture the Agency is required to transfer any moneys to the Trustee, such transfer may be accomplished by transferring a like amount of Permitted Investments. All interest or gain derived from the investment of amounts in any of the funds or accounts held by the Trustee hereunder shall be retained in the respective fund or account from which such investment was made; except that the Trustee shall deposit all interest or gain from the investment of any amounts in the 2025 Reserve Fund in the 2025 Bond Service Fund to the extent not required to cause the balance in the 2025 Reserve Fund to equal the 2025 Reserve Requirement. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder upon receipt by the Trustee of the Request of the Agency. The Trustee or its affiliate may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made under this Section.

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

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

Section 4.05. Valuation and Disposition of Investments.

(a) Except as otherwise provided in subsection (b) of this Section, the Agency covenants that all investments of amounts deposited in any fund or account created by or under this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Tax Code) shall be acquired, disposed of and valued (as of the date that valuation is required by this Indenture or the Tax Code) at Fair Market Value as such term is defined in subsection (d) below. The Trustee has no duty in connection with the determination of Fair Market Value other than to follow the investment directions of the Agency in any Certificate or Request of the Agency.

(b) Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Tax Code and investments in the 2025 Reserve Fund shall be valued at cost thereof (consisting of present value thereof within the meaning of Section 148 of the Tax Code); provided that the Agency must inform the Trustee which funds are subject to a yield restriction, and must provide the Trustee with any necessary valuation criteria or formulae.

(c) Except as provided in the preceding subsection (b), for the purpose of determining the amount in any fund, the Trustee shall value Permitted Investments credited to such fund at least annually at the Fair Market Value thereof. The Trustee may utilize computerized securities pricing services that may be available to it, including those available through its regular accounting system. If and as directed by the Agency in writing, the Trustee shall sell or present for redemption any Permitted Investment so purchased by the Trustee whenever it is necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited, and the Trustee has no liability or responsibility for any loss resulting therefrom.

(d) For purposes of this Section, the term "Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, or (iii) the investment is a United States Treasury Security -- State and Local Government Series which is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

ARTICLE V

COVENANTS OF THE AGENCY

Section 5.01. Punctual Payment; Compliance With Documents. The Agency shall punctually pay or cause to be paid the interest and principal to become due with respect to all of the Bonds in strict conformity with the terms of the Bonds and of this Indenture, and shall faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all supplemental agreements.

Section 5.02. Levy and Collection of Assessment Revenues. The Agency shall take all actions as may be required under the Benefit Assessment Act of 1982 to levy and collect, or cause the appropriate officials of Sutter County and Butte County to levy and collect, all Assessment Revenues which the Agency is authorized to levy on properties in the jurisdiction of the Agency. To the maximum extent permitted by law, the Agency shall cause to be levied and collected in each Bond Year an amount of Assessment Revenues (excluding Governmental Revenues) which is at least equal to 110% of the amount of principal of and interest on the Bonds, the Non-Refunded Prior Bonds and all outstanding Parity Obligations coming due in such Bond Year.

Section 5.03. Financial Statements. The Agency shall keep proper books of records and accounts in which complete and correct entries are made of all transactions relating to the financial affairs of the Agency. Said books shall, upon reasonable request, be subject to the inspection of the Trustee (who shall have no duty to inspect) and the Owners of not less than 10% of the Outstanding Bonds or their representatives authorized in writing. The Agency shall cause its financial books to be audited annually by an Independent Accountant and shall file audited financial statements of the Agency in accordance with the Continuing Disclosure Certificate.

Section 5.04. Issuance of Parity Obligations. The Agency may issue additional Parity Obligations from time to time in such principal amount as it determines, subject to the following conditions precedent:

- (a) No Event of Default (or no event with respect to which notice has been given and which, once all notice of grace periods have passed, would constitute an Event of Default) has occurred and is continuing.
- (b) The amount of Assessment Revenues (excluding Governmental Revenues), as shown by the books of the Agency for the most recent completed Fiscal Year for which audited financial statements of the Agency are available or for any more recent consecutive 12-month period selected by the Agency (including the current Fiscal Year based on the Assessment Revenues, excluding Governmental Revenues, which have been levied for such Fiscal Year), in any case verified by an Independent Accountant, a Municipal Advisor or Assessment Engineer, or shown in the audited financial statements of the Agency, are at least equal to 110% of the amount of Maximum Annual Debt Service.

- (c) Interest on the Parity Obligations shall be payable only on April 1 and October 1, and principal thereof shall be payable only on October 1 in any year in which principal is payable.
- (d) The issuance of such Parity Obligations shall comply with all conditions to the issuance thereof as set forth in the applicable provisions of the Parity Obligation Documents.
- (e) The Agency shall deliver to the Trustee a Certificate of the Agency certifying, and an opinion of Bond Counsel stating, that the conditions precedent to the issuance of such Parity Obligations set forth in the foregoing provisions of this Section have been satisfied.

Section 5.05. Superior and Subordinate Obligations. The Agency shall not issue or incur any additional bonds or other obligations having any priority in payment of principal or interest out of the Assessment Revenues over the Bonds. Nothing herein limits or affects the ability of the Agency to issue or incur (a) Parity Obligations under Section 5.04, or (b) obligations which are either unsecured or which are secured by an interest in the Assessment Revenues which is junior and subordinate to the pledge of and lien upon the Assessment Revenues established hereunder.

Section 5.06. Tax Covenants Relating to Bonds.

(a) Generally. The Agency shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, interest on the Bonds to become includable in gross income for federal income tax purposes.

(b) Private Activity Bond Limitation. The Agency shall assure that the proceeds of the Bonds are not used in a manner which would cause the Bonds to become “private activity bonds” within the meaning of section 141(a) of the Tax Code or to meet the private loan financing test of Section 141(c) of the Tax Code.

(c) Federal Guarantee Prohibition. The Agency shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Tax Code.

(d) No Arbitrage. The Agency shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the Bond proceeds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date, would have caused the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Tax Code.

(e) Rebate of Excess Investment Earnings. The Agency shall calculate or cause to be calculated all amounts of excess investment earnings with respect to the Bonds which are required to be rebated to the United States of America under Section 148(f) of the Tax Code, at the times and in the manner required under the Tax Code. The Agency shall pay when due an amount equal to excess investment earnings to the United States of America in such amounts, at such times and in such manner as may be required under the Tax Code, such payments to be made from any source of legally available funds of the Agency. The Agency shall keep or cause to be kept, and retain or cause to be retained

for a period of six years following the retirement of the Bonds, records of the determinations made under this subsection.

The Trustee has no duty to monitor the compliance by the Agency with any of the covenants contained in this Section.

Section 5.07. Compliance With Prior Bond Indentures and Parity Obligation Documents. The Agency shall observe and perform all of the covenants, agreements and conditions on its part required to be observed and performed under the Prior Bond Indentures and all Parity Obligation Documents. The Agency shall not take or omit to take any action within its control which would, or which if not corrected with the passage of time would, constitute an event of default under and within the meaning of the Prior Bond Indentures or any Parity Obligation Documents.

Section 5.08. Continuing Disclosure. The Agency shall comply with and carry out all of the provisions of the Continuing Disclosure Certificate which has been executed and delivered by the Agency on the Closing Date. Notwithstanding any other provision hereof, failure of the Agency to comply with the Continuing Disclosure Certificate does not constitute an Event of Default hereunder; *provided, however*, that any Participating Underwriter (as such term is defined in the Continuing Disclosure Certificate) or any Owner or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Agency to comply with its obligations under this Section. The Agency shall provide or cause to be provided to the Bond Insurer all notices and other information which are filed pursuant to the Continuing Disclosure Certificate.

Section 5.09. Further Assurances. The Agency shall adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming to the Owners of the Bonds the rights and benefits provided in this Indenture.

ARTICLE VI

THE TRUSTEE

Section 6.01. Duties, Immunities and Liabilities of Trustee.

(a) Performance of Duties. The Trustee shall, prior to the occurrence of an Event of Default, and after the curing or waiving of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or duties shall be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a reasonable corporate trustee would exercise or use.

(b) Removal of Trustee. The Agency may remove the Trustee at any time, and shall remove the Trustee (i) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Bond Insurer or (with the prior written

consent of the Bond Insurer) by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or (ii) if at any time the Trustee ceases to be eligible in accordance with subsection (e) of this Section, or becomes incapable of acting, or is adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property is appointed, or any public officer takes control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. The Agency may accomplish such removal by giving 30 days written notice to the Trustee, whereupon the Agency shall appoint a successor Trustee by an instrument in writing.

(c) Resignation by Trustee. The Trustee may at any time resign by giving written notice of such resignation to the Agency and the Bond Insurer, and by giving notice of such resignation by first class mail, postage prepaid, to the Bond Owners at their respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the Agency shall promptly appoint a successor Trustee by an instrument in writing.

(d) Appointment of Successor Trustee. Any removal or resignation of the Trustee and appointment of a successor Trustee becomes effective upon acceptance of appointment by the successor Trustee which is acceptable to the Bond Insurer. If no successor Trustee has been appointed and accepted appointment within 45 days following giving notice of removal or notice of resignation as aforesaid, the resigning Trustee, any Owner (on behalf of such Owner and all other Owners) may petition any federal or state court for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Agency, the Bond Insurer and to its predecessor Trustee a written acceptance thereof, and to the predecessor Trustee an instrument indemnifying the predecessor Trustee for any costs or claims arising during the time the successor Trustee serves as Trustee hereunder, and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless, upon the receipt by the predecessor Trustee of the Request of the Agency or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Agency shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Agency shall mail or cause the successor Trustee to mail, by first class mail postage prepaid, a notice of the succession of such Trustee to the trusts hereunder to each Rating Agency, and to the Owners at the addresses shown on the Registration Books. If the Agency fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Agency.

(e) Qualifications of Trustee. Any Trustee appointed under the provisions of this Section in succession to the Trustee shall:

- (i) 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 Bond Insurer in writing, and
- (ii) have a corporate trust office in the State of California,

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

The Agency shall maintain a Trustee which is qualified under the provisions of the foregoing provisions of this subsection and which is acceptable to the Bond Insurer, so long as any Bonds are Outstanding.

Section 6.02. Merger or Consolidation. Any bank or company into which the Trustee may be merged or converted or with which either of them may be consolidated or any bank or company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank or company shall be eligible under subsection (e) of Section 6.01, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 6.03. Rights and Liabilities of Trustee.

(a) The recitals of facts herein and in the Bonds contained are taken as statements of the Agency, and the Trustee has no responsibility for the correctness of the same, nor does it have any liability whatsoever therefor, nor make any representations as to the validity or sufficiency of this Indenture or of the Bonds nor shall it incur any responsibility in respect thereof, other than as expressly stated herein. The Trustee is, however, responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee is not liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee is not liable for the acts of any agents of the Trustee selected by it with due care. The Trustee may become the Owner of any Bonds with the same rights it would have if it were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding. The Trustee, either as principal or agent, may engage in or be entrusted in any financial or other transaction with the Agency.

(b) The Trustee shall have no liability with respect to any action taken or omitted to be taken by it in accordance with the direction of the Bond Insurer or the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(c) The Trustee shall have no liability for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture, except for actions arising from the negligence or willful misconduct of the Trustee. The permissive right of the Trustee to do things enumerated hereunder shall not be construed as a mandatory duty.

(d) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until a responsible officer of the Trustee has actual knowledge thereof, or unless and until a responsible officer of the Trustee has received written notice thereof at its Office. Except as otherwise expressly provided herein, the Trustee is not bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default hereunder or thereunder. The Trustee is not responsible for the Agency's payment of principal and interest on the Bonds, the Agency's observance or performance of any other covenants, conditions or terms contained herein, or the validity or effectiveness of any collateral given to or held by it. Without limiting the generality of the foregoing, and notwithstanding anything herein to the contrary, the Trustee is not responsible for reviewing the contents of any financial statements furnished to the Trustee under Section 5.03 and may rely conclusively on the Certificate of the Agency accompanying such financial statements to establish the Agency's compliance with its financial covenants hereunder, including, without limitation, its covenants regarding the deposit of Assessment Revenues into the Operating Fund and the investment and application of moneys on deposit in the Operating Fund (other than its covenants to transfer such moneys to the Trustee when due hereunder).

(e) No provision in this Indenture requires the Trustee to risk or expend its own funds or otherwise incur any financial liability hereunder. The Trustee is entitled to receive interest on any moneys advanced by it hereunder, at the maximum rate permitted by law.

(f) The Trustee may establish additional accounts or subaccounts of the funds established hereunder as the Trustee deems necessary or prudent in furtherance of its duties under this Indenture.

(g) The Trustee has no responsibility or liability whatsoever with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, nor shall the Trustee have any obligation to review any such material, and any such review by the Trustee shall not be deemed to create any obligation, duty or liability on the part of the Trustee.

(h) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, have the right (but not the duty) fully to review all books, papers and records of the Agency pertaining to the Bonds,

and to take such memoranda from and with regard thereto as may be desired but which is not privileged by statute or by law.

(i) Before taking any action under Article VIII, the Trustee may require indemnity satisfactory to the Trustee be furnished to it to hold the Trustee harmless from any expenses whatsoever and to protect it against any liability it may incur hereunder.

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

(k) The permissive right of the Trustee to do things enumerated in this Indenture is not construed as a duty.

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

Section 6.04. Right to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, requisition, request, consent, order, certificate, report, opinion or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, including, without limitation, Bond Counsel or other counsel of or to the Agency, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in accordance therewith.

The Trustee is not bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and such person's title thereto is established to the satisfaction of the Trustee.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of the Agency, which shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Certificate, but in its discretion the Trustee may (but has no duty to), in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable. The Trustee may conclusively rely on any certificate or report of any Independent Accountant appointed by the Agency.

Section 6.05. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject during normal business hours, and upon reasonable prior written notice, to the inspection of the Agency and any Owner, and their agents and representatives duly authorized in writing.

Section 6.06. Compensation and Indemnification. Absent any agreement to the contrary, the Agency shall pay to the Trustee from time to time compensation for all services rendered under this Indenture and also all expenses, charges, legal and consulting fees and other disbursements and those of its attorneys (including any

allocated costs of internal counsel), agents and employees, incurred in and about the performance of its powers and duties under this Indenture. The Trustee has a first lien on the Assessment Revenues and all funds and accounts held by the Trustee hereunder to secure the payment to the Trustee of all fees, costs and expenses, including compensation to its experts, attorneys and counsel incurred in declaring such Event of Default and in exercising the rights and remedies set forth in Article VIII. Any such expenses incurred by the Trustee shall be deemed to constitute a substantial contribution to the trust estate which secures the Bonds.

The Agency further covenants and agrees to indemnify and save the Trustee and its officers, directors, agents and employees harmless against any loss, expense and liabilities, whether or not litigated, which it may incur arising out of or in the exercise and performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability and of enforcing any remedies hereunder and under any related documents, but excluding any and all losses, expenses and liabilities which are due to the negligence or willful misconduct of the Trustee, its officers, directors, agents or employees. The obligations of the Agency under this Section shall survive resignation or removal of the Trustee under this Indenture and payment of the Bonds and discharge of this Indenture.

Section 6.07. Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with industry standards, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of the Bonds and all funds and accounts established and held by the Trustee under this Indenture. Such books of record and account shall be available for inspection by the Agency at reasonable hours, during regular business hours, with reasonable prior notice and under reasonable circumstances. The Trustee shall furnish to the Agency, at least semiannually, an accounting (which may be in the form of its customary statements) of all transactions relating to the proceeds of the Bonds and all funds and accounts held by the Trustee under this Indenture.

Section 6.08. Provisions Relating to Bond Insurance Policy. So long as the Bond Insurance Policy remains in effect, the Agency and the Trustee shall comply with all of the terms and provisions set forth in Appendix C relating to the Bond Insurer and the Bond Insurance Policy. Such provisions are hereby incorporated into this Indenture by this reference, and shall control and supersede any conflicting or inconsistent provisions in this Indenture.

Section 6.09. Provisions Relating to Reserve Policy. So long as the Reserve Policy remains in effect, the Agency and the Trustee shall comply with all of the terms and provisions set forth in Appendix D relating to the Bond Insurer and the Reserve Policy. Such provisions are hereby incorporated into this Indenture by this reference, and shall control and supersede any conflicting or inconsistent provisions in this Indenture.

ARTICLE VII

MODIFICATION AND AMENDMENT OF THIS INDENTURE

SECTION 7.01. Amendments Permitted.

(a) Amendment With Consent. This Indenture and the rights and obligations of the Agency and of the Owners of the Bonds may be modified or amended by the Agency and the Trustee upon Request of the Agency at any time by the execution of a supplemental agreement, but only with the written consent of the Bond Insurer or (with the prior written consent of the Bond Insurer) with the written consents of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding with respect to all Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 9.05. Any such supplemental agreement becomes effective upon the execution and delivery thereof by the parties thereto and upon consent of the requisite Bond Owners. No such modification or amendment shall:

- (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the Agency to pay the principal thereof, or interest thereon, at the time and place and at the rate and in the currency provided therein, without the written consent of the Owner of such Bond, or
- (ii) permit the creation by the Agency of any mortgage, pledge or lien upon the Assessment Revenues superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as expressly permitted by this Indenture), or reduce the percentage of Bonds required for the affirmative vote or written consent to an amendment or modification, or
- (iii) modify any of the rights or obligations of the Trustee without its written consent.

(b) Amendment Without Bond Insurer or Bond Owner Consent. This Indenture and the rights and obligations of the Agency and of the Owners of the Bonds may also be modified or amended at any time by a supplemental agreement, without the consent of the Bond Insurer or any Owners of the Bonds, but only for any one or more of the following purposes:

- (i) to add to the covenants and agreements of the Agency contained in this Indenture other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power herein reserved to or conferred upon the Agency;
- (ii) to cure any ambiguity, or to cure, correct or supplement any defective provision contained in this Indenture, or in any other respect whatsoever as the Agency deems necessary or desirable, provided under any circumstances that such modifications or amendments do not materially adversely affect the interests of the Owners in the opinion of Bond Counsel filed with the Agency and the Trustee;

- (iii) to provide for the issuance of Parity Obligations under Section 5.04, and to provide the terms and conditions under which such Parity Obligations may be issued, including but not limited to the establishment of special funds and accounts relating thereto and any other provisions relating solely thereto, subject to and in accordance with the provisions of Section 5.04; or
- (iv) to amend any provision hereof to assure the exclusion from gross income of interest on the Bonds for federal income tax purposes under the Tax Code, in the opinion of Bond Counsel filed with the Agency and the Trustee.

Section 7.02. Effect of Amendments. From and after the time any supplemental agreement becomes effective under this Article, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any supplemental agreement shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 7.03. Endorsement or Replacement of Bonds After Amendment. After the effective date of any amendment or modification hereof under this Article, the Agency may determine that any or all of the Bonds shall bear a notation, by endorsement in form approved by the Agency, as to such amendment or modification and in that case upon demand of the Agency the Owners of such Bonds shall present such Bonds for that purpose at the Office of the Trustee, and thereupon a suitable notation as to such action shall be made on such Bonds. In lieu of such notation, the Agency may determine that new Bonds shall be prepared and executed in exchange for any or all of the Bonds and in that case upon demand of the Agency the Owners of the Bonds shall present such Bonds for exchange at the Office of the Trustee without cost to such Owners.

Section 7.04. Amendment by Mutual Consent. The provisions of this Article shall not prevent any Owner from accepting any amendment as to the particular Bond held by such Owner.

Section 7.05. Notice of Amendments. In the event of any amendment of this Indenture under the provisions of this Article, the Trustee shall give notice of such amendment to the Bond Insurer and to each Rating Agency.

Section 7.06. Trustee's Reliance. The Trustee may conclusively rely, and is protected in relying, upon a Certificate of the Agency and an opinion of counsel stating that all requirements of this Indenture relating to the amendment or modification hereof have been satisfied and that such amendments or modifications do not materially adversely affect the interests of the Owners.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

Section 8.01. Events of Default and Acceleration of Maturities. Each of the following events constitutes an Event of Default hereunder:

- (a) Failure to pay any installment of the principal of any Bonds when due, whether at maturity as therein expressed, by proceedings for redemption, by acceleration, or otherwise.
- (b) Failure to pay any installment of interest on the Bonds when due.
- (c) Failure by the Agency to observe and perform any of the other covenants, agreements or conditions on its part contained in this Indenture or in the Bonds, if such failure has continued for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, has been given to the Agency by the Trustee or the Bond Insurer; *provided, however*, if in the reasonable opinion of the Agency the failure stated in the notice can be corrected, but not within such 30-day period, such failure shall not constitute an Event of Default if the Agency institutes corrective action within such 30-day period and thereafter diligently and in good faith cures the failure in a reasonable period of time.
- (d) The Agency commences a voluntary case under Title 11 of the United States Code or any substitute or successor statute.
- (e) The occurrence and continuation of an event of default under and as defined in any Parity Obligation Documents.

For purposes of determining whether any Event of Default has occurred under and as described in the preceding clauses (a) or (b), no effect shall be given to payments made by the Bond Insurer under the Bond Insurance Policy or the Reserve Policy.

If an Event of Default occurs and is continuing, with the prior written consent of the Bond Insurer the Trustee may, and at the written direction of the Bond Insurer or (with the prior written consent of the Bond Insurer) at the written direction of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding the Trustee shall, (a) declare the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in this Indenture or in the Bonds to the contrary notwithstanding, and (b) subject to the provisions of Section 8.06, exercise any other remedies available to the Trustee and the Bond Owners in law or at equity to enforce the rights of the Bond Owners under this Indenture.

Immediately upon having actual knowledge of the occurrence of an Event of Default, but in no event later than five Business Days following actual knowledge of such occurrence, the Trustee shall give notice of such Event of Default to the Bond Insurer and to the Agency by telephone confirmed in writing. Such notice shall also state whether the

principal of the Bonds has been declared to be or have immediately become due and payable. The Trustee shall give such notice to the Owners in the same manner as provided herein for notices of redemption of the Bonds, which shall include the statement that interest on the Bonds shall cease to accrue from and after the date, if any, on which the Trustee declares the Bonds to become due and payable under the preceding paragraph (but only to the extent that principal and any accrued, but unpaid, interest on the Bonds is actually paid on such date).

This provision, however, is subject to the condition that if, at any time after the principal of the Bonds has been so declared due and payable, and before any judgment or decree for the payment of the moneys due has been obtained or entered, the Agency shall deposit with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest on such overdue installments of principal and interest at an interest rate of 8% per annum, and the reasonable fees and expenses of the Trustee, including fees and expenses of its attorneys, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) has been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate has been made therefor, then, and in every such case, the Bond Insurer or (with the prior written consent of the Bond Insurer) the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the Agency and to the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

Section 8.02. Application of Funds Upon Acceleration. All of the Assessment Revenues and all sums in the funds and accounts established and held by the Trustee hereunder (other than in the 2025 Reserve Fund so long as it is maintained in the form of the Reserve Policy) upon the occurrence of an Event of Default, and all amounts received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of this Indenture shall be applied by the Trustee as follows and in the following order:

- (a) *First*, to the payment of any fees, costs and expenses incurred by the Trustee to protect the interests of the Owners of the Bonds; payment of the fees, costs and expenses of the Trustee (including fees and expenses of its counsel, including any allocated costs of internal counsel) incurred in and about the performance of its powers and duties under this Indenture and the payment of all fees, costs and expenses owing to the Trustee under Section 6.06, together with interest on all such amounts advanced by the Trustee at the maximum rate permitted by law.
- (b) *Second*, to the payment of the whole amount then owing and unpaid upon the Bonds for interest and principal, with interest on such overdue amounts at the respective rates of interest borne by those Bonds, and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such interest, principal and interest on overdue amounts without preference or priority among such interest, principal and

interest on overdue amounts ratably to the aggregate of such interest, principal and interest on overdue amounts.

- (c) *Third*, to the payment of amounts then due and owing to the Bond Insurer under the Bond Insurance Policy and the Reserve Policy.

Section 8.03. Power of Trustee to Control Proceedings. If the Trustee, upon the happening of an Event of Default, takes any action, by judicial proceedings or otherwise, in the performance of its duties hereunder, whether upon its own discretion, upon the request of the Bond Insurer or the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, it has full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action. The Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Bond Insurer or (with the prior written consent of the Bond Insurer) by the Owners of a majority in principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

Section 8.04. Limitation on Owners' Right to Sue. No Owner of any Bond has the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless:

- (a) said Owner has previously given to the Trustee written notice of the occurrence of an Event of Default;
- (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding have requested the Trustee in writing to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name;
- (c) said Owners have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and
- (d) the Trustee has failed to comply with such request for a period of 60 days after such written request has been received by, and said tender of indemnity has been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder; it being understood and intended that no one or more Owners has any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payment of the principal of and interest on such Bond as herein provided, shall not be impaired or affected without the

written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

Section 8.05. Non-waiver. Nothing in this Article or in any other provision of this Indenture or in the Bonds, affects or impairs the obligation of the Agency, which is absolute and unconditional, to pay from the Assessment Revenues and other amounts pledged hereunder, the principal of and interest on the Bonds to the Bond Owners when due and payable as herein provided, or affects or impairs the right of action, which is also absolute and unconditional, of the Bond Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

A waiver of any default by any Owner does not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall 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 Refunding Bond Law or by this Article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Bond Owners.

If a suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Bond Owners, the Agency the Bond Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

Section 8.06. Actions by Trustee as Attorney-in-Fact. Any suit, action or proceeding which any Owner has the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners similarly situated and the Trustee is hereby appointed (and the successive respective Owners by taking and holding the Bonds shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact, subject to the provisions of Article VI. Notwithstanding the foregoing provisions of this Section, the Trustee has no duty to enforce any such right or remedy unless it has been indemnified to its satisfaction for any additional fees, charges and expenses of the Trustee related thereto, including without limitation, fees and charges of its attorneys and advisors.

Section 8.07. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter 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 Refunding Bond Law or any other law.

Section 8.08. Rights of the Bond Insurer. Anything in this Indenture to the contrary notwithstanding, upon the occurrence and continuation of an Event of Default, the Bond Insurer is entitled to control and direct the enforcement of all rights and remedies granted hereunder to the Bond Owners, or to the Trustee for the benefit of the Bond Owners. The rights granted to the Bond Insurer hereunder shall be deemed terminated

and may not be exercisable by the Bond Insurer during any period during which the Bond Insurer is in default under the Bond Insurance Policy or the Reserve Policy.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Limited Liability of Agency. Notwithstanding anything contained in this Indenture, neither the Agency nor any of its members is required to advance any moneys derived from any source of income other than the Assessment Revenues for the payment of the principal of or interest on the Bonds, or for the performance of any covenants herein contained (except to the extent any such covenants are expressly payable hereunder from moneys other than the Assessment Revenues). The Agency may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose and may be used by the Agency for such purpose.

The Bonds are revenue bonds, payable exclusively from the Assessment Revenues and other funds as provided herein. The general fund of the Agency is not liable, and the credit of the Agency is not pledged, for the payment of the interest on or principal of the Bonds. The Owners of the Bonds have no right to compel the forfeiture of any property of the Agency. The principal of and interest on the Bonds are not a debt of any members of the Agency, or a legal or equitable pledge, charge, lien or encumbrance upon any property of the Agency or any of its members, or upon any of its income, receipts or revenues except the Assessment Revenues and other funds pledged to the payment thereof as provided in this Indenture.

Section 9.02. Benefits Limited to Parties. Nothing in this Indenture, expressed or implied, gives to any person other than the Agency and the Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Agency shall be for the sole and exclusive benefit of the Trustee and the Owners of the Bonds.

Section 9.03. Defeasance of Bonds. If the Agency pays and discharges the entire indebtedness on any Bonds in any one or more of the following ways:

- (a) by paying or causing to be paid the principal of and interest on such Bonds, as and when the same become due and payable;
- (b) by irrevocably depositing with the Trustee or an Escrow Agent, in trust, at or before maturity, an amount of cash which, together with the available amounts then on deposit in the funds and accounts established under this Indenture, in the opinion or report of an Independent Accountant is fully sufficient to pay such Bonds, including all principal and interest;
- (c) by irrevocably depositing with the Trustee or an Escrow Agent, in trust, Defeasance Securities in such amount as an Independent Accountant determines will, together with the interest to accrue thereon and available moneys then on deposit in any of the funds and

accounts established under this Indenture, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal and interest) at or before maturity; or

- (d) by purchasing such Bonds prior to maturity and tendering such Bonds to the Trustee for cancellation;

and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption has been duly given or provision satisfactory to the Trustee has been made for the giving of such notice, then, at the election of the Agency, and notwithstanding that any such Bonds have not been surrendered for payment, the pledge of the Assessment Revenues and other funds provided for in this Indenture and all other obligations of the Trustee and the Agency under this Indenture with respect to such Bonds shall cease and terminate, except only:

- (a) the obligations of the Agency under Section 5.06,
- (b) the obligation of the Trustee to transfer and exchange Bonds hereunder,
- (c) the obligation of the Agency to pay or cause to be paid to the Owners of such Bonds, from the amounts so deposited with the Trustee, all sums due thereon, and
- (d) the obligations of the Agency to compensate and indemnify the Trustee under Section 6.06.

The Agency shall file notice of such election with the Trustee. In the case of a defeasance or payment of all of the Bonds Outstanding in accordance with this Section, the Trustee shall pay all amounts held by it in any funds or accounts hereunder, which are not required for said purpose or for payment of amounts due the Trustee under Section 6.06, to the Agency.

Section 9.04. Execution of Documents and Proof of Ownership by Owners.

Any request, consent, declaration or other instrument which this Indenture may require or permit to be executed by any Owner may be in one or more instruments of similar tenor, and shall be executed by such Owner in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, consent, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

The ownership of Bonds and the amount, maturity, number and date of ownership thereof are conclusively proved by the Registration Books.

Any request, declaration or other instrument or writing of the Owner of any Bond binds all future Owners of such Bond in respect of anything done or suffered to be done by the Agency or the Trustee in good faith and in accordance therewith.

Section 9.05. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the Agency (but excluding Bonds held in any employees' retirement fund) must be disregarded and deemed not to be Outstanding for the purpose of any such determination. The Trustee shall not be deemed to have knowledge that any Bond is owned or held by the Agency unless the Agency is the Registered Owner or the Trustee has received written notice to that effect.

Section 9.06. Waiver of Personal Liability. No member, officer, agent or employee of the Agency shall be individually or personally liable for the payment of the principal of or interest on the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 9.07. Destruction of Canceled Bonds. Whenever in this Indenture provision is made for the surrender to the Agency of any Bonds which have been paid or canceled under the provisions of this Indenture, a certificate of destruction duly executed by the Trustee shall be deemed to be the equivalent of the surrender of such canceled Bonds and the Agency shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Bonds therein referred to. The Agency shall pay all costs of any microfilming of Bonds to be destroyed.

Section 9.08. Funds and Accounts. Any fund or account required by this Indenture to be established and maintained by the Agency or the Trustee may be established and maintained in the accounting records of the Agency or the Trustee, as the case may be, either as a fund or an account, and may, for the purpose of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account. All such records with respect to all such funds and accounts held by the Agency shall at all times be maintained in accordance with generally accepted accounting principles and all such records with respect to all such funds and accounts held by the Trustee shall be at all times maintained in accordance with industry practices; in each case with due regard for the protection of the security of the Bonds and the rights of every Owner thereof.

Section 9.09. Notices. All written notices to be given under this Indenture shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, including email, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Agency or the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the Agency: Sutter Butte Flood Control Agency
1227 Bridge Street, Suite C
Yuba City, California 95991
Attention: Executive Director
Telephone: (530) 755-9859

If to the Trustee: U.S. Bank Trust Company, National Association
Corporate Trust Dept.
350 California Street, 11th Floor
San Francisco, California 94104
Email:

Section 9.10. Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest on or principal of the Bonds which remains unclaimed for two years after the date when the payments of such interest and premium have become payable, if such money was held by the Trustee at such date, or for two years after the date of deposit of such money if deposited with the Trustee after the date when the interest on and principal of such Bonds have become payable, shall be repaid by the Trustee to the Agency as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the Agency for the payment of the principal of and interest on such Bonds.

Section 9.11. Payment on Non-Business Day. In the event any payment is required to be made hereunder on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and with the same effect as if made on such preceding non-Business Day.

Section 9.12. Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Agency and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 9.13. Third Party Beneficiary. The Bond Insurer is hereby made a third party beneficiary hereunder with all rights of a third party beneficiary. As a third party beneficiary, the Bond Insurer shall be entitled to enforce any right, remedy or claim conferred, given or granted hereunder for its benefit.

Section 9.14. Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the SUTTER BUTTE FLOOD CONTROL AGENCY has caused this Indenture to be signed in its name by its Executive Director and to be attested by its Treasurer, and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, in token of its acceptance of the trust created hereunder, has caused this Indenture to be signed in its corporate name by its officer identified below, all as of the day and year first above written.

**SUTTER BUTTE FLOOD CONTROL
AGENCY**

By _____
Executive Director

Attest

Treasurer

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, as Trustee**

By _____
Vice President

APPENDIX A

DEFINITIONS

“Agency” means the Sutter Butte Flood Control Agency, a joint powers agency formed under the laws of the State of California.

“Assessment Revenues” means all assessments received by or on behalf of the Agency from properties in the jurisdiction of the Agency under the provisions of the Benefit Assessment Act of 1982. The term “Assessment Revenues” does not include amounts retained by the County of Sutter or the County of Butte representing an administration fee charged for collecting such assessments.

“Authorized Representative” means the Executive Director or Treasurer of the Agency, or any other person designated in writing by the Executive Director or Treasurer of the Agency to act as an authorized representative of the Agency in connection with the Bonds.

“Benefit Assessment Act of 1982” means the Benefit Assessment Act of 1982, constituting Chapter 6.4 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 54703 of said Code, as in effect on the Closing Date or as amended thereafter.

“Bond Counsel” means (a) Jones Hall LLP, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Agency of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Tax Code.

“Bond Insurance Policy” means the Municipal Bond Insurance Policy issued by the Bond Insurer with respect to the Bonds.

“Bond Insurer” means _____, its successors and assigns, as issuer of the Bond Insurance Policy and the Reserve Policy.

“Bond Year” means any twelve-month period commencing on October 16 in a year and ending on the next succeeding October 15, both dates inclusive; except that the first Bond Year commences on the Closing Date and ends on October 15, 2026.

“Bonds” means the Sutter Butte Flood Control Agency Assessment Revenue Refunding Bonds, Series 2025 issued in the aggregate principal amount of \$_____ and at any time Outstanding hereunder.

“Business Day” means a day (other than a Saturday or a Sunday) on which banks are not required or authorized to remain closed in the city in which the Office of the Trustee is located, and on which the Federal Reserve Bank system is not closed.

“Certificate of the Agency” means a certificate in writing signed by an Authorized Representative.

“Closing Date” means December __, 2025, being the date of delivery of the Bonds to the Original Purchaser.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Agency relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to: printing expenses; Rating Agency fees; filing and recording fees; initial fees, expenses and charges of the Trustee and its counsel, including the Trustee’s first annual administrative fee; premium for the Bond Insurance Policy and the Reserve Policy, fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals; fees and charges for preparation, execution and safekeeping of the Bonds; and any other cost, charge or fee in connection with the original issuance of the Bonds.

“Costs of Issuance Fund” means the fund by that name established and held by the Trustee under Section 3.03.

“Defeasance Securities” means: (a) any direct general non-callable obligations of the United States of America, including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America; (b) any obligations the timely payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America or which are secured by obligations described in the preceding clause (a); (c) the interest component of Resolution Funding Corporation strips which have been stripped by request to the Federal Reserve Bank of New York in book-entry form; (d) pre-refunded municipal bonds rated in the highest rating category by the Rating Agency; and (e) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies: (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Farmers Home Administration; (iii) participation certificates of the General Services Administration; (iv) Federal Financing Bank bonds and debentures; (v) guaranteed Title XI financings of the U.S. Maritime Administration; (vi) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development; and (vi) obligations of the Federal Home Loan Bank (FHLB).

“Depository” means (a) initially, DTC, and (b) any other Securities Depository acting as Depository under Section 2.04.

“Depository System Participant” means any participant in the Depository's book-entry system.

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

“Escrow Agent” means U.S. Bank Trust Company, National Association, as Escrow Agent under the Escrow Agreement.

“Escrow Agreement” means the Escrow Agreement dated as of the Closing Date, between the Agency and the Escrow Agent, relating to the redemption and defeasance of the Refunded Prior Bonds.

“Event of Default” means any of the events described in Section 8.01.

“Fiscal Year” means the period commencing on July 1 of each year and terminating on the next succeeding June 30, or such other period as may be established by the Agency as its official fiscal year period (written notice of which shall be given by the Agency to the Trustee).

“Governmental Revenues” means Assessment Revenues which are imposed on any federal, state or local government agency.

“Indenture” means this Indenture of Trust, as originally executed or as it may from time to time be supplemented, modified or amended in accordance with the provisions hereof.

“Independent Accountant” means any accountant or firm of such accountants appointed and paid by the Agency, and who, or each of whom (a) is in fact independent and not under domination of the Agency; (b) does not have any substantial interest, direct or indirect, with the Agency; and (c) is not connected with the Agency as an officer or employee of the Agency, but who may be regularly retained to make annual or other audits of the books of or reports to the Agency.

“Interest Payment Date” means April 1 and October 1 in each year, beginning April 1, 2026, and continuing so long as any Bonds remain Outstanding.

“Maximum Annual Debt Service” means, as of the date of any calculation, the maximum sum obtained for the current or any future Bond Year so long as any of the Bonds remain Outstanding by totaling the following amounts for such Bond Year:

- (a) the aggregate amount of principal of and interest on the Outstanding Bonds coming due and payable in such Bond Year;
- (b) the principal amount of all outstanding Non-Refunded Prior Bonds and Parity Obligations, if any, coming due and payable by their terms in such Bond Year, including the principal of Non-Refunded Prior Bonds and any Parity Obligations coming due and payable by operation of mandatory sinking fund redemption; and
- (c) the amount of interest which would be due during such Bond Year on the aggregate principal amount of the Bonds, the Non-Refunded Bonds and any Parity Obligations which would be outstanding in such Bond Year if such Bonds, Non-Refunded Prior Bonds and Parity Obligations are retired as scheduled.

“Municipal Advisor” means any consultant or firm of such consultants appointed by the Agency and who, or each of whom: (a) is judged by the Agency to have experience in matters relating to the financing of public capital improvements; (b) is in fact independent and not under domination of the Agency; (c) does not have any substantial interest, direct or indirect, with the Agency; and (d) is not connected with the Agency as an officer or employee of the Agency, but who may be regularly retained to make reports to the Agency.

“Nominee” means (a) initially, Cede & Co. as nominee of DTC, and (b) any other nominee of the Depository designated pursuant to Section 2.04(a).

“Non-Refunded Prior Bonds” means, collectively, the 2013 Bonds which mature on October 1, 20__, and the 2015 Bonds which mature on October 1, 20__.

“Office” means, with respect to the Trustee, the corporate trust office of the Trustee at the address set forth in Section 9.09, or at such other or additional offices as may be specified by the Trustee in writing to the Agency; except that with respect to presentation of Bonds for payment or for registration of transfer and exchange, such term means the office or agency of the Trustee at which, at any particular time, its corporate trust agency business is conducted.

“Operating Fund” means the fund or funds heretofore established and held by or on behalf of the Agency for the receipt and deposit of Assessment Revenues.

“Original Purchaser” means Stifel, Nicolaus and Company, Inc., as the original purchaser of the Bonds upon their delivery by the Trustee on the Closing Date.

“Outstanding”, when used as of any particular time with reference to Bonds, means all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds with respect to which all liability of the Agency has been discharged in accordance with Section 9.03; (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to this Indenture; and (d) Bonds which are required to be disregarded and not deemed Outstanding under Section 9.05.

“Owner”, when used with respect to any Bond, means the person in whose name the ownership of such Bond shall be registered on the Registration Books.

“Parity Obligation Documents” means all leases, installment sale agreements, trust agreements, indentures of trust and other documents prescribing the terms and provisions applicable to any issue of Parity Obligations.

“Parity Obligations” means all bonds, notes, loan agreements, installment sale agreements, leases or other obligations of the Agency payable from and secured by a pledge of and lien upon any of the Assessment Revenues issued or incurred on a parity with the Bonds under Section 5.04.

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

- (a) Defeasance Securities.
- (b) Any direct or indirect obligations of an agency or department of the United States of America whose obligations represent the full faith and credit of the United States of America, or which are rated A or better by the Rating Agency.
- (c) Bank deposit products, demand deposits, including interest bearing money market accounts, time deposits, trust funds, trust accounts,

overnight bank deposits, other deposit products, certificates of deposit, including those placed by a third party pursuant to an agreement between the Trustee and the Agency, or bankers acceptances of depository institutions, including the Trustee or any of its affiliates, interest-bearing deposit accounts (including certificates of deposit) in federal or State chartered savings and loan associations or in federal or State of California banks (including the Trustee and its affiliates), provided that: (i) the unsecured obligations of such commercial bank or savings and loan association are rated A or better by the Rating Agency at the time of purchase; (ii) such deposits are fully insured by the Federal Deposit Insurance Corporation; or (iii) such deposits are collateralized by Defeasance Securities in the amount exceeding FDIC insurance.

- (d) Commercial paper rated in the highest short-term rating category by the Rating Agency at the time of purchase.
- (e) Federal funds or bankers acceptances with a maximum term of one year of any bank which an unsecured, uninsured and unguaranteed obligation rating in the highest rating category of the Rating Agency.
- (f) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating in the highest rating category of the Rating Agency (such funds may include funds for which the Trustee, its affiliates, parent or subsidiaries receive and retain a fee for services provided to the fund whether as a custodian, transfer agent, investment advisor or otherwise).
- (g) Obligations the interest on which is excludable from gross income pursuant to Section 103 of the Tax Code and which are either (a) rated A or better by the Rating Agency, or (b) fully secured as to the payment of principal and interest by Defeasance Securities.
- (h) Bonds or notes issued by any state or municipality which are rated by the Rating Agency in one of the two highest rating categories assigned by such Rating Agency.
- (i) Any investment agreement with, or guaranteed by, a financial institution the long-term unsecured obligations or the claims paying ability of which are rated A or better by the Rating Agency at the time of initial investment.
- (j) The Local Agency Investment Fund of the State of California, created under Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.

Ratings of Permitted Investments referred to in this definition shall be determined at the time of purchase of such Permitted Investments and without regard to rating subcategories. The Trustee shall have no responsibility to monitor the ratings of Permitted

Investments after the initial purchase of such Permitted Investments or the responsibility to validate the ratings of Permitted Investments prior to the initial purchase.

"Prior Bond Indentures" means, collectively, (a) the Indenture of Trust dated as of June 1, 2013, between the Agency and Union Bank, N.A., as the original trustee for the 2013 Bonds, and (b) the Indenture of Trust dated as of June 1, 2015, between the Agency and MUFG Union Bank, N.A., as the original trustee for the 2015 Bonds.

"Rating Agency" means S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, its successor and assigns.

"Record Date" means, with respect to any Interest Payment Date, the 15th calendar day of the month immediately preceding such Interest Payment Date.

"Refunded Prior Bonds" means, collectively, all of the outstanding 2013 Bonds and 2015 Bonds other than the Non-Refunded Prior Bonds.

"Refunding Bond Law" means the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Sections 53570 and 53580 of said Code, as in effect on the Closing Date or as thereafter amended in accordance with its terms.

"Registration Books" means the books maintained by the Trustee under Section 2.07 for the registration and transfer of ownership of the Bonds.

"Request of the Agency" means a request in writing signed by an Authorized Representative of the Agency.

"Reserve Policy" means the Municipal Bond Debt Service Reserve Policy issued by the Bond Insurer on the Closing Date for the credit of the 2025 Reserve Fund in the amount of the 2025 Reserve Requirement.

"Securities Depositories" means DTC; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Agency may designate in a Request of the Agency delivered by the Agency to the Trustee.

"Tax Code" means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

"Term Bonds" means the Bonds maturing on October 1 in each of the years 20__ and 20__.

"2013 Bonds" means the Sutter Butte Flood Control Agency Assessment Revenue Refunding Bonds, Series 2013, issued in the aggregate original principal amount of \$41,035,000.

"2015 Bonds" means the Sutter Butte Flood Control Agency Assessment Revenue Refunding Bonds, Series 2015, issued in the aggregate original principal amount of \$47,070,000.

"2025 Bond Service Fund" means the fund by that name established and held by the Trustee under Section 4.02(a).

"2025 Redemption Fund" means the fund by that name established and held by the Trustee under Section 4.02(c).

"2025 Reserve Fund" means the fund by that name established pursuant and held by the Trustee under Section 3.04.

"2025 Reserve Requirement" means, as of any date of calculation, an amount equal to 50% of the maximum amount of principal of and interest on the Bonds coming due and payable in the current or any future Bond Year.

"Trustee" means U.S. Bank Trust Company, National Association, as Trustee hereunder, or any successor thereto appointed as Trustee hereunder in accordance with the provisions of Article VI.

APPENDIX B
FORM OF BOND

No. R-1

***\$_____**

SUTTER BUTTE FLOOD CONTROL AGENCY
ASSESSMENT REVENUE REFUNDING BONDS, SERIES 2025

INTEREST RATE: MATURITY DATE: ISSUE DATE: CUSIP:

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The SUTTER BUTTE FLOOD CONTROL AGENCY, a joint powers agency organized and existing under the laws of the State of California (the "Agency") for value received, hereby promises to pay (but only out of the Assessment Revenues and other assets pledged therefor as hereinafter mentioned) to the Registered Owner stated above, or registered assigns, on the Maturity Date stated above (subject to any right of prior redemption hereinafter mentioned), the Principal Amount stated above, in lawful money of the United States of America; and to pay interest thereon in like lawful money from the Interest Payment Date next preceding the date of authentication of this Bond (unless this Bond is authenticated as of a day during the period commencing after the fifteenth day of the month preceding an Interest Payment Date and ending on or before such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or before March 15, 2026, in which event it shall bear interest from the Issue Date stated above) until payment of such principal sum shall be discharged as provided in the Indenture of Trust hereinafter mentioned, at the Interest Rate per annum stated above, payable semiannually on each April 1 and October 1, commencing April 1, 2026 (each, an "Interest Payment Date").

The principal (or redemption price) hereof is payable by check at the Office (as defined in the Indenture of Trust referred to below) of U.S. Bank Trust Company, National Association (together with any successor, the "Trustee"). Interest hereon is payable by check of the Trustee mailed on each Interest Payment Date to the Registered Owner as of the 15th day of the month preceding each Interest Payment Date (except with respect to payment of defaulted interest as provided in the Indenture of Trust hereinafter referred to) at the address shown on the registration books maintained by the Trustee. Payment of interest shall be made by wire transfer in immediately available funds to an account in the United States of America to any Owner of Bonds in the aggregate principal amount of

\$1,000,000 or more who shall furnish written wire instructions to the Trustee before the first calendar day of the month in which the applicable Interest Payment Date occurs.

This Bond is one of a duly authorized issue of bonds of the Agency designated as its "Sutter Butte Flood Control Agency Assessment Revenue Refunding Bonds, Series 2025" (the "Bonds"), in the aggregate principal amount of \$_____, authorized under a Resolution adopted by the Board of Directors of the Agency on November 12, 2025, and issued under an Indenture of Trust dated as of December 1, 2025 (the "Indenture of Trust"), between the Agency and the Trustee. The Bonds have been issued for the purpose of financing improvements to the Agency's flood control system. The Bonds have been authorized to be issued under the provisions of Article 4, Chapter 5, Division 7 of the Government Code of the State of California, commencing with Section 6584 of said Code (the "Bond Law").

Reference is hereby made to the Indenture of Trust (a copy of which is on file at said Office of the Trustee) and all agreements supplemental thereto and to the Refunding Bond Law for a description of the rights thereunder of the owners of the Bonds, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and of the rights and obligations of the Agency thereunder. The Registered Owner of this Bond, by acceptance hereof, assents and agrees to all the provisions of the Indenture of Trust.

The Bonds and the interest thereon are payable from Assessment Revenues (as such term is defined in the Indenture of Trust) and are secured by a pledge and assignment of said Assessment Revenues and of amounts held in the 2025 Bond Service Fund and the 2025 Reserve Fund established under the Indenture of Trust, subject only to the provisions of the Indenture of Trust permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture of Trust. The Agency has previously issued its obligations on a parity with the Bonds, and has the right under the Indenture of Trust to issue additional obligations on a parity with the Bonds, subject to the specific conditions set forth in the Indenture of Trust. The Bonds are special obligations of the Agency and are not a lien or charge upon the funds or property of the Agency, except to the extent of the aforesaid pledge and assignment.

The Bonds maturing on or before October 1, 20____, are not subject to optional redemption prior to their respective stated maturities. The Bonds maturing on October 1, 20____, are subject to redemption in whole or in part by lot, at the option of the Agency, from any available source of funds, on any business day on or after October 1, 20____, at a redemption price equal to 100% of the principal amount thereof to be redeemed together with accrued interest to the redemption date, without premium.

The Bonds maturing on October 1 in the years 20____ and 20____ are Term Bonds which are subject to mandatory redemption in part by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on October 1 in the respective years as set forth in the following tables; *provided, however*, that if some but not all of the Term Bonds have been redeemed under the foregoing optional redemption provisions, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of the Term Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the Agency to the Trustee).

**Term Bonds Maturing
October 1, 20__**

Sinking Fund
Redemption Date
(October 1)

Principal Amount
To Be Redeemed

**Term Bonds Maturing
October 1, 20__**

Sinking Fund
Redemption Date
(October 1)

Principal Amount
To Be Redeemed

The Agency has the right to rescind any notice of the optional redemption of Bonds by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of optional redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default.

Whenever provision is made in the Indenture of Trust for the redemption of Bonds of more than one maturity, the Bonds to be redeemed shall be selected among maturities on such basis as shall be set forth in a written certificate of the Agency filed with the Trustee, and the Trustee shall select the Bonds to be redeemed within any maturity by lot in any manner which the Trustee in its sole discretion shall deem appropriate. For purposes of such selection, all Bonds shall be deemed to be comprised of separate \$5,000 portions and such portions shall be treated as separate Bonds which may be separately redeemed.

The Trustee on behalf and at the expense of the Agency shall mail (by first class mail) notice of any redemption to the respective Owners of any Bonds designated for redemption, at least 20 but not more than 60 days prior to the redemption date, at their respective addresses appearing on the Registration Books. Neither the failure to receive any such notice so mailed nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Interest on the Bonds called for redemption shall not accrue from and after the redemption date.

The Bonds are issuable as fully registered Bonds in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations provided in the Indenture of Trust, Bonds may be exchanged, at said Office of the Trustee, for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at said office of the Trustee, but only in the manner, subject to the limitations provided in the Indenture of Trust, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds, of authorized denomination or denominations, of the same maturity and for the same aggregate principal amount, will be issued to the transferee in exchange herefor. The Agency and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Agency and the Trustee shall not be affected by any notice to the contrary.

The Indenture of Trust and the rights and obligations of the Agency and of the owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture of Trust; provided that no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Agency to pay the principal, interest or redemption premiums at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee, all as more fully set forth in the Indenture of Trust.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

It is hereby certified and recited that any and all things, conditions and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Refunding Bond Law, and by the constitution and laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the Agency, does not exceed any limit prescribed by the Refunding Bond Law and is not in excess of the amount of Bonds permitted to be issued under the Indenture of Trust.

This Bond is not entitled to any benefit under the Indenture of Trust, or is not valid or obligatory for any purpose, until the certificate of authentication hereon endorsed has been signed by the Trustee.

IN WITNESS WHEREOF, Sutter Butte Flood Control Agency has caused this Bond to be executed in its name and on its behalf by the facsimile signature of its Executive Director of the Agency and attested to by the facsimile signature of its Treasurer of the Agency, all as of the Issue Date stated above.

**SUTTER BUTTE FLOOD CONTROL
AGENCY**

By _____
Executive Director

Attest

Treasurer

CERTIFICATE OF AUTHENTICATION

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

Dated:

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION**
as Trustee

By _____
Authorized Signatory

ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto _____ whose address and social security or other tax identifying number is _____, the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney,

to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

Note: Signature(s) must be guaranteed by an eligible guarantor institution.

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

APPENDIX C

PROVISIONS RELATING TO THE BOND INSURANCE POLICY

The following terms and provisions are hereby incorporated into this Indenture by this reference. Such provisions shall control and supersede any conflicting or inconsistent provisions in this Indenture.

APPENDIX D

PROVISIONS RELATING TO THE RESERVE POLICY

The following terms and provisions are hereby incorporated into this Indenture by this reference. Such provisions shall control and supersede any conflicting or inconsistent provisions in this Indenture.

ESCROW AGREEMENT

This ESCROW AGREEMENT (this "Agreement"), dated December __, 2025, is between the SUTTER BUTTE FLOOD CONTROL AGENCY, a joint powers agency organized and existing under the laws of the State of California (the "Agency"), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, acting as escrow agent (the "Escrow Agent") and as trustee for the 2013 Bonds and 2015 Bonds described below.

BACKGROUND:

1. The Agency has undertaken a plan to construct various flood control improvements to provide protection from flood flows within the Feather River, Sutter Bypass and Wadsworth Canal (the "Flood Control Project"), and in order to provide financing for the Flood Control Project, the Agency has previously issued the following series of its bonds which are secured by certain assessment revenues of the Agency levied under the Benefit Assessment Act of 1982:

- (a) the Sutter Butte Flood Control Agency Assessment Revenue Bonds, Series 2013 issued in the aggregate principal amount of \$41,035,000 (the "2013 Bonds"), under an Indenture of Trust dated as of June 1, 2013 (the "2013 Bond Indenture"), between the Agency and Union Bank, N.A., as trustee; and
- (b) the Sutter Butte Flood Control Agency Assessment Revenue Bonds, Series 2015 issued in the aggregate principal amount of \$47,070,000 (the "2015 Bonds"), under an Indenture of Trust dated as of June 1, 2015 (the "2015 Bond Indenture"), between the Agency and MUFG Union Bank, N.A., as trustee.

2. The 2013 Bonds and the 2015 Bonds are currently subject to redemption on any business day at a redemption price equal to 100% of the principal amount thereof together accrued interest thereon to the redemption date, without premium.

3. In order to provide funds to redeem all or a portion of the 2013 Bonds and the 2015 Bonds and thereby realize debt service savings, the Agency has authorized the issuance of its Sutter Butte Flood Control Agency Assessment Revenue Refunding Bonds, Series 2025 in the aggregate principal amount of \$_____ (the "2025 Refunding Bonds") under an Indenture of Trust dated as of December 1, 2025, between the Agency and U.S. Bank Trust Company, National Association, as trustee (the "2025 Bond Trustee").

4. U.S. Bank Trust Company, National Association, currently serves as trustee for the 2013 Bonds and the 2015 Bonds (the "Prior Bonds Trustee").

5. The Agency wishes to appoint the Escrow Agent for the purpose of establishing an irrevocable escrow fund to be funded, invested, held and administered for

the purpose of providing for the redemption and defeasance of a portion of the 2013 Bonds and a portion of the 2015 Bonds as provided herein.

A G R E E M E N T :

In consideration of the premises and the material covenants contained herein, the Agency and the Escrow Agent hereby agree as follows:

Section 1. Identification of Refunded Prior Bonds. The 2013 Bonds and the 2015 Bonds which are refunded hereunder consist of all of the 2013 Bonds other than the 2013 Bonds maturing on October 1, 20__ and all of the 2015 Bonds other than the 2015 Bonds maturing on October 1, 20__ (together, the “Refunded Prior Bonds”).

Section 2. Appointment of Escrow Agent; Establishment of Escrow Fund. The Agency hereby appoints the Escrow Agent to act as escrow agent for purpose of administering the funds required to redeem the Refunded Prior Bonds in accordance with provisions of Section 2.03(a) of the 2013 Bond Indenture and Section 2.03(a) of the 2015 Bond Indenture, respectively, and thereby discharge the Refunded Prior Bonds in accordance with the provisions of Section 9.03 of the 2013 Bond Indenture and Section 9.03 of the 2015 Bond Indenture, respectively.

The Escrow Agent is hereby directed to establish an escrow fund (the “Escrow Fund”) to be held by the Escrow Agent in trust as an irrevocable escrow securing the payment of the redemption price of the Refunded Prior Bonds. If at any time the Escrow Agent receives actual knowledge that the cash in the Escrow Fund will not be sufficient to make any payment required by Section 4, the Escrow Agent shall notify the Agency of such fact and the Agency shall immediately cure such deficiency from any source of legally available funds. The Escrow Agent has no liability for any such insufficiency.

Section 3. Deposit and Investment of Amounts in Escrow Fund. On December __, 2025 (the “Closing Date”), the Agency shall cause to be transferred to the Escrow Agent for deposit into the Escrow Fund the amount of \$_____ in immediately available funds, to be derived from the proceeds of the 2025 Refunding Bonds.

On the Closing Date, the Escrow Agent shall invest the amount of \$_____ on deposit in the Escrow Fund in the following United States Treasury Securities, State and Local Government Series, of the type indicated, and shall hold the remaining \$_____ in cash, uninvested.

<u>Type of Security</u>	<u>Maturity Date</u>	<u>Par Amount</u>	<u>Rate</u>
Certificate of Indebtedness		\$	%

Section 4. Application of Amounts in Escrow Fund. On _____, 2026, the Escrow Agent shall apply the amounts on deposit in the Escrow Fund to redeem the 2013 Bonds and the 2015 in accordance with the following schedules:

2013 Bonds Redemption Schedule

<u>Payment Date</u>	<u>Interest Payment</u>	<u>Redeemed Principal</u>	<u>Total Payment</u>
_____, 2026	\$	\$	\$

2015 Bonds Redemption Schedule

<u>Payment Date</u>	<u>Interest Payment</u>	<u>Redeemed Principal</u>	<u>Total Payment</u>
_____, 2026	\$	\$	\$

Following the payment and redemption of the Refunded Prior Bonds in full on _____, 2026, the Escrow Agent shall transfer any amounts remaining on deposit in the Escrow Fund to the 2025 Bond Trustee to be applied to pay interest next coming due and payable on the 2025 Refunding Bonds.

Section 5. Irrevocable Election to Redeem Refunded Prior Bonds. The Agency hereby notifies the Escrow Agent of its irrevocable election to redeem the Refunded Prior Bonds in full on _____, 2026, pursuant to Section 2.03(a) of the 2013 Bond Indenture and Section 2.03(a) of the 2015 Bond Indenture, respectively, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium.

In its capacity as the Prior Bonds Trustee, the Escrow Agent shall give notice of redemption of the Refunded Prior Bonds in accordance with provisions of Section 2.03(c) of the 2013 Bond Indenture and Section 2.03(c) of the 2015 Bond Indenture, respectively, at the sole expense of the Agency. Such notice shall be in substantially the forms set forth in Exhibit A attached hereto. In addition, following the deposit of funds into the Escrow Fund under Section 2, the Escrow Agent shall cause a Notice of Defeasance for the Refunded Prior Bonds, in substantially the forms attached hereto as Exhibit B, to be filed on the Electronic Municipal Market Access (EMMA) System which is maintained by the Municipal Securities Rulemaking Board.

Section 6. Substitution or Withdrawal of Federal Securities. The Agency may at any time direct the Escrow Agent to substitute other Federal Securities (as such term is defined in the 2013 Bond Indenture and the 2015 Bond Indenture) for any or all of the Federal Securities then deposited in the Escrow Fund, or to withdraw and transfer to the Agency any portion of the Federal Securities then deposited in the Escrow Fund, provided that any such direction and substitution or withdrawal shall be accompanied by: (a) a certification of an independent certified public accountant or firm of certified public accountants of favorable national reputation experienced in the refunding of obligations of political subdivisions that the Federal Securities then to be so deposited in the Escrow Fund, together with interest to be derived therefrom, or in the case of withdrawal, the Federal Securities to be remaining in the Escrow Fund following such withdrawal, together with the interest to be derived therefrom, shall be in an amount at all times at least sufficient to make the payments specified in Section 4; and (b) an opinion of Bond Counsel that the substitution or withdrawal will not affect, for Federal income tax purposes, the exclusion from gross income for federal income tax purposes of the interest on the 2013 Bonds, the 2015 Bonds or the 2025 Bonds. In the event that, following any such substitution of Federal Securities pursuant to this Section, there is an amount of moneys or Federal Securities in excess of an amount sufficient to make the payments required by Section 4, such excess shall be paid to the Agency.

Section 7. Compensation to Escrow Agent. The Agency shall pay the Escrow Agent full compensation for its services under this Agreement, including out-of-pocket costs such as redemption expenses, legal fees and other costs and expenses relating hereto and, in addition, all fees, costs and expenses relating to the purchase, substitution or withdrawal of any securities after the date hereof.

Section 8. Right to Rely on Documents. The Escrow Agent may conclusively rely as to the truth and accuracy of the statements and correctness of any opinions or calculations provided to it in connection with this Agreement and shall be protected in acting, or refraining from acting, upon any notice, instruction, request, certificate, document, opinion or other writing furnished to the Escrow Agent in connection with this Agreement and believed by the Escrow Agent to be signed by the proper party, and it need not investigate any fact or matter stated therein.

Section 9. Indemnification of Escrow Agent. The Agency shall indemnify, defend and hold harmless the Escrow Agent and its officers, directors, employees, representatives and agents, from and against and reimburse the Escrow Agent for any and all claims, obligations, liabilities, losses, damages, actions, suits, judgments, costs and expenses (including attorneys' and agents' fees and expenses) of whatever kind or nature regardless of their merit, demanded, asserted or claimed against the Escrow Agent directly or indirectly relating to, or arising from the execution and delivery of this Agreement and in the performance of its duties and obligations under this Agreement, except to the extent caused by the Escrow Agent's negligence or willful misconduct. The provisions of this Section shall survive the termination of this Agreement or the earlier resignation or removal of the Escrow Agent.

Section 10. Limitations on Liability. The Escrow Agent undertakes to perform only such duties as are expressly set forth in this Agreement and no implied duties, covenants or obligations shall be read into this Agreement against the Escrow Agent. The Escrow Agent shall not have any liability hereunder except to the extent of its negligence or willful misconduct. In no event shall the Escrow Agent be liable for any special, indirect or consequential damages. The Escrow Agent shall not be liable for any loss from any investment made by it in accordance with the terms of this Agreement. The Escrow Agent shall not be liable for the recitals or representations contained in this Agreement and shall not be responsible for the validity of this Agreement, the sufficiency of the Escrow Fund or the moneys and securities to pay the redemption price of the Refunded Prior Bonds.

Whenever in the administration of this Agreement the Escrow Agent deems it necessary or desirable that a matter be proved or established prior to taking or not taking any action, such matter may be deemed to be conclusively proved and established by a certificate of an authorized representative of the Agency and shall be full protection for any action taken or not taken by the Escrow Agent in good faith reliance thereon.

None of the provisions of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder. The Escrow Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed. The Escrow Agent shall not be liable to the parties hereto or

deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Escrow Agent and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

The Escrow Agent agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Escrow Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Agency elects to give the Escrow Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Agent in its discretion elects to act upon such instructions, the Escrow Agent's understanding of such instructions shall be deemed controlling. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such instructions notwithstanding that such instructions conflict or are inconsistent with a subsequent written instruction. The Agency agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

The Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Agency the right to receive brokerage confirmations of security transactions as they occur, the Agency specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Agent will furnish the Agency periodic transaction statements which include detail for all investment transactions made by the Escrow Agent hereunder; provided that the Escrow Agent is not obligated to provide an accounting for any fund or account that (a) has a balance of \$0.00 and (b) has not had any activity since the last reporting date.

Section 11. Resignation; Successors and Assigns. The Escrow Agent may at any time resign by giving 30 days' written notice of resignation to the Agency. Upon receiving such notice of resignation, the Agency shall promptly appoint a successor and, upon the acceptance by the successor of such appointment, release the resigning Escrow Agent from its obligations hereunder by written instrument, a copy of which instrument shall be delivered to each of the Agency, the resigning Escrow Agent and the successor. If no successor shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor.

Any bank, corporation or association into which the Escrow Agent may be merged or converted or with which it may be consolidated, or any bank, corporation or association resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any bank, corporation or association succeeding to all or substantially all of the corporate trust business of the Escrow Agent shall be the successor of the Escrow Agent hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except on the part of any of the parties

hereto where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

Section 12. Termination of Agreement. Upon payment and redemption in full of the Refunded Prior Bonds, and upon payment of all fees, expenses and charges of the Escrow Agent as described above, this Agreement shall terminate and the Escrow Agent shall be discharged from any further obligation or responsibility hereunder.

Section 13. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

**SUTTER BUTTE FLOOD CONTROL
AGENCY**

By: _____
Executive Director

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,**
as Escrow Agent

By: _____
Vice President

EXHIBIT A

NOTICE OF REDEMPTION OF

\$41,035,000

**SUTTER BUTTE FLOOD CONTROL AGENCY
ASSESSMENT REVENUE BONDS, SERIES 2013**

<u>Maturity Date</u> <u>(October 1)</u>	<u>CUSIP</u>	<u>Interest</u> <u>Rate</u>	<u>Par Amount</u>
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NOTICE IS HEREBY GIVEN to the holders of the outstanding Sutter Butte Flood Control Agency Assessment Revenue Bonds, Series 2013 which are referenced in the table above (the "Refunded 2013 Bonds"), that such bonds have been called for redemption prior to maturity on _____, 2026 (the "Redemption Date") in accordance with their terms at a redemption price of 100% of the principal amount thereof (the "Redemption Price"), together with accrued interest thereon to the Redemption Date, without premium. The source of the funds to be used for such redemption is the principal of and interest on moneys heretofore deposited with U.S. Bank Trust Company, National Association, as Escrow Agent.

Interest on the Refunded 2013 Bonds and the Redemption Price thereof shall become due and payable on the Redemption Date, and after such date, interest on such Refunded 2013 Bonds shall cease to accrue and be payable.

Holders of the Refunded 2013 Bonds will receive payment of the Redemption Price and accrued interest to which they are entitled upon presentation and surrender thereof at the principal corporate trust office of U.S. Bank Trust Company, National Association in the following manner:

If by Hand Mail or Overnight Mail:

U. S. Bank National Association
Global Corporate Trust
111 Fillmore Avenue E. St. Paul, MN 55107

Bondholders presenting their Refunded 2013 Bonds in person for same day payment **must** surrender their bond(s) by 1:00 PM on the Redemption Date and a check will be available for pickup after 2:00 PM. Checks not picked up by 4:30 PM will be mailed out to the bondholder via first class mail. If payment of the Redemption Price is to be made to the registered owner of the Refunded 2013 Bond, you are not required to endorse the Refunded 2013 Bond to collect the Redemption Price. **Interest on the principal amount designated to be redeemed shall cease to accrue on and after the Redemption Date.**

IMPORTANT NOTICE: Federal law requires the Trustee to withhold taxes at the applicable rate from the payment if an IRS Form W-9 or applicable IRS Form W-8 is not provided. Please visit www.irs.gov for additional information on the tax forms and instructions.

Neither the Sutter Butte Flood Control Agency nor the Trustee shall be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness as shown in this Redemption Notice. It is included solely for convenience of the Holders.

Dated: _____, 2025

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION**, as Trustee

NOTICE OF REDEMPTION OF

\$47,070,000

SUTTER BUTTE FLOOD CONTROL AGENCY ASSESSMENT REVENUE BONDS, SERIES 2015

Maturity Date <u>(October 1)</u>	<u>CUSIP</u>	Interest <u>Rate</u>	<u>Par Amount</u>
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NOTICE IS HEREBY GIVEN to the holders of the outstanding Sutter Butte Flood Control Agency Assessment Revenue Bonds, Series 2015 which are referenced in the table above (the "Refunded 2015 Bonds"), that such bonds have been called for redemption prior to maturity on _____, 2026 (the "Redemption Date") in accordance with their terms at a redemption price of 100% of the principal amount thereof (the "Redemption Price"), together with accrued interest thereon to the Redemption Date, without premium. The source of the funds to be used for such redemption is the principal of and interest on moneys heretofore deposited with U.S. Bank Trust Company, National Association, as Escrow Agent.

Interest on the Refunded 2015 Bonds and the Redemption Price thereof shall become due and payable on the Redemption Date, and after such date, interest on such Refunded 2015 Bonds shall cease to accrue and be payable.

Holders of the Refunded 2015 Bonds will receive payment of the Redemption Price and accrued interest to which they are entitled upon presentation and surrender thereof at the principal corporate trust office of U.S. Bank Trust Company, National Association in the following manner:

If by Hand Mail or Overnight Mail:

U. S. Bank National Association
Global Corporate Trust
111 Fillmore Avenue E. St. Paul, MN 55107

Bondholders presenting their Refunded 2015 Bonds in person for same day payment **must** surrender their bond(s) by 1:00 PM on the Redemption Date and a check will be available for pickup after 2:00 PM. Checks not picked up by 4:30 PM will be mailed out to the bondholder via first class mail. If payment of the Redemption Price is to be made to the registered owner of the Refunded 2015 Bond, you are not required to endorse the Refunded 2015 Bond to collect the Redemption Price. **Interest on the principal amount designated to be redeemed shall cease to accrue on and after the Redemption Date.**

IMPORTANT NOTICE: Federal law requires the Trustee to withhold taxes at the applicable rate from the payment if an IRS Form W-9 or applicable IRS Form W-

8 is not provided. Please visit www.irs.gov for additional information on the tax forms and instructions.

Neither the Sutter Butte Flood Control Agency nor the Trustee shall be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness as shown in this Redemption Notice. It is included solely for convenience of the Holders.

Dated: _____, 2025

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION**, as Trustee

EXHIBIT B

NOTICE OF DEFEASANCE OF

\$41,035,000

**SUTTER BUTTE FLOOD CONTROL AGENCY
ASSESSMENT REVENUE BONDS, SERIES 2013**

<u>Maturity Date</u> <u>(October 1)</u>	<u>CUSIP</u>	<u>Interest</u> <u>Rate</u>	<u>Par Amount</u>
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NOTICE IS HEREBY GIVEN with respect to the Sutter Butte Flood Control Agency Assessment Revenue Bonds, Series 2013 which are referenced in the table above (the “Defeased 2013 Bonds”), issued under an Indenture of Trust dated as of June 1, 2013 (the 2013 Bond Indenture”) that the Agency has deposited certain federal securities and cash with U.S. Bank Trust Company, National Association, as escrow agent (the “Escrow Agent”). As a result of such deposit, the Defeased 2013 Bonds are deemed to have been paid and discharged in accordance with the 2013 Bond Indenture. The pledge of moneys provided for under the 2013 Bond Indenture and all other obligations of the Agency to the owners of the Defeased 2013 Bonds shall hereafter be limited to the application of moneys held by the Escrow Agent for the redemption price for the Defeased 2013 Bonds as the same becomes due and payable as described below.

Amounts held by the Escrow Agent are calculated to be sufficient to redeem the outstanding Defeased 2013 Bonds on _____, 2026 at a redemption price equal to 100% of the principal amount of the Defeased 2013 Bonds, together with accrued interest to such date, without premium.

Dated: _____, 2025

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION**, as Escrow
Agent

* The Escrow Agent shall not be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in the Notice of Defeasance. It is included solely for the convenience of the Holders.

NOTICE OF DEFEASANCE OF

\$47,070,000

**SUTTER BUTTE FLOOD CONTROL AGENCY
ASSESSMENT REVENUE BONDS, SERIES 2015**

<u>Maturity Date</u> <u>(October 1)</u>	<u>CUSIP</u>	<u>Interest</u> <u>Rate</u>	<u>Par Amount</u>
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NOTICE IS HEREBY GIVEN with respect to the Sutter Butte Flood Control Agency Assessment Revenue Bonds, Series 2015 which are referenced in the table above (the "Defeased 2015 Bonds"), issued under an Indenture of Trust dated as of June 1, 2015 (the 2015 Bond Indenture") that the Agency has deposited certain federal securities and cash with U.S. Bank Trust Company, National Association, as escrow agent (the "Escrow Agent"). As a result of such deposit, the Defeased 2015 Bonds are deemed to have been paid and discharged in accordance with the 2015 Bond Indenture. The pledge of moneys provided for under the 2015 Bond Indenture and all other obligations of the Agency to the owners of the Defeased 2015 Bonds shall hereafter be limited to the application of moneys held by the Escrow Agent for the redemption price for the Defeased 2015 Bonds as the same becomes due and payable as described below.

Amounts held by the Escrow Agent are calculated to be sufficient to redeem the outstanding Defeased 2015 Bonds on _____, 2026 at a redemption price equal to 100% of the principal amount of the Defeased 2015 Bonds, together with accrued interest to such date, without premium.

Dated: _____, 2025

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, as Escrow
Agent**

* The Escrow Agent shall not be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in the Notice of Defeasance. It is included solely for the convenience of the Holders.

\$ _____
**SUTTER BUTTE FLOOD CONTROL AGENCY
ASSESSMENT REVENUE REFUNDING BONDS, SERIES 2025**

BOND PURCHASE AGREEMENT

December __, 2025

Sutter Butte Flood Control Agency
P.O. Box M
1445 Butte House Road, Suite B
Yuba City, California 95992
Attention: Executive Director

Ladies and Gentlemen:

The undersigned, Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement (which, together with the exhibits hereto, is referred to as the “Purchase Agreement”) with the Sutter Butte Flood Control Agency (the “Issuer”), which, upon the acceptance of the Issuer, will be binding upon the Issuer and the Underwriter. This offer is made subject to acceptance by the Issuer by the execution of this Purchase Agreement and delivery of the same to the Underwriter prior to 11:59 P.M. California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. Capitalized terms that are used herein and not otherwise defined have the meanings that are set forth in the Indenture of Trust, dated as of December 1, 2025 (the “Indenture”), by and between the Issuer and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”).

The Issuer hereby acknowledges and agrees that: (a) the purchase and sale of the Bonds (as such term is defined herein) pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the Issuer and the Underwriter; (b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent or fiduciary of the Issuer; (c) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Issuer with respect to the offering and sale of the Bonds contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters) and the Underwriter has no obligation to the Issuer with respect to the offering and sale of the Bonds contemplated hereby except the obligations expressly set forth in this Purchase Agreement; and (d) the Issuer has consulted its own legal, financial and other advisors to the extent that the Issuer has deemed appropriate in connection with the issuance of the Bonds and the other matters contemplated by this Purchase Agreement. The Issuer acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the Municipal Securities Rulemaking Board (the “MSRB”).

Section 1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to issue, sell and deliver to the Underwriter all

(but not less than all) of the Sutter Butte Flood Control Agency Assessment Revenue Refunding Bonds, Series 2025 in the aggregate principal amount of \$_____ (the “Bonds”). The Bonds will be dated as of their date of delivery. Interest on the Bonds shall be payable semiannually on April 1 and October 1 of each year, commencing April 1, 2026, and the Bonds will mature and be subject to redemption prior to maturity as set forth in Exhibit A. The purchase price of the Bonds (the “Purchase Price”) shall be equal to \$_____ (being the aggregate principal amount thereof plus/less a net original issue premium/discount of \$_____, less an Underwriter’s discount of \$_____).

As an accommodation to the Issuer, on the Closing Date (as such term is defined herein), the Underwriter will pay, from the Purchase Price, the amount of \$_____ to _____ (the “Insurer”), representing the sum of: (a) the \$_____ premium for the [Municipal Bond Debt Service Reserve Insurance Policy] issued by the Insurer to be deposited into the Reserve Account (the “Reserve Policy”); and (b) the \$_____ for the [Municipal Bond Insurance Policy] issued by the Insurer insuring the payment of the Bonds maturing on October 1, 20____ through October 1, 20____, inclusive (the “Insurance Policy”).

Section 2. The Bonds. The Bonds shall be as described in and shall be secured by a pledge of Assessment Revenues under the Indenture substantially in the form previously submitted to the Underwriter with only such changes therein as shall be mutually agreed upon by the Issuer and the Underwriter.

The proceeds of the Bonds shall be used: (i) to refund all or a portion of the Issuer’s Sutter Butte Flood Control Agency Assessment Revenue Refunding Bonds, Series 2013 and Sutter Butte Flood Control Agency Assessment Revenue Refunding Bonds, Series 2015 (collectively, the “Prior Bonds”); (ii) to pay the premium for the Reserve Policy; and (iii) to pay costs of issuance of the Bonds, including but not limited to the premium for the Insurance Policy.

(a) The Bonds; (b) this Purchase Agreement; (c) the Indenture; (d) the Continuing Disclosure Certificate, dated the Closing Date, by and between the Issuer and Willdan Financial Services, relating to the Bonds; (e) the Escrow Agreement, dated the Closing Date, by and between the Issuer and U.S. Bank Trust Company, National Association, as Escrow Agent (the “Escrow Agent”), relating to the Prior Bonds; and (f) the resolution of the Issuer authorizing the issuance of the Bonds (the “Resolution”) adopted on November 12, 2025 are collectively referred to herein as the “Issuer Documents.”

Section 3. Public Offering and Establishment of Issue Price.

(a) The Underwriter agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) Except for the maturities set forth in Exhibit A, the Issuer will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the Issuer the price or prices at which it has sold

to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Issuer the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public, provided that the Underwriter's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Issuer or Bond Counsel.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit B attached hereto, except as otherwise set forth therein. Exhibit B also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Issuer and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Issuer promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A) (i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter; and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter;

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below); and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer; and

(B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Issuer acknowledges that, in making the representations set forth in this section, the Underwriter will rely on: (i) in the event that a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires; and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(f) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party;

(ii) “underwriter” means: (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public; and (B) any person that agrees pursuant to a

written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public);

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to: (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another); (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another); or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(iv) “sale date” means the date of execution of this Purchase Agreement by all parties.

Section 4. The Official Statement. By its acceptance of this proposal, the Issuer ratifies, confirms and approves of the use and distribution by the Underwriter prior to the date hereof of the preliminary official statement relating to the Bonds dated December __, 2025 (including the cover page, all appendices and all information incorporated therein and any supplements or amendments thereto and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the “Preliminary Official Statement”) that an authorized officer of the Issuer has deemed “final” as of its date, for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), except for certain information that is permitted to be omitted therefrom by Rule 15c2-12. The Issuer agrees to deliver or cause to be delivered to the Underwriter, within seven business days of the date hereof, copies of the final official statement, dated the date hereof, relating to the Bonds (including all information that was previously permitted to have been omitted by Rule 15c2-12), including the cover page, all appendices, all information incorporated therein and any amendments or supplements as have been approved by the Issuer and the Underwriter (the “Official Statement”) in such quantity as the Underwriter shall reasonably request to comply with Section (b)(4) of Rule 15c2-12 and the rules of the MSRB.

The Underwriter hereby agrees that it will not request that payment be made by any purchaser of the Bonds prior to delivery by the Underwriter to the purchaser of a copy of the Official Statement. The Underwriter agrees: (i) to provide the Issuer with final pricing information on the Bonds on a timely basis; and (ii) to file a copy of the Official Statement, including any supplements prepared by the Issuer in accordance with MSRB rules with the MSRB at <http://emma.msrb.org>. The Issuer hereby approves of the use and distribution by the Underwriter of the Preliminary Official Statement in connection with the offer and sale of the Bonds. The Issuer will cooperate with the Underwriter in the filing by the Underwriter of the Official Statement with the MSRB.

Section 5. Closing. At 8:30 a.m., California Time, on December __, 2025, or at such other time or date as the Issuer and the Underwriter agree upon (the “Closing Date”), the Issuer shall deliver or cause to be delivered to the Trustee the Bonds in definitive form, registered in the name of Cede & Co., as the nominee of The Depository Trust Company (“DTC”), so that the Bonds may be authenticated by the Trustee and credited to the accounts specified by the Underwriter under DTC’s

FAST procedures. Concurrently with the delivery of the Bonds, the Issuer will deliver the documents hereinafter mentioned at the offices of Jones Hall LLP, San Mateo, California (“Bond Counsel”), or another place to be mutually agreed upon by the Issuer and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in immediately available funds. This payment for and delivery of the Bonds, together with the delivery of the aforementioned documents, is herein called the “Closing.”

The Bonds shall be registered in the name of Cede & Co., as nominee of DTC in denominations of five thousand dollars (\$5,000) or any integral multiple thereof. The Issuer acknowledges that the services of DTC will be used initially by the Underwriter in order to permit the issuance of the Bonds in book-entry form, and agrees to cooperate fully with the Underwriter in employing such services.

Section 6. Representations, Warranties and Covenants of the Issuer. The Issuer represents, warrants and covenants to the Underwriter that:

(a) The Issuer is a duly organized and validly existing joint exercise of powers agency under the laws of the State of California (the “State”), including but not limited to California Government Code Section 6500 *et seq.*, and its Joint Exercise of Powers Agreement dated December 3, 2007, as amended.

(b) The Issuer is duly authorized to levy assessments under the Benefit Assessment Act of 1982, constituting Chapter 6.4 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 54703 (the “1982 Act”).

(c) The Board of Directors of the Issuer (the “Board”) has duly and validly taken or caused to be taken all proceedings necessary under the Constitution and laws of the State in order to authorize the levy of the assessments on property within the Assessment District (as such term is defined in the Official Statement) of the Issuer pursuant to the Final Engineer’s Report (as such term is defined in the Official Statement). Such assessments may be levied and collected under the laws of the State and, when levied, such assessments will constitute valid and legally binding continuing liens on the properties on which they are levied in accordance with the 1982 Act.

(d) The Issuer has full legal right, power and authority to adopt or enter into, as the case may be, and to carry out and consummate the transactions on its part contemplated by the Issuer Documents, to carry out all transactions contemplated by each of such agreements and to issue the Bonds.

(e) By all necessary official action at a regular meeting of the Board that was duly noticed and held and at which a quorum was present and acting throughout, the Issuer has duly authorized and approved the issuance of the Bonds and the execution of the Issuer Documents, has duly authorized and approved the Preliminary Official Statement, will, by execution thereof, duly authorize and approve the Official Statement, and has duly authorized and approved the execution and delivery of, and the performance by the Issuer of the obligations on its part contained in, the Issuer Documents and the consummation by it of all other transactions contemplated by the Issuer Documents in connection with the issuance of the Bonds. As of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded.

(f) When executed and delivered, and assuming due execution and delivery by the other parties thereto, if applicable, the Issuer Documents will constitute the legally valid and binding obligations of the Issuer enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally, or by the exercise of judicial discretion and the limitations on legal remedies against joint powers authorities in the State. The Issuer has complied, and will at the Closing be in compliance in all material respects, with the terms of the Issuer Documents.

(g) To the best of its knowledge, the Issuer is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of any state or of the United States, or any agency or instrumentality of either, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party which breach or default has or may have a materially adverse effect on the ability of the Issuer to perform its obligations under the Issuer Documents, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the adoption, execution and delivery of the Issuer Documents, if applicable, and compliance with the provisions on the Issuer's part contained therein, will not conflict in any material way with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer or under the terms of any such law, regulation or instrument, except as may be provided by the Issuer Documents.

(h) To the best of its knowledge, all material authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Issuer of its obligations in connection with the Issuer Documents have been duly obtained or, when required for future performance, are expected to be obtained, other than such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds; except as described in or contemplated by the Preliminary Official Statement and the Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the Issuer of its obligations under the Issuer Documents have been duly obtained.

(i) The Issuer hereby agrees that it will notify the Underwriter if, within the period from the date of this Purchase Agreement to and including the date that is twenty-five (25) days following the end of the underwriting period (as such term is defined below), the Issuer discovers any pre-existing or subsequent fact or becomes aware of the occurrence of any event, in any such case, which might cause the Official Statement (as the same may have then been supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) As of the time of acceptance hereof and the Closing, except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental authority, public board or body, pending, with service of process upon the Issuer having been accomplished, or threatened in writing to the Issuer: (i) in any way questioning the corporate existence of the Issuer or the titles of the officers of the Issuer to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds or any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds or the other Issuer Documents or the consummation of the transactions contemplated thereby or hereby, or contesting the exclusion of the interest on the Bonds from taxation or contesting the powers of the Issuer or its authority to issue the Bonds; (iii) which would be likely to result in any material adverse change relating to the business, operations or financial condition of the Issuer; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) To the Issuer's knowledge, there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of paragraph 6(j).

(l) The information in the Official Statement (excluding information relating to the Insurer, the Reserve Policy and the Insurance Policy) does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(m) The Issuer will refrain from taking any action, or permitting any action to be taken, with regard to which the Issuer may exercise control, that results in the loss of the tax-exempt status of the interest on the Bonds.

(n) Except as disclosed in the Preliminary Official Statement and the Official Statement, the Issuer has not within the last five years failed to comply in any material respect with any continuing disclosure undertakings with regard to Rule 15c2-12 to provide annual reports or notices of material events specified in Rule 15c2-12.

(o) Any certificate signed by any officer of the Issuer authorized to execute such certificate in connection with the execution, sale and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the Issuer to the Underwriter as to the statements made therein but not of the person signing such certificate.

Section 7. [Reserved].

Section 8. Conditions to the Obligations of the Underwriter. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the Issuer contained herein. The obligations of the Underwriter to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the statements of the officers and other officials of the Issuer, as well as authorized representatives of Bond Counsel and the Trustee made in any certificates or other documents furnished pursuant to the provisions hereof; to the performance by the Issuer of its

obligations to be performed under the Issuer Documents at or prior to the Closing Date; and to the following additional conditions:

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

(b) At the time of Closing, the Issuer Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto, and the Issuer Documents and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter.

(c) At the time of the Closing, no material default shall have occurred or be existing under the Issuer Documents or any other agreement or document pursuant to which any of the Issuer's financial obligations were executed and delivered, and the Issuer shall not be in default in the payment of principal or interest with respect to any of its financial obligations, which default would materially adversely impact the ability of the Issuer to pay the Bonds.

(d) In recognition of the desire of the Issuer and the Underwriter to effect a successful public offering of the Bonds, and in view of the potential adverse impact of any of the following events on such a public offering, this Purchase Agreement shall be subject to termination in the discretion of the Underwriter by notification, in writing, to the Issuer prior to delivery of and payment for the Bonds, if at any time prior to such time, regardless of whether any of the following statements of fact were in existence or known of on the date of this Purchase Agreement:

(i) any event shall occur which makes untrue any material statement or results in an omission to state a material fact that is necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading, which event, in the reasonable opinion of the Underwriter would materially or adversely affect the ability of the Underwriter to market the Bonds; or

(ii) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of this Purchase Agreement in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or state court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or state authority affecting the federal or state tax status of the Issuer or the interest on or with respect to bonds or notes (including the Bonds); or

(iii) any legislation, ordinance, rule or regulation shall be enacted by any governmental body, department or authority of the State, or a decision by any court of competent jurisdiction within the State shall be rendered which materially adversely affects the market price of the Bonds; or

(iv) an order, decree or injunction issued by any court of competent jurisdiction, or order, ruling, regulation (final, temporary or proposed), official statement or other form of notice or communication issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental authority having jurisdiction of the subject matter, to the effect that: (i) obligations of the general character of the Bonds, or the Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under the Trust Indenture Act of 1939, as amended; or (ii) the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect; or

(v) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, to the effect that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect; or

(vi) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any domestic governmental authority or by any domestic national securities exchange, which are material to the marketability of the Bonds; or

(vii) a general banking moratorium shall have been declared by federal, State or New York authorities, or the general suspension of trading on any national securities exchange; or

(viii) the declaration of war or the escalation of, or engagement in, military hostilities by the United States or the occurrence of any other national or international emergency or calamity or crisis relating to the effective operation of the government of, or the financial community or financial markets in, the United States or elsewhere, or the escalation of such calamity or crisis, which, in the judgment of the Underwriter, makes it impracticable or inadvisable to proceed with the offering or the delivery of the Bonds on the terms and in the manner that are contemplated in the Preliminary Official Statement or the Official Statement; or

(ix) any rating of the Bonds or the rating of any obligations of the Issuer or the Insurer shall have been downgraded or withdrawn by a national rating service, which, in the opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(x) the commencement of any action, suit or proceeding described in Section 6(j).

(e) at or prior to the Closing, the Underwriter shall receive the following documents, in each case to the reasonable satisfaction in form and substance of the Underwriter:

(i) The executed Resolution;

(ii) The Issuer Documents, each duly executed and delivered by the respective parties thereto, with only such amendments, modifications or supplements as may have been agreed to in writing by the Underwriter;

(iii) Specimen Bonds;

(iv) The approving opinion of Bond Counsel dated the Closing Date and addressed to the Issuer, in substantially the form attached as an appendix to the Official Statement, and a reliance letter or letters thereon addressed to the Underwriter and the Trustee;

(v) A supplemental opinion of Bond Counsel dated the Closing Date and addressed to the Underwriter, to the effect that:

(A) the statements on the cover of the Official Statement and in the Official Statement under the captions “INTRODUCTION,” “THE REFUNDING PLAN,” “THE BONDS,” “SECURITY FOR THE BONDS” and “LEGAL MATTERS—Tax Matters,” and in Appendices A and D, excluding any material that may be treated as included under such captions and appendices by cross-reference or reference to other documents or sources, insofar as such statements expressly summarize provisions of the Indenture or set out the content of Bond Counsel’s final opinion concerning certain federal tax matters relating to the Bonds, are accurate in all material respects, provided that Bond Counsel need not express any opinion with respect to any financial or statistical data contained therein or with respect to the book-entry system in which the Bonds are initially issued;

(B) The Purchase Agreement has been duly executed and delivered by, and constitutes a valid and binding agreement of, the Issuer and is enforceable against the Issuer in accordance with its terms, except that the rights and obligations under the Purchase Agreement are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors’ rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State; and

(C) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(vi) The Official Statement, executed on behalf of the Issuer, and the Preliminary Official Statement;

(vii) A deemed final certificate of the Issuer with respect to the Preliminary Official Statement;

(viii) Evidence that the ratings on the Bonds are as described in the Official Statement;

(ix) A certificate, dated the Closing Date, signed by a duly authorized officer of the Issuer satisfactory in form and substance to the Underwriter substantially as set forth in Exhibit C;

(x) An opinion dated the Closing Date and addressed to the Underwriter, of counsel to the Issuer, satisfactory in form and substance to the Underwriter, substantially as set forth in Exhibit D;

(xi) A letter of Jones Hall LLP, as disclosure counsel to the Issuer (“Disclosure Counsel”) dated the Closing Date and addressed to the Underwriter, to the effect that, without having undertaken to determine independently the accuracy or completeness of the statements contained in the Preliminary Official Statement or the Official Statement, but on the basis of their participation in conferences with representatives of the Issuer, Willdan Financial Services and others, and their examination of certain documents, nothing has come to their attention which has led them to believe that the Preliminary Official Statement as of its date and the Official Statement as of its date and as of the Closing Date contained or contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that no opinion or belief need be expressed as to: (i) the expressions of opinion, the assumptions, the projections, estimates and forecasts, the charts, the financial statements or other financial, numerical, economic, demographic or statistical data, assessed valuations or environmental matters contained in the Official Statement; (ii) any CUSIP numbers or information relating thereto; (iii) any information with respect to The Depository Trust Company and its book-entry system; (iv) any information contained in the appendices to the Official Statement; (v) any information incorporated by reference into the Official Statement; (vi) any information with respect to the Underwriter or underwriting matters with respect to the Bonds, including but not limited to information under the caption “MISCELLANEOUS—Underwriting”; (vii) any information with respect to the Insurer, the Reserve Policy or the Insurance Policy, including but not limited information under the caption “BOND INSURANCE” and in Appendix G; and (viii) information under the captions “LEGAL MATTERS—Tax Matters” and “LEGAL MATTERS—Absence of Litigation”);

(xii) An opinion of Kutak Rock LLP, counsel to the Underwriter, in form and substance satisfactory to the Underwriter;

(xiii) An opinion of counsel to the Trustee and the Escrow Agent, addressed to the Underwriter and dated the Closing Date, in form and substance satisfactory to the Underwriter and to Bond Counsel;

(xiv) A certificate, dated the Closing Date, signed by a duly authorized official of the Trustee and the Escrow Agent, in form and substance satisfactory to the Underwriter, and an incumbency certificate of the Trustee and the Escrow Agent;

(xv) The preliminary and final Statement of Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 53583 of the California Government Code;

(xvi) A copy of the executed Blanket Issuer Letter of Representations by and between the Issuer and DTC relating to the book-entry system;

(xvii) The tax and nonarbitrage certificate of the Issuer relating to the Bonds in form and substance to the reasonable satisfaction of Bond Counsel and the Underwriter;

(xviii) Evidence that a Debt Management Policy which complies with Section 8855 of the California Government Code has been adopted by the Issuer;

(xix) A verification report with respect to the refunding of the Prior Bonds and the pricing of the Bonds;

(xx) Redemption instructions with respect to the refunding of the Prior Bonds;

(xxi) A defeasance opinion of Bond Counsel with respect to the refunding of the Prior Bonds;

(xxii) A certificate, dated the Closing Date, of Willdan Financial Services (the “**Assessment Consultant**”) to the effect that (i) the assessments levied pursuant to the Final Engineer’s Report, if collected in the maximum amounts permitted pursuant thereto, will generate in each Fiscal Year at least 110% of the debt service payable with respect to the Bonds and the Non-Refunded Prior Bonds (as such term is defined in the Indenture) in the Bond Year that begins in such Fiscal Year; (ii) all information appearing in the Official Statement for which the Assessment Consultant is identified as being the source is true and correct as of the date of the Official Statement and as of the Closing Date; and (iii) the statistical and financial data set forth in the tables and discussion in the Official Statement which were derived from information supplied by the Assessment Consultant for use in the Official Statement under the caption “THE DISTRICT” are true, correct and complete in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and no events or occurrences have been ascertained by the Assessment Consultant or have come to its attention that would substantially change such information set forth in the Official Statement as of the Closing Date;

(xxiii) A Form 8038-G prepared with respect to the Bonds;

(xxiv) An opinion of counsel to the Insurer, addressed to the Issuer and the Underwriter to the effect that the Reserve Policy and the Insurance Policy constitute the legal, valid and binding obligations of the Insurer, enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditor’s rights generally and by the application of equitable principles if equitable remedies are sought and covering such other matters as the Issuer or the Underwriter may reasonably request;

(xxv) A certificate of the Insurer, signed by an authorized officer of the Insurer, to the effect that the information contained in the Preliminary Official Statement and the Official Statement relating to the Insurer, the Reserve Policy and the Insurance Policy is true and accurate and covering such other matters as the Issuer or the Underwriter may reasonably request;

(xxvi) A specimen Reserve Policy;

(xxvii) A specimen Insurance Policy; and

(xxviii) Such additional legal opinions, certificates, proceedings, instruments or other documents as Bond Counsel or the Underwriter may reasonably request.

Section 9. Changes in Official Statement. After the Closing, the Issuer will not adopt any amendment of or supplement to the Official Statement to which the Underwriter shall reasonably object in writing. Within 90 days after the Closing or within 25 days following the end of the underwriting period, whichever occurs first, if any event relating to or affecting the Bonds, the Trustee, the Insurer or the Issuer shall occur as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in any material respect in the light of the circumstances existing at the time it is delivered to a purchaser, the Issuer will forthwith prepare and furnish to the Underwriter an amendment or supplement that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to purchaser, not misleading. The Issuer shall cooperate with the Underwriter in the filing by the Underwriter of such amendment or supplement to the Official Statement with the MSRB. The Underwriter acknowledges that the “end of the underwriting period” will be the Closing Date unless the Underwriter notifies the Issuer otherwise.

Section 10. Expenses. Whether or not the Bonds are delivered to the Underwriter as set forth herein:

(a) The Underwriter shall be under no obligation to pay, and the Issuer shall pay or cause to be paid (out of any legally available funds) all expenses that are incident to the performance of the Issuer’s obligations hereunder, including, but not limited to, the cost of printing and delivering the Bonds to the Underwriter, the cost of preparation, printing, distribution and delivery of the Issuer Documents, the Preliminary Official Statement, the Official Statement and all other agreements and documents that are contemplated hereby (and drafts of any thereof) in such reasonable quantities as requested by the Underwriter (excluding the fees and disbursements of the Underwriter’s counsel), the fees and disbursements of the Trustee, the Assessment Consultant, Bond Counsel and Disclosure Counsel and any accountants, engineers or any other experts or consultants that the Issuer has retained in connection with the issuance of the Bonds, fees payable to the Insurer and any other expenses that are agreed to by the parties; and

(b) The Issuer shall be under no obligation to pay, and the Underwriter shall pay, any fees of the California Debt and Investment Advisory Commission, the cost of preparation of any “blue sky” or legal investment memoranda and this Purchase Agreement; expenses to qualify the Bonds for sale under any “blue sky” or other state securities laws and all other expenses that are incurred by the Underwriter in connection with the public offering and distribution of the Bonds (except those which are specifically enumerated in paragraph (a) of this section), including the fees and disbursements of its counsel and any advertising expenses.

Section 11. Notices. Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, 35th Floor, San Francisco, California 94104, Attention: Public Finance. All notices or communications hereunder by any party shall be given and served upon each other party. Any notice or communication to be given to the Issuer under this

Purchase Agreement may be given by delivering the same in writing to the address set forth on the first page of this Purchase Agreement.

Section 12. Parties in Interest. This Purchase Agreement is made solely for the benefit of the Issuer and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof.

Section 13. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

Section 14. Counterparts. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 15. Survival of Representations and Warranties. The representations and warranties of the Issuer in or made pursuant to this Purchase Agreement shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing or termination of this Purchase Agreement and regardless of any investigations made by or on behalf of the Underwriter (or statements as to the results of such investigations) concerning such representations and statements of the Issuer and regardless of delivery of and payment for the Bonds.

Section 16. Effectiveness. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Issuer and shall be valid and enforceable as of the time of such acceptance.

Section 17. Governing Law. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, as Underwriter

By: _____
Title: Managing Director

Accepted as of the date first stated above:

SUTTER BUTTE FLOOD CONTROL AGENCY

By: _____
Its: Executive Director

EXHIBIT A

\$_____

**SUTTER BUTTE FLOOD CONTROL AGENCY
ASSESSMENT REVENUE REFUNDING BONDS, SERIES 2025**

MATURITY SCHEDULE

<i>Maturity Date (October 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Initial Offering Price</i>	<i>10% Test Used</i>	<i>Hold-the- Offering- Price Rule Used</i>
20__		\$ %	%			

^C Priced to first optional redemption date of _____ 1, 20__ at par.

^T Term Bond.

^I Insured Bond.

EXHIBIT B

§ _____ SUTTER BUTTE FLOOD CONTROL AGENCY ASSESSMENT REVENUE REFUNDING BONDS, SERIES 2025

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated (“Stifel”), as Underwriter (defined below) of the above-captioned obligations (the “Bonds”), hereby certifies as set forth below with respect to the sale and delivery of the Bonds.

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) Stifel offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, dated December __, 2025, by and between Stifel and the Issuer (defined below), Stifel has agreed in writing that: (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”); and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of: (i) the close of the fifth business day after the Sale Date (which Sale Date is December __, 2025); or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the Sutter Butte Flood Control Agency.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.

(g) *Related Party* with respect to an Underwriter means any entity if the Underwriter and the entity are subject, directly or indirectly, to: (i) more than 50% common ownership of the voting power or the total value of their stock if both entities are corporations (including direct ownership by one corporation of another); (ii) more than 50% common ownership of their capital interests or profit interests if both entities are partnerships (including direct ownership by one partnership of another); or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(h) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is December __, 2025.

(h) *Underwriter* means: (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public; and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Jones Hall LLP, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By:_____

Name:_____

By:_____

Name:_____

Dated: December __, 2025

SCHEDULE A

**SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING
PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

(Attached)

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

EXHIBIT C

CLOSING CERTIFICATE OF THE ISSUER

§ _____
SUTTER BUTTE FLOOD CONTROL AGENCY
ASSESSMENT REVENUE REFUNDING BONDS, SERIES 2025

The undersigned hereby certifies and represents that the undersigned is the duly appointed and acting representative of Sutter Butte Flood Control Agency (the “**Issuer**”) and is duly authorized to execute and deliver this certificate and further hereby certifies and reconfirms on behalf of the Issuer as follows:

(i) The covenants, representations and warranties of the Issuer contained in the Issuer Documents (as such term is defined in the Bond Purchase Agreement, dated December __, 2025, by and between the Issuer and Stifel, Nicolaus & Company, Incorporated, as underwriter), are true and correct in all material respects on and as of the date hereof, with the same effect as if made on the date hereof.

(ii) The Issuer has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied on or prior to the date hereof relating to the above-captioned obligations (the “**Bonds**”).

(iii) The Official Statement dated December __, 2025 relating to the Bonds (the “**Official Statement**”) does not contain any untrue or misleading statement of a material fact and does not omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading.

(iv) No event affecting the Issuer has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the date hereof the statements or information contained in the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein not misleading in any material respect.

Dated: December __, 2025

SUTTER BUTTE FLOOD CONTROL AGENCY

By: _____
Executive Director

EXHIBIT D

CLOSING OPINION OF THE COUNSEL TO THE ISSUER

December __, 2025

Sutter Butte Flood Control Agency
P.O. Box M
1445 Butte House Road, Suite B
Yuba City, California 95992
Attention: Executive Director

Stifel, Nicolaus & Company, Incorporated
One Montgomery Street, 35th Floor
San Francisco, California 94104

[BOND INSURER]

U.S. Bank Trust Company, National
Association
350 California Street, 11th Floor
San Francisco, California 94104
Attention: Corporate Trust Services

§ ____
**SUTTER BUTTE FLOOD CONTROL AGENCY
ASSESSMENT REVENUE REFUNDING BONDS, SERIES 2025**

Ladies and Gentlemen:

Downey Brand LLP serves as general counsel to the Sutter Butte Flood Control Agency (the “**Agency**”), including in connection with the execution and delivery by the Agency of a Bond Purchase Agreement, dated December __, 2025 (the “**BPA**”), by and between Stifel, Nicolaus & Company, Incorporated, as underwriter (the “**Underwriter**”), and the Agency, as bond issuer. Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the BPA.

Documents Examined

We have examined the following documents (unless otherwise noted, each dated as of this opinion) (collectively referred to herein as the “**Agency Documents**”):

- (i) BPA;
- (ii) Preliminary Official Statement dated November __, 2015 and Official Statement dated December __, 2015 (the “**OS**”);
- (iii) Agency Resolution No. 2025-__, adopted November 12, 2025;
- (iv) Agency Resolution No. 10-002, adopted May 12, 2010;
- (v) Agency Resolution No. 10-004, adopted July 14, 2010;
- (vi) Sutter-Butte Flood Control Agency Joint Exercise of Powers Agreement, dated December 3, 2007, as amended on July 14, 2009 and on March 15, 2011;

(vii) Notice of a Joint Powers Agreement, filed with the California Secretary of State on February 27, 2007;

(viii) Two Notices of Amendment to Joint Powers Agreement, each filed with the California Secretary of State on April 18, 2012;

(ix) Indenture of Trust, dated as of December 1, 2025 (the “**Indenture**”), by and between the Agency and U.S. Bank Trust Company, National Association, as trustee;

(x) Officer’s Certification to Downey Brand LLP, dated the date hereof;

(xi) Continuing Disclosure Certificate, dated the date hereof, by and between the Agency and Willdan Financial Services, relating to the Bonds; and

(xii) the Escrow Agreement, dated the date hereof, by and between the Agency and U.S. Bank Trust Company, National Association, as escrow agent.

We have also made such further legal and factual examination and investigation as we deem necessary for purposes of rendering the following opinions.

Opinions

Relying on such examination and subject to the Assumptions, Limitations, Matters of Reliance and Qualifications hereinafter set forth, we are of the opinion that:

1. The Agency is validly existing as a joint powers agency organized and existing under the laws of the State of California, with full legal right, power and authority to adopt the Resolution.

2. The Agency is duly authorized to levy assessments under the Benefit Assessment Act of 1982, constituting Chapter 6.4 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 54703 (the “**1982 Act**”).

3. The Board of Directors of the Agency (the “**Board**”) has duly and validly taken or caused to be taken all proceedings necessary under the Constitution and laws of the State in order to authorize the levy of the assessments on property within the Assessment District (as such term is defined in the OS) of the Agency pursuant to the Final Engineer’s Report (as such term is defined in the OS). Such assessments may be levied and collected under the laws of the State and, when levied, such assessments will constitute valid and legally binding continuing liens on the properties on which they are levied in accordance with the 1982 Act.

4. The Resolution was duly adopted at a regular meeting of the Board, at which a quorum was present and acting throughout, and the Resolution is in full force and effect and has not been modified, amended, rescinded or repealed since its date of adoption.

5. To the best of our knowledge, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body is pending with respect to which the Agency has been served with process or to the best of our knowledge is threatened, in any way affecting the existence of the Agency, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds or the application of the proceeds thereof in accordance with the Indenture, or the collection or application of assessments to pay the principal of and interest on

the Bonds, or contesting or affecting the validity or enforceability of the Bonds, the Agency Documents or any action of the Agency contemplated by any of said documents, or in any way contesting the completeness or accuracy of the OS or the powers of the Agency or its authority with respect to the Bonds, the Agency Documents or any action on the part of the Agency contemplated by any of said documents, wherein an unfavorable decision, ruling, or finding could materially adversely affect the validity or enforceability of the Bonds or the Agency Documents.

6. To the best of our knowledge, the execution and delivery of the Bonds and the Agency Documents, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any: (i) material loan agreement, note, indenture, contract, agreement or other instrument (“**Material Agreements**”); or (ii) ordinance or resolution, of which the Agency is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the ability of the Agency to perform its obligations under the Bonds or the Agency Documents.

7. All approvals, consents, authorization, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the ability of the Agency to perform its obligations under the Bonds or the Agency Documents have been obtained or made, as the case maybe, and are in full force and effect, except that no opinion is given with respect to the applicability of federal or state securities laws.

Assumptions, Limitations, Matters of Reliance and Qualifications

Our opinions are limited to the federal law of the United States and the law of the State of California. Furthermore, we express no opinion with respect to compliance with any law, rule or regulation that as a matter of customary practice is understood to be covered only when an opinion refers to it expressly. Without limiting the generality of the foregoing, we express no opinion on local or municipal law, antitrust, environmental, land use, securities, tax, pension, employee benefit, margin, insolvency, fraudulent transfer, antiterrorism, money laundering or investment company laws and regulations. Our opinion is rendered as of the date hereof and we assume no obligation to advise you of changes that may hereafter be brought to our attention.

Our opinions are subject to the following additional qualifications:

A. Our opinions are subject to the effect of bankruptcy, insolvency, reorganization, receivership, moratorium, bulk transfer, fraudulent transfer and conveyance laws and other similar laws and judicially developed doctrines affecting the rights and remedies of creditors generally.

B. Unless we have explicitly addressed a specific legal issue, this opinion shall be deemed to exclude: choice-of-law provisions; provisions for penalties, liquidated damages, acceleration of future amounts due (other than principal) without appropriate discount to present value, late charges, and prepayment charges; time-is-of-the-essence clauses; provisions that contain a waiver of: (i) broadly or vaguely stated rights; (ii) the benefits of statutory, regulatory or constitutional rights, unless and to the extent the statute, regulation or constitution explicitly allows waiver; (iii) unknown future defenses; (iv) rights to damages; (v) any person’s right to a jury trial; (vi) provisions that attempt to change or waive rules of evidence or fix the method or quantum of proof to be applied in litigation or similar proceedings; provisions that provide for the appointment of a receiver; (vii) forum selection clauses and consent to jurisdiction clauses (both as to personal

jurisdiction and subject matter jurisdiction); (viii) provisions appointing one party as an attorney-in-fact for an adverse party; (ix) provisions that provide protection or indemnification for environmental related liabilities; and (x) provisions that permit a person to exercise set-off or similar rights.

C. We advise you that waivers of the following maybe limited on statutory or public policy grounds: (i) broadly or vaguely stated rights; (ii) the benefits of statutory, regulatory or constitutional rights; (iii) unknown future defenses; (iv) rights to damages; or (v) indemnities.

D. In respect of our Opinion 3, the California Constitution (Proposition 218) provides that publicly owned parcels shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit, which by its terms overrides the 1982 Act's provision that the governmental body shall not impose an assessment upon a federal or state governmental agency or another local agency. As of this date, no court of competent jurisdiction has made a determination on this issue.

E. In respect of our Opinion 5, we reference letters) from the California Department of Transportation dated January 30, 2012 and May 17, 2012, regarding whether that entity is exempt from assessment.

F. When an opinion is qualified by the words "to the best of our knowledge" or any other phrase referring to our awareness of any matter, the qualification means that, during the course and within the scope of our legal representation of the Agency, no information which has given us current actual knowledge of the inaccuracy of such statement has come to the attention of our attorneys. Further, the words "to the best of our knowledge" or any other phrase referring to our awareness of any matter is intended to be limited to the attorneys who have been personally involved in the preparation of this opinion letter who are now members of or associated with this firm and whom we have determined are reasonably likely to have knowledge of the matters addressed in this opinion letter in the ordinary course of their duties as attorneys. No inquiry by us in connection with this opinion letter shall be regarded as an independent investigation. The fact of our representation of the Agency shall not be construed to imply knowledge of any matter on our part.

G. In respect of our Opinion 6, the term "Material Agreements" refers solely to instruments listed on Schedule A, attached hereto.

H. In our examination of the Agency Documents, we have assumed, without independent investigation, the genuineness of all signatures, the legal capacity of all individuals who have executed any of the Agency Documents, the authenticity of all Agency Documents submitted to us as originals, the conformity to the originals of all Agency Documents submitted to us as certified, photostatic, reproduced or conformed copies of valid existing agreements or other documents, the authenticity of the latter documents and that the statements regarding matters of fact in the Agency Documents are accurate and complete.

I. In rendering the opinions set forth herein, we have relied exclusively on the Agency Documents. Except as specifically set forth herein, we have not reviewed, and express no opinion as to, any instrument or agreement referred to or incorporated by reference in the Documents.

J. In rendering the opinions set forth herein, we have relied upon the certificates of all public officials and Agency employees with respect to the accuracy of all matters contained therein.

This opinion is issued in the State of California. By issuing this opinion, Downey Brand LLP: (i) shall not be deemed to be transacting business in any other state or jurisdiction other than the State of California; and (ii) does not consent to the jurisdiction of any state other than the State of California. Any claim or cause of action arising out of the opinions expressed herein must be brought in the State of California. Your acceptance of this opinion shall constitute your agreement to the foregoing.

This letter may be relied upon solely by the Underwriter for use in connection with the transactions contemplated by the BPA. No other party may rely upon this letter or the opinions expressed herein without our prior written consent.

Very truly yours,

SCHEDULE A

MATERIAL INSTRUMENTS

1. 2012 Loan Agreement (dated April 19, 2012)
2. Loan Agreement Amendment (dated June 4, 2013)

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2025

NEW ISSUE—BOOK-ENTRY

RATINGS: Insured (S&P): “_____”
Underlying (S&P): “_____”

In the opinion of Jones Hall LLP, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "LEGAL MATTERS - Tax Matters" herein.

\$ _____ *

**SUTTER BUTTE FLOOD CONTROL AGENCY
ASSESSMENT REVENUE REFUNDING BONDS,
SERIES 2025**

Dated: Date of Delivery

Due: As shown on inside cover

The bonds captioned above (the "Bonds") are being issued by the Sutter Butte Flood Control Agency (the "Agency"), pursuant to Article 4, Chapter 5, Division 7 of the Government Code of the State of California to (i) refund a portion of certain outstanding bonds of the Agency, (ii) provide funds for a reserve surety for the Bonds, and (iii) pay costs of issuance of the Bonds including premiums for bond insurance and reserve fund insurance. The Bonds are secured on parity with certain maturities of bonds issued in 2013 and 2015 which are not being refunded by the Bonds (the "Non-Refunded Parity Bonds" described herein), and any additional parity bonds which may be issued in the future.

The Bonds are payable from Assessment Revenues (defined herein) derived from annual assessments (the "Assessments," as described herein) to be levied by the Agency on all benefitted parcels in the Agency's Assessment District (described herein), which Assessments are pledged by the Agency for payment of the Bonds pursuant to an Indenture of Trust, dated as of December 1, 2025 (the "Indenture"), by and between the Agency and U.S. Bank Trust Company, National Association, as Trustee (the "Trustee").

The Bonds will be issued in denominations of \$5,000 or any integral multiple thereof. Interest is payable on April 1, 2026 and semiannually thereafter on April 1 and October 1. The Bonds will be initially issued only in book-entry form and registered to Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository of the Bonds. Principal and interest (and premium, if any) on the Bonds is payable by the Trustee to DTC, which remits such payments to its Participants for subsequent distribution to the registered owners as shown on the Trustee's books as of the fifteenth day of the calendar month immediately preceding each interest payment date. See "THE BONDS - Book-Entry Only System" and "- General Provisions" herein.

The Bonds are subject to redemption prior to maturity as described herein.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by _____. (the "Bond Insurer"). The Bond Insurer will also issue a reserve fund insurance policy concurrently with the delivery of the 2025 Bonds. See "BOND INSURANCE" and "APPENDIX G – SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

[INSURER LOGO]

See "GENERAL RISK FACTORS RELATING TO THE BONDS" herein for a discussion of certain risk factors that should be considered in evaluating the investment quality of the Bonds.

The Bonds are special obligations of the Agency payable solely from and secured solely by the Assessment Revenues and funds pledged for the Bonds in the Indenture. The Bonds are not a debt or liability of the Agency, the State of California or any of its political subdivisions other than the Agency to the limited extent described herein. None of the faith and credit of the Agency, the State of California or any of its political subdivisions are pledged to the payment of principal of, premium, if any, or interest on the Bonds. None of the Agency (except to the limited extent described herein), the State of California or any of its political subdivisions is liable for the Bonds, nor in any event shall the Bonds or any interest or redemption premium on the Bonds be payable out of any funds or properties other than those of the Agency, as set forth in the Indenture. Neither the Bonds nor the obligation to make payments under the Bonds constitute an indebtedness of the Agency, State of California or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction. The Agency has no taxing power.

**Maturity Schedule
(See Inside Cover)**

The Bonds will be offered when, as and if issued and received by the Underwriter, subject to the approval as to their legality by Jones Hall LLP, as Bond Counsel. Certain legal matters will also be passed upon for the Agency by Downey Brand LLP, Sacramento, California, as Agency Counsel. Jones Hall is also serving as Disclosure Counsel. Kutak Rock LLP is serving as counsel to the Underwriter. It is anticipated that the Bonds will be available for delivery to DTC in New York, New York on or about _____, 2025.

STIFEL

Dated: _____, 2025.

* Preliminary, subject to change.

**SUTTER BUTTE FLOOD CONTROL AGENCY
ASSESSMENT REVENUE REFUNDING BONDS,
SERIES 2025**

MATURITY SCHEDULE

Maturity Date (October 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP [†] ()
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\$ _____ % Term Bonds due October 1, 20____; Price _____ CUSIP[†]: _____

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright (c) 2025 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the Agency, the Underwriter or their agents or counsel take any responsibility for the accuracy of such numbers.

SUTTER BUTTE FLOOD CONTROL AGENCY

Agency Board and Officers

Marc Boomgaarden, *Board Chair*
Mike Ziegenmeyer, *Vice-Chairman of the Board*

Michael Bessette, *Executive Director*
Diona Pope, *Finance Director/Treasurer*
Scott Shapiro of Downey Brand LLP, *Agency Counsel*

County of Sutter

Jeff Stephens
Mike Ziegenmeyer

County of Butte

Bill Connelly
Tod Kimmelshue

City of Yuba City

Marc Boomgaarden
Wade Kirchner

City of Live Oak

Jeremy Chapdelaine

City of Gridley

Bruce Johnson

City of Biggs

Bo Sheppard

Levee District 1

Charlie Hoppin
Al Montna

Levee District 9

Mike Morris
Chris Schmidl

Special Services

Bond and Disclosure Counsel

Jones Hall LLP
San Mateo, California

Municipal Advisor

KNN Public Finance
Berkeley, California

Trustee

U.S. Bank Trust Company, National Association
San Francisco, California

Assessment Administrator

Willdan Financial Services
Temecula, California

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APPENDIX D -	Form of Bond Counsel Opinion
APPENDIX E -	Form of Continuing Disclosure Certificate
APPENDIX F -	DTC and the Book-Entry-Only System
APPENDIX G -	Specimen Municipal Bond Insurance Policy

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No Offering May Be Made Except by this Official Statement. No dealer, broker, salesperson or other person has been authorized by the Agency or the Underwriter to give any information or to make any representations with respect to the Bonds or the CFD Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized by the Agency or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the Agency or the Assessment District or any other municipalities or parties described in this Official Statement, or in the condition of property within the Assessment District since the date of this Official Statement.

Use of this Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the Bonds.

Preparation of this Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness.

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.

Document References and Summaries. All references to and summaries of the Indenture or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

Bond Insurance.

Stabilization of and Changes to Offering Prices. The Underwriter may overallocate or take other steps that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

Bonds are Exempt from Securities Laws Registration. The issuance and sale of the Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

Estimates and Projections. 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," "budget" or other similar words.

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 AGENCY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

OFFICIAL STATEMENT

\$ _____ *

**SUTTER BUTTE FLOOD CONTROL AGENCY
ASSESSMENT REVENUE REFUNDING BONDS
SERIES 2025**

The purpose of this Official Statement, which includes the cover page and Appendices hereto (the "**Official Statement**"), is to provide certain information concerning the sale and issuance of the Sutter Butte Flood Control Agency Assessment Revenue Refunding Bonds, Series 2025 (the "**Bonds**").

INTRODUCTION

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 the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

The Bonds are being issued by the Sutter Butte Flood Control Agency (the "**Agency**"), a joint powers agency created by agreement among the Counties of Sutter and Butte, California, the Cities of Yuba City, Live Oak, Gridley and Biggs, and Levee Districts 1 and 9. The Agency was formed to plan and finance a flood control program, and construct and coordinate regional flood control improvements in the Sutter Basin (sometimes called the Yuba City Basin). The Agency is authorized to issue bonds pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (Sections 6584 *et seq.* of the Government Code of the State of California, as amended), under Article 4 of the Joint Powers Act. The Bonds are being issued pursuant to the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Sections 53570 and 53580 of said Code (the "**Refunding Bond Law**") and pursuant to an Indenture of Trust dated as of December 1, 2025 (the "**Indenture**"), by and between the Agency and U.S. Bank Trust Company, National Association, as Trustee (the "**Trustee**").

The Bonds are being issued to (i) refund a portion of outstanding bonds of the Agency issued in 2013 and 2015 (ii) provide funding of the premiums for bond insurance and a reserve surety for the Bonds to be issued by _____, and (iii) pay costs of issuance of the Bonds including premiums for bond insurance and a reserve surety. See "THE REFUNDING PLAN."

* Preliminary, subject to change.

The Bonds

The Bonds will bear interest from their dated date at the rates per annum set forth on the cover page hereof, payable semiannually on April 1 and October 1, commencing April 1, 2026 (each, an "**Interest Payment Date**"), and will mature in the amounts and on the dates set forth on the inside cover page hereof.

The Bonds are subject to redemption prior to their maturity. See "THE BONDS - Redemption" herein. The Assessments securing the Bonds do not represent a fixed principal amount and there is no ability of the owners of assessed property to prepay the Assessments.

The Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("**DTC**"), and will be available to actual purchasers of the Bonds (the "**Beneficial Owners**") under the book-entry system maintained by DTC. See "THE BONDS – Payment, Registration, Transfer and Exchange of Bonds" and "Book-Entry Only System."

The Assessment District

The Agency's Assessment District (the "**Assessment District**") as described herein, was formed in 2010 to fund a portion of the local share of the cost of constructing levee improvements in the Sutter Basin (described herein) needed to provide the urban portion of the Sutter Basin protection against 200-year flood flows and provide protection against 100-year flood flows within the non-urban portion of the remainder of the Sutter Basin. Annual Assessment amounts have been determined according to a methodology based upon the benefit to be received by each parcel subject to an Assessment, as determined by the Agency's Assessment Engineer.

The Assessment District encompasses properties within a portion of Sutter and Butte Counties, all of the property within the Cities of Yuba City, Live Oak, Gridley and Biggs, and all of the property within Levee Districts 1 and 9. The area is bounded by the Feather River on the east, the Sutter Bypass along a portion of its southwestern boundary, and the Cherokee Canal and the Sutter Buttes on its northwestern and western boundary. The area within the Assessment District relies on levees for flood protection. Significant improvements have been made to these levees to enhance the level of flood protection provided; however, additional work remains to be completed. The Assessments are authorized to be levied on all parcels within the Assessment District to fund the local share of the cost of constructing levee improvements in the Sutter Basin. The levee improvements to provide the urban portion of the Basin protection against 200-year flood flows have been substantially completed. Improvements needed provide protection against 100-year flood flows within the non-urban portion of the remainder of the Basin are ongoing.

The area subject to Assessments encompasses approximately 34,549 parcels having a total 2025/26 assessed valuation of \$12.36 billion. Assessed parcels include approximately 714 publicly-owned parcels responsible for approximately 9% of the Fiscal Year 2025/26 levy; collection of the Assessment on such parcels may be subject to limitations. See "SECURITY FOR THE BONDS - Collection of Delinquent Assessments." The City of Yuba City, with an estimated population of approximately 69,148, is the largest city within the Assessment District. California State Route 99, a major north south highway on the east side of California's Central Valley, runs through the Assessment District, and connects with Interstate 5 at North and South ends of the

Valley. See "APPENDIX C – YUBA CITY AND SUTTER COUNTY DEMOGRAPHIC INFORMATION."

Sources of Payment for the Bonds

The Bonds are secured and payable from "**Assessment Revenues**" derived from annual assessments ("**Assessments**") levied by the Agency upon property in the Assessment District.

Assessment Revenues are defined in the Indenture as all assessments received by or on behalf of the Agency from properties in the jurisdiction of the Agency under the provisions of the Benefit Assessment Act of 1982, constituting Chapter 6.4 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 54703 *et seq.* (the "**1982 Act**"). The term "Assessment Revenues" does not include amounts retained by the County of Sutter or the County of Butte representing an administration fee charged for collecting such assessments.

The Assessments are special benefit assessments authorized to be levied and collected annually on each parcel of property within the Assessment District for the purpose of financing the design, construction, and acquisition of flood control improvements. The procedure under which the Assessments are authorized to be levied was initiated by the Agency and included a ballot procedure whereby owners of property in the Assessment District elected to incur an Assessment obligation secured by a lien upon their property for the purpose of financing flood protection capital improvements of benefit to their property. See "SECURITY FOR THE BONDS" herein.

Pledge of Assessment Revenues. In the Indenture, the Assessment Revenues are pledged to secure the payment of the principal of and interest on the Bonds, the Non-Refunded Parity Bonds described below, and any other Parity Obligations, as described herein in accordance with their terms and the provisions of the Indenture. Annual Assessments are authorized to be levied in an amount at least sufficient to meet annual debt service on the Bonds and Parity Obligations, as well as to pay administrative costs and costs of the Project, as described herein. Except for a small portion that is direct-billed by the Agency, the annual Assessments are collected by the counties of Butte and Sutter (each, the "**County**") on behalf of the Agency on regular property tax bills of property subject to an Assessment and held by the Agency until transferred to the Trustee prior to each Interest Payment Date in an amount sufficient to pay scheduled debt service on the Bonds as it becomes due.

The pledge of the Agency to pay the Bonds constitutes a first lien on the Assessments, however the pledge is a parity pledge with certain outstanding bonds. The Agency may also issue additional bonds or other obligations secured by a parity pledge of the Assessments under the Indenture, as described herein under the caption "SECURITY FOR THE BONDS – Parity Obligations."

The Assessments and other amounts are pledged to the payment of the Bonds without priority or distinction of one over the other and the pledge of Assessments is irrevocable until all of the Bonds are no longer Outstanding.

Property subject to the Assessments is comprised of all of the parcels within the Assessment District (currently totaling approximately 34,549 parcels), some of which are publicly owned. Each parcel in the Assessment District is security for the respective Assessment assigned to it. Non-payment of Assessments is subject to the same remedies allowed to be taken

by the respective County for nonpayment of property taxes and could result in proceedings to foreclose title to the delinquent property, however the Agency has no power to institute such proceedings and such proceedings would be conducted by the respective County to foreclose title to the delinquent property. The Assessment levied on each parcel is the responsibility only of the individual parcel on which it is levied. In the event of delinquency in the payment of any Assessment, remedy for payment may only be pursued against the delinquent parcel. The Assessments do not constitute the personal indebtedness of the owners of assessed parcels and proceedings to collect directly from an owner are not permitted.

The Assessments levied in Butte County are expected to be collected under the County's "Teeter Plan" (described in "SECURITY FOR THE BONDS - Tax Loss Reserve Fund - "Teeter Plan") according to which the Agency will receive 100% of the annual Assessment levies in Butte County, however Butte County may terminate the Teeter Plan or the Assessment District's inclusion in it at any time. The Assessments levied in Sutter County are not collected under that County's Teeter Plan. In fiscal year 2025/26, 83% of the total Assessments levied in both counties were levied on property in Sutter County. See "SECURITY FOR THE BONDS."

See "GENERAL RISK FACTORS RELATING TO THE BONDS" herein for a discussion of certain risk factors that should be considered in evaluating the investment quality of the Bonds.

Bond Insurance; Reserve Fund Surety. Concurrently with the issuance of the 2025 Bonds, _____ ("_____" or the "**Bond Insurer**") will issue its Municipal Bond Insurance Policy for some or all of the Bonds (the "**Policy**"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds that are insured when due, as set forth in the form of the Policy included as Appendix G to this Official Statement. The Bond Insurer will also provide a reserve fund insurance policy (the "**Reserve Surety**") to be credited to the reserve fund established for the Bonds. See "BOND INSURANCE" and APPENDIX G.

Parity Obligations. The Agency has previously issued its Assessment Revenue Bonds Series 2013 (the "**2013 Bonds**") in the principal amount of \$41,035,000 and Assessment Revenue Bonds Series 2015 (the "**2015 Bonds**") in the principal amount of \$47,070,000 to finance or refinance construction of certain public capital improvements related to levee improvements and flood control. The Bonds will refinance all or a portion of the 2013 Bonds and the 2015 Bonds. See "THE REFUNDING PLAN."

The Agency may issue additional bonds secured by the Assessments on parity with the lien of the Bonds and the Non-Refunded Parity Bonds (defined herein). Issuance of Parity Obligations is required to be in accordance with the provisions of and subject to the conditions set forth in the Indenture. See "SECURITY FOR THE BONDS - Parity Obligations."

Professionals Involved in the Offering

All proceedings in connection with the issuance of the Bonds are subject to the approval of Jones Hall LLP, San Mateo, California, as Bond Counsel. U.S. Bank Trust Company, National Association, San Francisco, California, will serve as the Trustee. Jones Hall also is serving as Disclosure Counsel. Kutak Rock, Irvine, California, will serve as counsel to the Underwriter. KNN Public Finance, Berkeley, California, is serving as Municipal Advisor to the Agency.

All proceedings in connection with the formation of the Assessment District were undertaken by Downey Brand LLP, Sacramento, California, as Agency Counsel. The current administrator of the Assessment District is Willdan Financial Services, Temecula, California.

Definitions

Definitions of certain capitalized terms used, and not otherwise defined, in this Official Statement are set forth in "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

THE REFUNDING PLAN

In 2013, the Agency issued its Assessment Revenue Bonds Series 2013 (the “**2013 Bonds**”) in the original principal amount of \$41,035,000, and, in 2015, the Agency issued its Assessment Revenue Bonds Series 2015 (the “**2015 Bonds**”) in the original principal amount of \$47,070,000. The 2013 Bonds were issued to finance the construction of certain public capital improvements related to levee improvements and flood control. The 2015 Bonds were issued to refund a Loan Agreement and Note in connection with a non-revolving line of credit providing for up to the \$25,000,000 face amount which had been drawn in the amount of approximately \$14.737 million, and to finance the construction of certain public capital improvements related to levee improvements and flood control.

The Bonds are being issued to refund certain outstanding maturities of the 2013 Bonds and 2015 Bonds. The 2013 Bonds to be refunded (the “**Refunded 2013 Bonds**”) are listed on the following table. The 2013 Bonds listed as “unrefunded” are referred to herein as the “**Non-Refunded 2013 Bonds**”). The 2015 Bonds to be refunded (the “**Refunded 2015 Bonds**”) are listed on the following table. The 2015 Bonds listed as “unrefunded” are referred to herein as the “**Non-Refunded 2015 Bonds**”). The Refunded 2013 Bonds and Refunded 2015 Bonds are together referred to herein as the “**Refunded Bonds**”).

Sutter Butte Flood Control Agency Outstanding 2013 Bonds Refunding Plan

Maturity	Coupon	Principal	Refunded *	Non-Refunded *	CUSIP
2026	5.000%	\$830,000	\$830,000		869398 AN7
2027	5.000%	1,395,000	1,395,000		869398 AP2
2028	5.000%	1,465,000	1,465,000		869398 AQ0
2029	5.000%	1,540,000	1,540,000		869398 AR8
2030	5.000%	1,615,000	1,615,000		869398 AS6
2031	5.000%	1,695,000	1,695,000		869398 AT4
2032	3.625%	1,780,000	1,780,000		869398 AU1
2033	3.750%	1,845,000	1,845,000		869398 AV9
2034	4.000%	10,350,000	10,350,000		869398 AW7
2043 ^t	4.000%	12,545,000	-	<u>\$12,545,000</u>	869398 AX5
Total		\$35,060,000	\$22,515,000	\$12,545,000	

* Preliminary, subject to change.

^t term maturity

**Sutter Butte Flood Control Agency
Outstanding 2015 Bonds Refunding Plan**

Maturity	Coupon	Principal	Refunded *	Non-Refunded *	CUSIP
2026	5.000%	\$1,655,000	\$1,655,000		869398 BG1
2027	5.000%	1,215,000	1,215,000		869398 BH9
2028	5.000%	1,275,000	1,275,000		869398 BJ5
2029	3.375%	1,335,000	1,335,000		869398 BK2
2030	3.500%	1,385,000	1,385,000		869398 BL0
2031	3.625%	1,435,000	1,435,000		869398 BM8
2032	3.625%	1,485,000	1,485,000		869398 BN6
2033	3.750%	1,540,000	1,540,000		869398 BP1
2034	3.750%	1,595,000	1,595,000		869398 BQ9
2035	3.750%	1,650,000	1,650,000		869398 BR7
2040 ^t	5.000%	9,545,000	9,545,000		869398 BS5
2045 ^t	4.000%	11,960,000	-	\$11,960,000	869398 BT3
Total		\$36,075,000	\$24,115,000	\$11,960,000	

* Preliminary, subject to change.

^t term maturity

A portion of the proceeds of the Bonds will be transferred to the Trustee serving as escrow bank (the “**Escrow Bank**”) under an Escrow Agreement dated as of the Closing Date (the “**Escrow Agreement**”), between the Agency and the Escrow Bank. Pursuant to the Escrow Agreement certain proceeds of the Bonds will be irrevocably deposited and invested to _____, 2025 for the redemption of the Refunded Bonds. Accordingly, upon the delivery of the Bonds, the Refunded Prior Bonds will be defeased and the Non-Refunded Parity Bonds will remain outstanding.

SOURCES AND USES OF FUNDS

The anticipated sources and uses of funds relating to the Bonds are as follows:

Sources of Funds

Par Amount of Bonds
Net Original Issue Premium
Total Sources:

Uses of Funds

Deposit to Escrow
Costs of Issuance ⁽¹⁾
Total Uses:

(1) Includes Underwriter's discount; fees of Bond Counsel, Municipal Advisor and Disclosure Counsel; initial fees, expenses and charges of the Trustee; rating agency fee, bond insurance and reserve surety premium and other costs of issuance.

THE BONDS

General Provisions

The Bonds are being issued pursuant to the Indenture and provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Sections 53570 and 53580 of said Code (the "**Refunding Bond Law**"). The Bonds will be dated their date of delivery, and will be issued in the aggregate principal amounts set forth on the inside cover hereof. The Bonds will bear interest from their dated date at the rates per annum set forth on the inside cover page hereof, payable semiannually on each April 1 and October 1, commencing April 1, 2026 (each, an "**Interest Payment Date**"), and will mature in the amounts and on the dates set forth on the inside cover page hereof. The Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof.

Book-Entry Only System. The Bonds will be issued as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("**DTC**"), and will be available to actual purchasers of the Bonds (the "**Beneficial Owners**") in the denominations set forth above, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants (as defined herein) as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. In the event that the book-entry-only system is no longer used with respect to the Bonds, the Bonds will be registered and transferred in accordance with the Indenture. See "APPENDIX F – DTC AND THE BOOK-ENTRY-ONLY SYSTEM."

Payment on the Bonds. The principal or Redemption Price of the Bonds will be payable to the Owner thereof upon surrender thereof in lawful money of the United States of America at the Corporate Trust Office by wire transfer on each principal and mandatory redemption payment date to "Cede & Co." or its registered assign, as sole registered Owner. Interest on the Bonds shall be payable by check mailed by first class mail on each Interest Payment Date and upon the written request of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds who has provided the Trustee with wire transfer instructions on or before the applicable Regular Record Date, by wire transfer on each Interest Payment Date to the Owner thereof as of the close of business on the Regular Record Date. The Regular Record Date for the Bonds shall be the fifteenth (15th) day of the calendar month immediately preceding the relevant Interest Payment Date.

So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, payments of the principal, premium, if any, and interest on the Bonds will be made directly to DTC, or its nominee, Cede & Co. Disbursements of such payments to DTC's Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC's Participants and Indirect Participants, as more fully described herein. See "APPENDIX F – DTC AND THE BOOK-ENTRY ONLY SYSTEM" below.

Interest on any Bond shall cease to accrue (i) on the maturity date thereof, provided that there has been irrevocably deposited with the Trustee an amount sufficient to pay the principal amount thereof, plus interest accrued thereon to such date; or (ii) on the redemption date thereof, provided there has been irrevocably deposited with the Trustee an amount sufficient to pay the Redemption Price thereof, plus interest accrued thereon to such date. The Owner of such Bond shall not be entitled to any other payment, and such Bond shall no longer be Outstanding and entitled to the benefits of the Indenture, except for the payment of the principal amount or Redemption Price, as appropriate, of such Bond.

Redemption

Optional Redemption. The Bonds maturing on or before October 1, 20__, are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after October 1, 20__, are subject to redemption in whole, or in part among maturities on such basis as set forth in a Certificate of the Agency filed with the Trustee, and in any event by lot within a maturity, at the option of the Agency, from any available source of funds, on any Business Day on or after October 1, 20__, at a redemption price equal to 100% of the principal amount thereof to be redeemed together with accrued interest to the redemption date, without premium.

Mandatory Sinking Account Redemption. The Term Bonds are subject to mandatory redemption in part by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on October 1 in the respective years as set forth in the following tables; *provided, however*, that if some but not all of the Term Bonds have been redeemed under the optional redemption provisions of the Indenture, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of the Term Bonds so redeemed, to be allocated among such sinking fund payments on such basis as shall be designated by the Agency.

\$ _____ Term Bonds Maturing October 1, 20 _____

Sinking Fund Redemption Date (October 1)	Principal Amount To Be Redeemed
	\$

(Maturity)

\$ _____ Term Bonds Maturing October 1, 20 _____

Sinking Fund Redemption Date (October 1)	Principal Amount To Be Redeemed
	\$

(Maturity)

Notice of Redemption. The Trustee on behalf and at the expense of the Agency shall give notice of any redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, to the Municipal Securities Rulemaking Board and to the Securities Depositories, at least 20 but not more than 60 days prior to the date fixed for redemption; *provided, however*, that neither failure to receive any such notice so given nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the date of the notice, the redemption date, the redemption place and the redemption price and shall

designate the CUSIP numbers, the Bond numbers and the maturity or maturities (in the event of redemption of all of the Bonds of such maturity or maturities in whole) of the Bonds to be redeemed, and shall require that such Bonds be then surrendered at the Office of the Trustee identified in such notice for redemption at the redemption price, giving notice also that further interest on such Bonds shall not accrue from and after the redemption date.

The Agency has the right to rescind any notice of the optional redemption of Bonds by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of optional redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default. The Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall give notice of any rescission of redemption in the same manner in which the notice of redemption was originally given. The actual receipt of notice of such rescission shall not be a condition precedent to rescission and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission. The Agency and the Trustee shall have no liability to the Owners of any Bonds, or any other party, as a result of the Agency's decision to rescind any redemption of the Bonds.

From and after the date fixed for redemption, if notice of redemption has been duly mailed and funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption have been duly provided, such Bonds so called shall cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price, and no interest shall accrue thereon from and after the redemption date specified in such notice.

Selection by Trustee of Bonds to be Redeemed. Whenever provision is made for the redemption of less than all of the Bonds, the Trustee shall select the Bonds to be redeemed by lot in any manner which the Trustee in its sole discretion deems appropriate. For purposes of such selection, all Bonds will be deemed to be comprised of separate \$5,000 denominations and such separate denominations will be treated as separate Bonds which may be separately redeemed.

Payment, Registration, Transfer and Exchange of Bonds

Transfer and Exchange of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond to the Trustee at its Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. The Trustee shall collect any tax or other governmental charge on the transfer of any Bonds. Whenever any Bond or Bonds shall be surrendered for transfer, the Agency shall execute and the Trustee shall authenticate and deliver to the transferee a new Bond or Bonds of like series, interest rate, maturity and aggregate principal amount. The Agency shall pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer of Bonds.

The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations and of the same series, interest rate and maturity. The Trustee shall collect any tax or other governmental charge on the exchange of any Bonds. The Agency shall pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange of Bonds.

The Trustee may refuse to transfer or exchange any Bonds selected by the Trustee for redemption, or any Bonds during the period established by the Trustee for the selection of Bonds for redemption.

Book-Entry Only System

While the Bonds are subject to the book-entry system, the principal, interest and any redemption premium with respect to a Bond will be paid by the Trustee to DTC, which in turn is obligated to remit such payment to its DTC Participants for subsequent disbursement to Beneficial Owners of the Bonds, as described in "APPENDIX F — DTC and the Book-Entry-Only System" herein. The Bonds shall be initially delivered in the form of a separate single fully registered bond (which may be typewritten) for each maturity of the Bonds. Upon initial delivery, the Trustee shall register the ownership of each Bond on the Registration Books in the name of Cede & Co. as nominee of DTC (or any other nominee of the Depository designated pursuant to the Indenture).

DEBT SERVICE SCHEDULE

The annual debt service on the Bonds based on the interest rates and maturity schedule set forth on the cover of this Official Statement is set forth below, as well as the annual debt service on the Non-Refunded Parity Bonds.

SUTTER BUTTE FLOOD CONTROL AGENCY Assessment Revenue Refunding Bonds, Series 2025 Debt Service

Period Ending (October 1)	2025 Bonds Principal	2025 Bonds Interest	2025 Bonds Total*	Non-Refunded Parity Bonds*	Existing Parity Bonds Total*
2026			\$4,400,469	\$980,200	\$5,380,669
2027			4,370,750	980,200	5,350,950
2028			4,369,500	980,200	5,349,700
2029			4,362,500	980,200	5,342,700
2030			4,369,750	980,200	5,349,950
2031			4,370,250	980,200	5,350,450
2032			4,369,000	980,200	5,349,200
2033			4,370,750	980,200	5,350,950
2034			4,370,000	980,200	5,350,200
2035			4,366,500	980,200	5,346,700
2036			4,370,000	980,200	5,350,200
2037			4,364,750	980,200	5,344,950
2038			4,370,750	980,200	5,350,950
2039			2,122,000	3,295,200	5,417,200
2040			2,115,750	3,297,600	5,413,350
2041			0	5,506,200	5,506,200
2042			0	5,502,600	5,502,600
2043			0	5,501,600	5,501,600
2044			0	2,687,800	2,687,800
2045			0	2,688,400	2,688,400
TOTAL		\$	\$61,062,719	\$41,222,000	\$102,284,719

* Preliminary, subject to change.

SECURITY FOR THE BONDS

General

As described below, the Bonds are payable solely from the Assessments collected and certain funds available under the Indenture. The Assessments were first levied for the 2010/11 fiscal year.

Bond Financing for the Project. California Government Code Section 54710.5 in the 1982 Act authorized agencies that are authorized to provide flood control services, which include the members of the Agency, to levy assessments to finance the cost of installation and improvements of facilities. The Agency is eligible to exercise these assessment powers and has authorized the Assessments under the 1982 Act. See "SECURITY FOR THE BONDS - Collection of Assessments."

The Assessments are levied annually based on an annual budget for expenditures, which includes debt service on bonds, capital construction costs and other amounts approved by voters as part of the Assessment District formation. The Agency is authorized under Government Code Section 6588 to issue revenue bonds to the public secured by the Assessments. Pursuant to that authority, the Agency issued the 2013 Bonds and 2015 Bonds and may issue additional obligations secured by the Assessments. As refunding bonds, the Bonds are issued pursuant to the Refunding Bond Law.

The amount of the Assessments to be levied each year is calculated pursuant to a formula set forth in a Final Engineer's Report dated July 14, 2010 (which is attached to this Official Statement as "APPENDIX B - FINAL ENGINEER'S REPORT") prepared by Parsons Brinckerhoff. The Assessments are levied in annual installments and do not represent a fixed amount of principal. Prepayment of the Assessments is not permitted. The security for the Bonds includes Assessments levied on both privately owned and public property, however Assessments levied on privately owned property are expected to exceed annual debt service on the Bonds, a Non-Refunded Parity Bonds. See "Assessment Methodology" below.

Pledge of Assessments. The Bonds are secured by a first pledge of all of the Assessment Revenues and all of the amounts on deposit in the Operating Fund, on a parity with the pledge which secures the Non-Refunded Parity Bonds and any other Parity Obligations which may be issued in the future. In addition, the Bonds (but not any Parity Obligations) shall be secured by a pledge of all of the moneys in the 2025 Bond Service Fund and the 2025 Reserve Fund, including all amounts derived from the investment of such moneys. The Bonds, the Non-Refunded Parity Bonds and any other Parity Obligations which may be issued in the future are equally secured by a pledge, charge and lien upon the Assessment Revenues and amounts on deposit in the Operating Fund without priority for series, issue, number or date. So long as any of the Bonds are Outstanding, the Assessment Revenues and such moneys may not be used for any other purpose; except that out of the Assessment Revenues there may be apportioned such sums, for such purposes, as are expressly permitted by the Indenture.

In the Indenture, "**Assessment Revenues**" is defined as all assessments received by or on behalf of the Agency from properties in the jurisdiction of the Agency under the provisions of the Benefit Assessment Act of 1982, constituting Chapter 6.4 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 54703 of said Code.

The term "Assessment Revenues" does not include amounts retained by the County of Sutter or the County of Butte representing an administration fee charged for collecting such assessments.

The Assessments and other amounts are pledged to the payment of Bonds without priority or distinction of one over the other, and the Assessments and other amounts constitute a trust fund for the security and payment of the interest on and principal of the Bonds; but, nevertheless, out of Assessments and other amounts, certain amounts may be applied for other purposes as provided in the Indenture. The pledge of Assessments and other amounts made in the Indenture is irrevocable until all of the Bonds are no longer Outstanding.

In the Indenture, the Agency covenants that it will not create any pledge, lien or charge upon any of the Assessments or other amounts pledged hereunder having priority over or having parity with the lien of the Bonds and the Non-Refunded Parity Bonds while any of the Bonds are Outstanding, except only as permitted in the Indenture with respect to the issuance of Parity Obligations. See "Parity Obligations" below.

Liability of Agency Limited to Assessments. Notwithstanding anything set forth in the Indenture or in the Bonds, the Agency is not required to advance any moneys derived from any source other than the Assessments and other assets pledged under the Indenture for any of the purposes mentioned in the Indenture, whether for the payment of the principal or Redemption Price of or interest on the Bonds or for any other purpose of the Indenture.

Collection of Assessments

The Agency covenants in the Indenture that, so long as any of the Bonds are Outstanding, and subject to the maximum amounts that it is authorized to levy, it will take all actions as may be required to levy and collect or cause the appropriate officials of Sutter County and Butte County to levy and collect all Assessment Revenues which the Agency is authorized to levy on properties in the jurisdiction of the Agency. To the maximum extent permitted by law and the Final Engineer's Report, the Agency shall cause to be levied and collected in each fiscal year an amount of Assessment Revenues (excluding Governmental Revenues) which is at least equal to 110% of the amount of principal of and interest on the Bonds, the Non-Refunded Parity Bonds and any outstanding Parity Obligations coming due in the Bond Year which begins in such fiscal year. See "GENERAL RISK FACTORS RELATING TO THE BONDS - Levy and Collection of the Assessments" and " - Covenant to Levy Assessments Not a Guarantee."

"Governmental Revenues" is defined in the Indenture as Assessment Revenues which are imposed on any federal, state or local government agency.

The Agency further covenants that it will comply with all requirements of law to ensure the levy, collection and payment to it of the Assessment Revenues (excluding Governmental Revenues). The Agency shall not enter into any agreement or arrangement which would have the effect of reducing the amount of Assessment Revenues to be received by the Agency.

In comparing the aggregate value of the real property within the Assessment District, it should be noted that only the real property upon which there is a delinquent Assessment can be sold for collection upon, and the real property within the Assessment District cannot be sold as a whole to pay delinquent Assessments of the owners of such parcels within the Assessment District unless all of the property is subject to a delinquent Assessment. In any event, individual parcels may be foreclosed upon to pay delinquent installments of the assessments levied against such parcels. The principal amount of the Bonds will not be allocated pro-rata among the

assessed parcels; rather, the total Assessment has been allocated among the parcels within the Assessment District according to the Final Engineer's Report.

Flow of Funds

The Assessments are collected in the same manner as ordinary *ad valorem* property taxes are collected and are subject to the same penalties and the same procedure, sale by the County, and lien priority in case of delinquency as is provided for *ad valorem* property taxes. Accordingly, the majority of Assessments are collected by each County on behalf of the Agency as a part of annual property tax bills. For a small number of properties, the Agency bills Assessments directly to the property owner. Direct billed assessees include Butte County, the State of California (the "**State**"), various school districts and property of other local agencies. Collected Assessment moneys received will be held by the Agency and subject to the pledge for payment of the Bonds as set forth in the Indenture.

The Agency has previously established the Operating Fund, which the Agency agrees to continue to hold and maintain for the purposes and uses set forth in the Indenture. The Agency shall deposit all Assessment Revenues in the Operating Fund promptly upon the receipt thereof. The Agency shall manage, conserve and apply moneys in the Operating Fund in such a manner that all payments of principal of and interest on the Bonds will be made in full when due.

In addition to withdrawals required to pay the Non-Refunded Prior Bonds under the respective Prior Bond Indentures, and the principal of and interest on the Parity Obligations in accordance with the Parity Obligation Documents, during each Bond Year the Agency shall withdraw amounts on deposit in the Operating Fund and apply such amounts at the times and for the purposes, and in the priority, as follows:

- (a) 2025 Bond Service Fund. The Agency shall withdraw from the Operating Fund and pay to the Trustee for deposit into the 2025 Bond Service Fund (which the Trustee shall establish and hold in trust hereunder) an amount which, together with other available amounts then on deposit in the 2025 Bond Service Fund, is at least equal to the aggregate amount of principal of and interest coming due and payable on the 2025 Bonds during such Bond Year, including the principal amount of Term Bonds (if any) which are subject to mandatory sinking fund redemption during such Bond Year. The Agency shall make all payments required under this subsection to the Trustee not later than the sixth Business Day preceding the date on which such payments are due to the Bond Owners.

The Trustee shall apply amounts in the 2025 Bond Service Fund solely for the purpose of (i) paying the interest on the Outstanding 2025 Bonds when due and payable (including accrued interest on any 2025 Bonds purchased or redeemed), and (ii) paying the principal of the 2025 Bonds at the maturity thereof or upon the mandatory sinking fund redemption of Term 2025 Bonds.

- (b) 2025 Reserve Fund. If the amount on deposit in the 2025 Reserve Fund at any time falls below the 2025 Reserve Requirement, the Trustee shall promptly notify the Agency and the Bond Insurer of such fact. Upon receipt of any such notice, the Agency shall transfer to the Trustee an amount of available Assessment Revenues sufficient to maintain the 2025 Reserve

Requirement on deposit in the 2025 Reserve Fund (including the reimbursement of all amounts due and owing to the Bond Insurer in respect of the Reserve Surety). No deposit need be made in the 2025 Reserve Fund so long as the balance therein at least equals the 2025 Reserve Requirement. If the amount on deposit in the 2025 Reserve Fund exceeds the 2025 Reserve Requirement, the Trustee shall transfer such excess amount to the 2025 Bond Service Fund.

If the amount on deposit in the 2025 Bond Service Fund on any Interest Payment Date is insufficient to pay the principal of and interest on the 2025 Bonds then coming due, the Trustee shall (i) immediately notify the Agency and the Bond Insurer in writing of such fact, and (ii) withdraw the amount of such insufficiency from the 2025 Reserve Fund and transfer it to the 2025 Bond Service Fund. On the date on which all 2025 Bonds are retired, any moneys then on deposit in the 2025 Reserve Fund shall be withdrawn by the Trustee and transferred to the 2025 Bond Service Fund to be applied to pay debt service on the 2025 Bonds.

- (c) 2025 Redemption Fund. If the Agency elects to redeem Outstanding 2025 Bonds under the optional redemption provisions of the Indenture, the Agency shall transfer to the Trustee for deposit into the 2025 Redemption Fund (which the Trustee shall thereupon establish and hold under the Indenture) an amount at least equal to the redemption price of the 2025 Bonds, excluding accrued interest, which is payable from the 2025 Bond Service Fund. Amounts in the 2025 Redemption Fund shall be applied by the Trustee solely for the purpose of paying the redemption price of 2025 Bonds. Following any such redemption of the 2025 Bonds, any moneys remaining in the 2025 Redemption Fund shall be transferred by the Trustee to the Agency for deposit into the Operating Fund.
- (d) Surplus. If the amount of Assessment Revenues received by the Agency in any Bond Year exceeds the aggregate amounts required to be paid above from the Operating Fund during such Bond Year, such excess may be applied for any lawful purposes of the Agency, including but not limited to the payment of administrative costs of the Agency and making transfers to a capital fund for the purpose of paying capital costs of the Project.

Tax Loss Reserve Fund - "Teeter Plan"

Some California counties and the other political subdivisions within their boundaries 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 county treasury's cash position (from taxes) is insured by a special tax loss reserve fund accumulated from delinquent penalties.

The Assessments levied in Butte County are expected to be collected under Butte County's Teeter Plan, however Butte County may terminate the Teeter Plan or the inclusion of the Assessment District in the plan at any time.

The Assessments levied in Sutter County are not collected under Sutter County's Teeter Plan. In fiscal year 2025/26, the Assessments levied in Sutter County accounted for approximately 83% of the total Assessments levied in both counties.

The Assessments levied on property in Butte County are expected to be collected pursuant to the procedures described above. Thus, so long as Butte County maintains its policy of collecting taxes and Assessments pursuant to said procedures and the Agency meets the Teeter Plan requirements, the Agency will receive 100% of the annual Assessments levied in Butte County without regard to actual collections. There is no assurance, however, that the Butte County Board of Supervisors will maintain its policy of apportioning Assessments pursuant to the aforementioned procedures. The Board of Supervisors of Butte County may discontinue the procedures under the Teeter Plan altogether, or with respect to any tax or assessment levying agency in the respective County, if the rate of secured tax and assessment delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls for that agency.

2025 Reserve Fund

The Agency will establish a reserve fund (the "**2025 Reserve Fund**") to be held by the Trustee for payment of debt service on the Bonds, to be maintained in an amount equal to the "**2025 Reserve Requirement**" which is, as of any date of calculation, an amount equal to 50% of the maximum amount of principal of and interest on the Bonds coming due and payable in the current or any future Bond Year. An amount equal to the 2025 Reserve Requirement shall be maintained in the 2025 Reserve Fund at all times, and any deficiency therein shall be replenished from the first available Assessment Revenues as provided in the Indenture.

The 2025 Reserve Requirement shall be initially maintained in the form of the issuance of a debt service reserve surety (the "**Reserve Surety**") by the Bond Insurer. Under the terms and conditions of the Reserve Surety, the Trustee shall deliver to the Reserve Insurer a demand for payment under the Reserve Surety in the required form at least ____ Business Days before the date on which funds are required for the purposes set forth in the Indenture. The Trustee shall comply with all of the terms and provisions of the Reserve Surety for the purpose of assuring that funds are available thereunder when required for the purposes of the 2025 Reserve Fund, within the limits of the coverage amount provided by the Reserve Surety. All amounts drawn by the Trustee under the Reserve Surety shall be deposited into the 2025 Reserve Fund and applied for the purposes thereof.

The Agency has no obligation to replace the Reserve Surety or fund the 2025 Reserve Fund with cash or other security if the Bond Insurer goes bankrupt or is downgraded, or otherwise fails to perform under the Reserve Surety.

Parity Obligations

The Non-Refunded Parity Bonds. The Bonds, the Non-Refunded Parity Bonds, and any Parity Obligations issued in the future are secured by a parity pledge of the Assessment Revenues. See "THE REFUNDING PLAN" and "DEBT SERVICE SCHEDULE" above.

Future Parity Obligations. In addition to the Bonds and the Non-Refunded Parity Bonds, the Agency may issue bonds, notes, loan agreements, installment sale agreements, leases or other obligations of the Agency payable from and secured by a pledge of and lien upon any of the Assessment Revenues issued or incurred on a parity with the Bonds ("**Parity Obligations**") subject to the following conditions precedent:

- (a) No Event of Default (or no event with respect to which notice has been given and which, once all notice of grace periods have passed, would constitute an Event of Default) has occurred and is continuing.
- (b) The amount of Assessment Revenues (excluding Governmental Revenues), as shown by the books of the Agency for the most recent completed Fiscal Year for which audited financial statements of the Agency are available or for any more recent consecutive 12-month period selected by the Agency (including the current Fiscal Year, based on the Assessment Revenues, excluding Governmental Revenues, which have been levied for such Fiscal Year), in any case verified by an Independent Accountant, a Financial Consultant or Assessment Engineer, or shown in the audited financial statements of the Agency, are at least equal to 110% of the amount of Maximum Annual Debt Service.
- (c) Interest on the Parity Obligations shall be payable only on April 1 and October 1, and principal thereof shall be payable only on October 1 in any year in which principal is payable.
- (d) The issuance of such Parity Obligations shall comply with all conditions to the issuance thereof as set forth in the applicable provisions of the Parity Obligation Documents.
- (e) The Agency shall deliver to the Trustee a Certificate of the Agency certifying, and an opinion of Bond Counsel stating, that the conditions precedent to the issuance of such Parity Obligations set forth in the foregoing provisions have been satisfied.

Superior and Subordinate Obligations. The Agency may not issue or incur any additional bonds or other obligations having any priority in payment of principal or interest out of the Assessment Revenues over the Bonds. Nothing in the Indenture limits or affects the ability of the Agency to issue or incur obligations which are either unsecured or which are secured by an interest in the Assessment Revenues which is junior and subordinate to the pledge of and lien upon the Assessment Revenues.

Assessment Methodology

Under various California laws, a governmental agency may fund public services or improvements by levying an assessment on the properties that would receive a special benefit from the services or improvements. A special benefit is a particular and distinct benefit over and above the general benefits conferred on real property located in the district or to the public at large. The cost of the services or improvements must be apportioned among the properties being assessed based on the proportionate special benefit these properties will receive. Moreover, the governmental agency must demonstrate through a balloting process, weighted to reflect these special benefits, that the ballots submitted in opposition to the assessment do not exceed the

ballots submitted in favor of the assessment, weighted according to the proportional financial obligation of the affected property.

In connection with the proposal to levy the Assessments, the Agency caused to be prepared a Final Engineer's Report and Addendum to Final Engineer's Report, dated July 14, 2010 and August 8, 2012 respectively (collectively, the **"Final Engineer's Report"**). All properties within the Assessment District were determined by the Assessment Engineer to receive a special flood protection benefit in the form of a substantial reduction in expected flood damages upon completion of the Project. The Final Engineer's Report analyzed the benefit to be received by the property in the Assessment District and assigned, through establishment and application of a formula, the allocable share of the total Assessments which is assignable to each property.

The Assessment Engineer determined that for a relatively wide range of flood events, the Project financed through the Assessments would protect the properties in the Assessment District from the damages to structures, the contents of structures and the land comprising the property they could have otherwise suffered had the Project not been constructed. The special flood damage reduction benefit provided by the Project's flood control improvements will vary based on the size and use of the affected structures, and the relative size and location of the affected property.

The annual Assessment amounts are apportioned among the parcels in the Assessment District based on the proportionate benefits each would receive from the Project. In Fiscal Year 2025/26, the average Assessment for a single-family home is approximately \$110 per year. Approximately 74% of the parcels in the Assessment District are single-family homes responsible for approximately 41% of the Fiscal Year 2025/26 Assessment Levy. Approximately 90% of all single-family parcels had an Assessment less than or equal to \$200 in Fiscal Year 2025/26. The remaining parcels in the Assessment District are predominantly commercial, industrial, agricultural, multi-family residential housing or vacant.

The Assessment roll is updated annually to reflect changes in the parcel characteristics that affect the calculation of Assessments. The same Assessment formula is applied to the changed parcel as to existing parcels. In this way, future land use changes can be accommodated in an equitable manner relative to existing development. The maximum amount of the Assessments that may be levied in future fiscal years in accordance with the methodology approved pursuant to the Assessment proceeding may increase or decrease each year depending on changes in land use category and development within the Assessment District. See "GENERAL RISK FACTORS RELATING TO THE BONDS – Reduction of Assessments" herein.

For a description of the methodology used by the Assessment Engineer to spread the Assessments, see Appendix B hereto.

Priority of Lien

Each installment of the Assessments and any interest and penalties thereon, constitutes a lien on the parcel of land on which it was imposed until the same is paid. Such lien is co-equal to and independent of the lien for general taxes, any other special assessment liens and community facilities district special taxes. See "THE ASSESSMENT DISTRICT— Overlapping Liens" herein.

Collection of Delinquent Assessments

The value of the land within the Assessment District is a critical factor in determining the investment quality of the Bonds. If a property owner defaults in the payment of an Assessment, there is no accelerated foreclosure remedy; the Agency's only remedy is to recover unpaid Assessments through the respective County's procedure for collection of regular property taxes. See "SECURITY FOR THE BONDS – Collection of Assessments" and "GENERAL RISK FACTORS RELATING TO THE BONDS – No Accelerated Foreclosure – Bankruptcy." The collection of Assessments levied within Butte County have been included under Butte County's Teeter Plan; however, no assurance can be given that the Teeter Plan in Butte County will remain in effect with respect to the Assessments during the entire term the Bonds are outstanding. Further, the majority of Assessments are levied on property in Sutter County; Sutter County has not included the Assessments on its Teeter Plan. See "SECURITY FOR THE BONDS – Tax Loss Reserve Fund - "Teeter Plan." The County's remedy for non-payment of Assessments is foreclosure of the property subject to the delinquent Assessment; as such, reductions in Assessment District property values due to a downturn in the economy, natural disasters such as earthquakes or floods, stricter land use regulations or other events could have an adverse impact on the security for payment of the Assessments.

The Agency generally may not be able to foreclose on properties owned by governmental entities in order to collect delinquent Assessments. Currently, approximately 91% of the total amount of Assessments are payable by non-governmental entities. No assurance can be given that effective and timely collection of any delinquent Assessments against governmental agencies can be achieved, particularly against the Federal Government.

BOND INSURANCE

The following information has been furnished by the Bond Insurer for use in this Official Statement. No representation is made as to the accuracy or completeness of this information, or the absence of material adverse changes therein at any time subsequent to the date hereof. Reference is made to APPENDIX G for a specimen of the Policy.

[to come]

THE PROJECT

Sutter and Butte counties lie in a portion of northern California known as the Sacramento Valley, approximately 40 miles north of Sacramento. The counties are home to significant components of the Sacramento River Flood Control Project, which define an area within the counties known as the Sutter Basin (the "**Basin**"). The Basin is bounded by the Feather River on the east, the Sutter Bypass along a portion of its southwestern boundary, and the Cherokee Canal and the Sutter Buttes on its northwestern and western boundary. Urbanized areas located within the Basin include Biggs, Gridley, Live Oak and Yuba City. This region of northern California has experienced frequent floods in the past, many of which occurred before stream flow data were recorded. Prior to the Agency's formation, information indicated that the level of flood protection in the Basin provided by levees then in place was deficient. In response to those concerns, the Agency was formed in 2007 and the Assessment District was formed in 2010. Since its formation, the Agency has coordinated what is now estimated to be more than 694 million of flood control improvements (the "**Project**") to increase the level of flood protection within the Basin.

Historical Background of the Project. California has over 13,000 miles of levees that protect residential and agricultural lands from the risk of flooding. The Sutter Basin is an area subject to inundation from flood flows in the Feather River and Sutter Bypass. The first organized responses to seasonal floods were simple dirt levees, generally built by farmers to protect their crops and farm properties. The early settlers' levees were often no more than berms of loose dirt, sometimes built over old lake beds and stream channels. Subsequent levees were frequently built on top of those older levees, many of which had leaky foundations of pervious and unstable soils. After major floods in the early part of the 20th century, the US Army Corps of Engineers ("**Corps**") constructed a comprehensive and connected system of levees and bypasses (or overflow channels) to contain the river runoff. Eventually, dams and reservoirs were also built that act as shock absorbers, storing sudden storm runoff to help prevent overtopping levees. Despite these efforts, dozens of flood events, including numerous levee breaches, occurred between 1907 and the late 1990's, resulting in dozens of deaths and tens of millions of dollars in property damage.

The levees along the Feather River and Sutter Bypass are the Sutter Basin's first line of defense against flooding from big Sierra storms. Studies on different segments of Feather River levees showed that areas once thought to be protected could fall into higher-risk zones because those levees did not provide adequate protection against the Federal Emergency Management Agency ("**FEMA**") standard 100-year flood flows, much less the higher 200-year standard set by the State of California for urban areas. The California Department of Water Resources ("**DWR**") conducted exploration, testing and analyses of the levees that surround the Sutter Basin, with review from an independent board of levee experts. The Agency augmented those studies with further detailed engineering studies and a second independent review panel. And finally, the Corps also conducted an independent engineering study of the Basin levees. These studies and reviews concluded that the vast majority of the west levees of the Feather River required rehabilitation in order to provide adequate flood protection.

Prior to the commencement of the Project, FEMA was expected to revise their estimates of flood risk in portions of the Sutter Basin, resulting in the issuance by FEMA of new Flood Insurance Rate Maps ("**FIRMs**") that show more flood-prone areas and increased flood insurance rates. In 2008, FEMA issued new FIRMs in the southern portions of Sutter County (generally south of Stewart Road). FEMA started a similar procedure for Biggs, Gridley and unincorporated portions of Butte County, and signaled that the rest of Sutter County (including Live Oak and Yuba City) would follow. Since the implementation of the assessments in 2010, completed portions of the Project have reduced the flood risk and resulted in FEMA revising its flood maps removing

large portions of the Basin, generally the urbanized areas, from high risk flood zones, while also formalizing the identification of other areas, generally non-urbanized areas, previously known to have flood exposures but not previously identified on older FEMA maps.

Implementation of the Project. The Agency developed a comprehensive program of fix-in-place levee rehabilitation (the "**Basin Plan**"), with 2 major projects. Project 1 was designed to provide 200-year protection for the urban areas in the central and northern portions of the Basin, including Yuba City and north. Project 2 was designed to provide 100-year protection for the non-urban areas south of Yuba City.

Project 1 consisted of levee repair/rehabilitation of approximately 37 miles of levees along the right bank of the Feather River from Thermalito Afterbay to Star Bend, and the construction of the Oroville Wildlife Area Flood Stage Reduction Project (OWA FSR). In October 2021, the Agency deemed Project 1 complete and approved evidentiary documentation upon which its member land use agencies could adopt findings that the improved flood protection system provides 200-year flood protection in the affected urbanized areas in compliance with the California State Law.

Project 2, now underway, includes (i) rehabilitation of the remainder of the Feather River levee from Star Bend to the Feather River/Sutter Bypass confluence ("TFRR"), (ii) improvements to the Sutter Bypass East ("SBEL"), and (iii) improvements to the Wadsworth Canal levees. The improvements to the Feather River West levee from Star Bend to the Highway 99 Bridge were completed by both the Agency and the Corps in 2022. The balance of the Feather River West levee downstream from the Highway 99 Bridge to the confluence with the Sutter Bypass is currently under construction by the Agency and is expected to be completed in 2026. The Agency is actively designing, in partnership with DWR, improvements to portions of the Sutter Bypass East levee. Design and construction of the Wadsworth Canal project has not yet begun.

The geographic extent and areas that receive varying levels of flood protection from the Basin Plan projects are depicted in the following map.

[[INSERT MAP]]

See Sutter Area Plan Map

The costs of the Basin Plan as described above, cost sharing and costs completed as of September 2025 are summarized in the following table.

Basin Plan Projected Costs, Cost Sharing and Costs Completed to Date

Component / Area	Total Cost	<u>Estimated Cost Sharing</u>			Costs Completed
		Federal	State	Local	
Project 1					
Project Design	\$30,098,548	\$-	\$22,490,586	\$7,607,962	\$30,098,548
Project Construction	302,431,008	-	231,166,316	71,264,692	302,431,008
Total Project 1 Cost	\$332,529,556	\$0	\$253,656,902	\$78,872,654	\$332,529,556
Share of Project 1 Costs	100.0%	0.0%	76.3%	23.7%	100.0%
Project 2					
Laurel Avenue	\$11,670,000	\$ -	\$9,919,500	\$1,750,500	\$11,670,000
Tudor to Cypress 5 Mile Project	61,684,483	58,600,259	2,158,957	925,267	60,684,483
TFRR Design	2,170,347	-	-	2,170,347	2,170,347
TFRR Construction	15,000,000	-	-	15,000,000	5,213,748
SBEL 5 Mile Repair Design	6,166,037	-	4,000,000	2,166,037	1,695,747
SBEL 5 Mile Repair Construction (1)	60,000,000	45,000,000	12,000,000	3,000,000	-
SBEL 12 Mile Repair Design (2)	15,000,000	-	10,000,000	5,000,000	-
SBEL 12 Mile Repair Construction (2)	150,000,000	112,500,000	37,500,000	-	-
Wadsworth Design (3)	4,000,000	-	4,000,000	-	-
Wadsworth Construction (3)	36,000,000	-	36,000,000	-	-
Total Project 2 Cost	\$361,690,867	\$216,100,259	\$115,578,457	\$30,012,152	\$81,434,325
Share of Project 2 Costs	100.0%	59.7%	32.0%	8.30%	22.5%
Total Basin Plan	\$694,220,423	\$216,100,259	\$369,235,359	\$108,884,806	\$413,963,881
Share of Total Plan Costs	100%	31.1%	53.2%	15.68%	59.6%

(1) Assumed Federal/Non-Federal Share 75%/25%; Non-Federal share split 75%/25% between State and Agency, respectively.

(2) \$5 million of total local cost on Design funding includes anticipated contribution from Calpine. Assumes Federal and State funding not yet secured.

(3) Assumes 100% State funded.

Source: Larsen Wurzel & Associates, Inc., The Agency

Status of Funding. The current estimated total cost of the Basin Plan is approximately \$694 million, including \$331 million for the completed Project 1 and approximately \$362 million for Project 2, of which approximately \$81 million (22%) has been completed to date. The Agency is planning for approximately 31% of the Project 2 cost to be funded with proceeds from future State General Obligation bonds through programs administered by the DWR, and approximately 60% from the federal government through grant programs administered by FEMA. There are no assurances that State or federal funding will be available. The Agency expects that the remaining 8% local share (about \$30 million) of Project 2 costs can be funded from cash on hand, expected reimbursements from the State and a project specific contribution from Calpine. The Agency expects to advance a portion of Project 2 costs ahead of the State and federal government. While the Agency currently does not expect to issue additional Parity Obligations for Project costs, given the uncertainty over the availability of State and federal funding and Project costs and timing, it could consider such an issuance in the future. In any case, the Agency plans to continue levying the assessments at the maximum rates for the foreseeable future.

FEMA Remapping. Following the completion of the northern section of Project 1 in 2017, a levee accreditation package and Letter of Map Revision (LOMR) request was submitted by the Agency to update the Flood Insurance Rate Maps (FIRMs) issued in Butte County. FEMA approved these by FEMA in 2021.

In February 2023, a levee accreditation package and LOMR request was submitted by the Agency to FEMA to update the FIRMs in Sutter County. As part of this process, an updated analysis of the post-Project 1 floodplain in Sutter County was completed. This analysis formally identified portions of the Assessment District with previously-known flood risks as Special Flood Hazard Zone (FEMA AE Zone) due to the risk riverine flooding. The Assessments on properties within the updated AE Zone are estimated to represent approximately 7% of the 2025/26 assessment levy. See also “GENERAL RISK FACTORS RELATING TO THE BONDS – Flood Risks Prior to Project Completion”.

FEMA Remapping. Following the completion of the northern section of Project 1 in 2017, a levee accreditation package and Letter of Map Revision (LOMR) request was submitted by the Agency to update the Flood Insurance Rate Maps (FIRMs) issued in Butte County, which were approved by FEMA in 2021.

In February 2023, a levee accreditation package and LOMR request was submitted by the Agency to FEMA to update the FIRMs in Sutter County. As part of the southern portion accreditation package, an updated analysis of the post-Project 1 floodplain mapping in Sutter County was completed, which took into account the risk of the unaccredited levee systems, which Project 2, upon completion, would address. As a result, the proposed revised mapping submitted to FEMA reflects a revision to the lands within the Assessment District that will remain in a Special Flood Hazard Zone (FEMA AE Zone) as result of riverine flooding. The assessments on properties within the updated AE Zone are estimated to represent approximately 7% of the fiscal year 2025/26 assessment levy. See also “GENERAL RISK FACTORS RELATING TO THE BONDS – Flood Risks Prior to Project Completion”.

The exact timing of the FEMA approval process is uncertain however formal action isn't expected prior to December 2026. The proposed mapping changes have already been formally adopted by both Sutter County and the City of Yuba City as “best available information” for floodplain administration purposes.

THE ASSESSMENT DISTRICT

Formation of the Assessment District

The Board of Directors of the Agency, by Resolution No. 10-001, adopted on June 16, 2010, as amended, declared its intention to undertake special assessment proceedings pursuant to the 1982 Act to form the Assessment District for the levy and collection of the Assessments in the Assessment District. The Assessment District was formed on July 14, 2010 pursuant to the 1982 Act. The projects to be funded in part by the Agency, which are described in detail in the Final Engineer's Report, generally consist of improvements providing flood protection for residents in the Assessment District boundaries. The Assessments have been levied annually on parcels within the Assessment District boundary since Fiscal Year 2010/11. The procedure under which the Assessments are authorized to be levied was initiated by the Agency and included a ballot procedure whereby owners of property in the Assessment District elected to incur an Assessment obligation secured by a lien upon their property. The ballot proceeding resulted in 72.2% of the weighted ballots received in favor of the Assessments.

Location of the Assessed Property

Sutter and Butte counties lie in northern California approximately 40 miles north of Sacramento in a northern portion of the area known as the Sacramento Valley. The counties are home to significant components of the Sacramento River Flood Control Project which define an area within the counties known as the Sutter Basin. The Sutter Basin is bounded by the Feather River on the east, the Sutter Bypass along a portion of its southwestern boundary, and the Cherokee Canal and the Sutter Buttes on its northwestern and western boundary. The Sutter Basin contains both urban areas and non-urban areas. Urbanized areas located within the Basin include Biggs, Gridley, Live Oak and Yuba City. This region of northern California has experienced floods in the past, many of which occurred before stream flow data were recorded. The southern portion of the Basin is rural and has the potential for the deepest flooding depths.

Assessed Property

Assessments are levied on approximately 34,549 parcels having a total 2025/26 assessed valuation of \$12.36 billion. Assessed parcels include approximately 714 publicly-owned parcels responsible for approximately 9% of the fiscal year 2025/26 Assessment levy; collection of the Assessment on such parcels may be subject to limitations. See "SECURITY FOR THE BONDS - Collection of Delinquent Assessments."

The value of the land within the Assessment District is a critical factor in determining the investment quality of the Bonds. If a property owner defaults in the payment of an Assessment, there is no accelerated foreclosure remedy; the Agency's only remedy is to recover unpaid Assessments through each County's procedure for collection of regular property taxes. See "SECURITY FOR THE BONDS – Collection of Assessments" and "GENERAL RISK FACTORS RELATING TO THE BONDS – No Accelerated Foreclosure – Bankruptcy."

The collection of Assessments levied in Butte County will initially be included under Butte County's Teeter Plan; however no assurance can be given that the Teeter Plan will remain in effect with respect to the Assessments during the entire term the Bonds are outstanding. See "SECURITY FOR THE BONDS – Tax Loss Reserve Fund - "Teeter Plan." Each County's remedy for non-payment of Assessment is foreclosure of the property subject to the delinquent Assessment; as such, reductions in Assessment District property values due to a downturn in the

economy, natural disasters such as earthquakes or floods, stricter land use regulations or other events could have an adverse impact on the security for payment of the Assessments.

In connection with valuing property in the Assessment District, the Agency has compiled the Fiscal Year 2025/26 assessed valuation of property that is subject to an outstanding Assessment. As provided by Article XIII A of the Constitution of the State of California, county assessors' assessed values are to reflect market value as of the date the property was last assessed (or 1975, whichever is more recent), increased by a maximum of 2% per year. Properties may be reassessed by the county only upon a change of at least 51% ownership of existing property or upon new construction. The assessed values of parcels in the Assessment District thus reflect the estimate of each County's Assessor (the "Assessor") of market value when acquired (or 1975, whichever is later) for undeveloped parcels, and the Assessor's estimate of market value as of the time of construction for developed parcels, both possibly increased by 2% per year. The actual market value of parcels in the Assessment District, if sold at foreclosure, may be higher or lower than the Assessor's assessed values. The actual fair market value of any parcel can often be more accurately established through an arms-length sale or an appraisal by an independent appraiser.

Other public agencies whose boundaries overlap those of the Assessment District could, without the consent of the Agency and in certain cases without the consent of the owners of the land within the Assessment District, impose additional taxes or assessment liens on the land within the Assessment District. The purpose would be to finance additional regional or local public improvements or services. The lien created on the land within the Assessment District through the levy of such additional taxes or assessments may be on parity with the lien of the Assessments. See "Overlapping Liens" below.

Land Uses in the Assessment District. Parcels in the Assessment District are the subject of various land uses, including residential, commercial and industrial and include both developed and undeveloped land. Land use in the Assessment District and 2025/26 County assessed valuation of property in the Assessment District is summarized below.

**TABLE 1
SUTTER BUTTE FLOOD CONTROL AGENCY
2025/26 Assessed Valuation by Land Use⁽¹⁾**

Description	No. of Parcels	% of Parcels	Assessment Levy ⁽¹⁾	% of Total Levy	Assessed Value ^{(2) (3)}	Levy as % of Assessed Value
<u>By Land Use</u>						
Single Family Residential	25,502	73.8%	\$2,796,286	40.6%	\$7,185,009,075	0.04%
Multi Family Residential	1,358	3.9%	439,689	6.4%	775,282,316	0.06%
Commercial	1,248	3.6%	1,420,327	20.6%	1,575,324,415	0.09%
Industrial	449	1.3%	839,962	12.2%	444,904,597	0.19%
Agriculture	4,213	12.2%	610,383	8.9%	2,084,412,724	0.03%
Institution	306	0.9%	741,670	10.8%	189,754,489	0.39%
Vacant	1,473	4.3%	34,319	0.5%	106,623,536	0.03%
Total: ⁽⁴⁾	34,549	100.0%	\$6,882,637	100.0%	\$12,361,311,152	
<u>By Type of Owner</u>						
Non-Governmental:	33,835	97.9%	\$6,238,235	90.6%	\$12,341,766,659	0.05%
Governmental ⁽³⁾ :	714	2.1%	\$644,401	9.4%	\$19,544,493	N/A ⁽³⁾
Total: ⁽⁴⁾	34,549	100.0%	\$6,882,637	100.0%	\$12,361,311,152	
<u>By County</u>						
Butte	5,889	17.0%	\$525,735	7.6%	\$1,598,818,777	0.04%
Sutter	28,660	83.0%	6,356,901	92.4%	10,762,492,375	0.06%
Total: ⁽⁴⁾	34,549	100.0%	\$6,882,637	100.0%	\$12,361,311,152	0.09%

⁽¹⁾ Amount of Assessment includes all parcels eligible to be levied.

⁽²⁾ Represents assessed value as of July 1, 2025.

⁽³⁾ Most government owned parcels have no assessed valuation.

⁽⁴⁾ Totals may not foot due to rounding.

Source: Willdan Financial Services, Larsen Wurzel & Associates, Sutter County, Butte County and the Agency.

Average and Median Assessment for Single Family Home. The Agency reports that the average annual Assessment for single family homes in Fiscal Year 2025/26 is approximately \$110 and the median is \$93; 90% of single-family home parcels have an Assessment less than or equal to \$200 per year.

Owners of Property With Aggregate Largest Assessments in the Assessment District. Property subject to the Assessments is currently comprised of approximately 34,549 parcels. The following table shows the top 25 Assessment taxpayers for fiscal year 2025-26. Some of the parcels are owned by the public entities where enforcement of payment of the Assessment may not be enforceable by foreclosure. See "GENERAL RISK FACTORS RELATING TO THE BONDS – Government-Owned Properties."

TABLE 2
SUTTER BUTTE FLOOD CONTROL AGENCY
Top 25 Property Assessment Taxpayers – Private and Public Owners
Fiscal Year 2025/26

	Number of Parcels	Primary Use(s)	Amount of Annual Assessment	% of Assessment	FY 2025/26 Assessed Value
Sunsweet Growers Inc	8	Food Processing Plant	\$133,612	1.94%	\$42,189,550
Yuba City Unified School Dist.*	24	Schools	132,772	1.93%	-
Elvs LLC	3	Storage Units	70,565	1.03%	47,409,548
County Of Sutter*	41	Government	67,706	0.98%	-
State Of California*	40	Government	66,605	0.97%	-
Regional Housing Authority*	54	Housing/Government	64,882	0.94%	-
Bains Properties LP	59	Agricultural	54,669	0.79%	55,001,593
City of Yuba City*	100	Government	48,338	0.70%	681,333
Butte House Bel Air Inv-li L	8	Shopping Center	43,936	0.64%	21,615,264
Harter Packing Co LLC	13	Warehouse / Industrial	39,912	0.58%	5,508,144
Wal Mart Real Estate Bus Trust	1	Wal Mart Supercenter	39,315	0.57%	12,982,568
Lowes HIW Inc	1	Home Improvement	36,451	0.53%	15,580,000
ECP/TPB1 LLC	6	Shopping Center	34,173	0.48%	17,647,562
Sams Real Estate Business TR	1	Sam's Club	32,941	0.44%	15,007,800
Biggs Union High School*	5	Schools	30,086	0.41%	-
Miravista LLC	1	Office	27,978	0.40%	36,900,000
Home Depot Usa Inc	1	Home Imp. Store	27,528	0.40%	13,737,985
Yuba City Union High Sch Dist*	19	Schools	27,196	0.38%	-
Winco Foods LLC	1	Food Storage	26,703	0.34%	9,280,000
Live Oak City of*	44	Government	25,977	0.34%	-
United Com Serv	1	Food Storage	23,715	0.31%	34,853,307
AWW2 LP	62	Real Estate	23,222	0.30%	22,683,433
LOMO Cold Storage LLC	2	Industrial	21,617	0.27%	10,778,339
Howard Dryer Company LLC	2	Industrial	20,922	0.27%	8,184,513
Bridge Street QC LLC	1	Multi-Family Residential	18,820	0.24%	21,716,007
Total of Top 25 Payers	498		\$1,114,103	16.19%	\$392,564,820
All others	34,051		\$5,768,533	83.81%	\$11,968,746,332
Total Agency Assessment District			\$6,882,637	100.00%	\$12,361,311,152

Note: The parcels are in Sutter County with the exception of some of the parcels owned by Bains Properties LP, Biggs Union High School District and the State of California, which are in both Sutter and Butte counties.

* Public entity owners. Public entity owners in the top 25 property assessments accounted for 6.65% of the total 2025/26 Assessments.

Source: Willdan Financial Services.

Neither the Bonds nor the Assessments are personal obligations of any person or entity owning property within the Assessment area or having any interest in such property at the present time or at any time in the future. An owner of land in the Assessment area can elect at any time to not pay Assessments and allow the property to be foreclosed and in doing so, such owner will incur no personal liability for the Assessments, regardless of the amount of proceeds from a foreclosure sale.

Levies and Collections

Other than Assessments on publicly owned property, the Assessments are collected in the same manner as ordinary *ad valorem* property taxes are collected and are subject to the same penalties and the same procedure, sale by the County, and lien priority in case of delinquency as is provided for *ad valorem* property taxes. Accordingly, the majority of the Assessments will be collected by each County as a part of annual property tax bills, and Assessment moneys received are forwarded to the Agency and held by the Agency subject to the pledge for payment of the Bonds.

The Agency direct bills certainly publicly owned parcels and certain parcels in Butte County with an assessed valuation of less than \$2,000 (for which Butte County has a non-billing policy). Assessment billings on those properties are sent by the Agency in similar timeframes as County billings. The 2025/26 Assessment levy included approximately \$149,140 in direct-billed Assessments. Collection of Assessments on publicly owned property may be difficult or impossible. See "GENERAL RISK FACTORS RELATING TO THE BONDS – Government-Owned Properties."

An Assessment is levied on each parcel within the Assessment District and only the respective individual parcel is responsible for such Assessment. In the event of delinquency in the payment of any Assessment, the remedy for payment may only be pursued against the delinquent parcel.

The Assessments were first levied in fiscal year 2010/11. The following table shows the Assessment levy and receipts, as available for fiscal years 2010/11 through 2025/26.

TABLE 3
SUTTER BUTTE FLOOD CONTROL AGENCY
Assessment Levies and Receipts
Fiscal Year 2010/11- 2025/26

Fiscal Year	Amount Levied	Receipts ⁽¹⁾⁽²⁾	Receipts as Pct of Levy
2010/11	\$6,476,883	\$6,315,426	97.5%
2011/12	6,540,993	6,405,543	97.9
2012/13	6,580,188	6,755,962	102.7
2013/14	6,558,089	6,565,158	100.1
2014/15	6,586,636	6,623,137	100.6
2015/16	6,586,571	6,615,352	100.4
2016/17	6,618,064	6,797,057	102.7
2017/18	6,628,241	6,763,692	102.0
2018/19	6,626,611	6,696,443	101.1
2019/20	6,630,901	6,670,387	100.6
2020/21	6,678,730	6,726,246	100.7
2021/22	6,696,414	6,835,943	102.1
2022/23	6,706,599	6,716,086	100.1
2023/24	6,806,856	6,675,392	98.1
2024/25	6,842,931	6,741,232	98.5
2025/26	6,882,637	N/A ⁽³⁾	

- (1) Reflects amounts received by Agency through August following the close of the fiscal year. Includes penalties & interest, and, starting fiscal year 2011/12, collection of prior year assessments. The portion of the assessments collected on the Butte County tax roll (approximately 7.42% of the total assessments in fiscal year 2024/25) reflects approximately 100% of the Butte County tax roll levy as the assessments are on the Teeter Plan in Butte County.
- (2) As of June 30, 2025, there was approximately \$647,972 in remaining delinquencies with respect to Assessments levied on the Sutter County tax roll for fiscal years 2010/2011 through 2024/2025. Such remaining delinquencies represent approximately 0.7% of the \$92.4 million in Assessments billed on the Sutter County tax roll in the first fifteen years, inclusive of the Assessments on government-owned property billed on the Sutter County tax roll.
- (3) In process of being collected.

Sources: Willdan Financial Services, Larsen Wurzel & Associates, Sutter County, Butte County, and the Agency.

Overlapping Liens

Agencies that provide public services that overlap the boundaries of the Assessment District may have outstanding certificates of participation and bonds in the form of general obligation, special assessment, special tax, redevelopment or lease revenue bonds. Some impose special assessments and charges without corresponding indebtedness. In general, certificates of participation and redevelopment and lease revenue bonds do not represent obligations for which a property owner is obligated to make a direct payment representing debt service, but instead such obligations can be payable from the general fund of the issuer of such obligation or from property tax increment made available to such issuer.

The following table shows a Debt Report of the direct and overlapping tax and assessment debt for property within the Assessment District as of November 1, 2025, as compiled by California Municipal Statistics, Inc. Neither the Agency nor the Underwriter has independently verified the information in the Debt Report and neither guarantees its completeness or accuracy.

TABLE 4
SUTTER BUTTE FLOOD CONTROL AGENCY ASSESSMENT DISTRICT
Direct and Overlapping Tax and Assessment Debt

2025/26 Local Secured Assessed Valuation: \$12,361,311,152

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 11/1/25</u>
Butte-Glenn Community College District General Obligation Bonds	4.81%	\$9,359,734
Yuba Joint Community College District General Obligation Bonds	22.124	34,482,849
Biggs Unified School District	43.538	2,612,281
Gridley Unified School District	84.415	8,855,112
Gridley Unified School District School Facilities Improvement District No. 1	82.816	1,830,235
Live Oak Unified School District General Obligation Bonds	84.151	16,138,459
Yuba City Unified School District School Facilities Improvement District No. 1999-1	86.579	3,096,692
Yuba City Unified School District School Facilities Improvement District No. 2004-1	90.101	5,552,586
Sutter Union High School District General Obligation Bonds	36.861	6,228,019
Brittan School District General Obligation Bonds	24.637	965,758
Franklin School District General Obligation Bonds	97.739	2,160,036
Sutter Butte Flood Control Agency Assessment District	100	71,135,000 ⁽¹⁾
California Statewide Communities Development Authority Assessment District Bonds	100	1,770,047
California Statewide Communities Development Authority Community Facilities District Bonds	100	4,520,010
City of Yuba City Community Facilities District No. 2004-1	95.261	1,270,286
Total Direct and Overlapping Tax and Assessment Debt		\$169,977,104

Ratios to 2025/26 Local Secured Assessed Valuation:

Direct Debt (\$71,135,000): 0.58%

Direct and Overlapping Tax and Assessment Debt: 1.38%

⁽¹⁾ Current bonds outstanding.

Source: California Municipal Statistics, Inc.

Historical and Projected Debt Service Coverage

Historical Coverage. The following table shows historical debt service coverage for the Fiscal Years 2020/21 through 2024/25.

TABLE 5A
SUTTER BUTTE FLOOD CONTROL AGENCY
5 Year Historical Coverage Table
Fiscal Years 2020/21 through 2024/25

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Assessment Revenues					
Non-Governmental Assessments	\$6,141,257	\$6,144,253	\$6,156,870	\$6,183,213	\$6,212,350
Governmental Assessments	517,473	532,161	529,729	603,642	610,580
Total Revenues	\$6,658,730	\$6,676,414	\$6,686,599	\$6,786,855	\$6,822,930
Parity Debt Service					
2013 and 2015 Bonds	5,504,931	5,503,731	5,501,481	5,504,231	5,501,481
Administrative Expenses					
Available for Capital Projects	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
	\$ 403,799	\$ 422,683	\$ 435,118	\$ 532,624	\$ 571,449
Debt Service Coverage					
All-In Coverage	1.21	1.12	1.12	1.23	1.24
From Non-Governmental Assessments	1.12	1.12	1.12	1.12	1.13

Source: The Agency.

Projected Coverage. The following table shows pro-forma debt service coverage on the Bonds and the Prior Bonds for the Fiscal Years 2025/26 through 2029-30. The information in the table is based on a variety of assumptions which the Agency believes to be reasonable. In the event that actual conditions vary significantly from those assumed by the Agency, there can be no assurances that actual debt service coverage will not materially differ from the projections set forth in the table.

The amount shown in the table for "Assessment Revenues" in each fiscal year is the amount assessed by the Agency in that fiscal year and is assumed to be approximately the same amount as levied in 2024/25. The actual amount received by the Agency in that fiscal year may be less than the amount set forth in the table. As described herein, the Assessment to be imposed on individual properties has been established at specified maximum amounts. Assessments can be levied up to these maximum amounts and only as needed to cover debt service, the costs of flood control projects and administrative expenses. The aggregate amount of Assessments actually collected in any year could decline as a result of significant changes in land use, or delinquencies in payments by land owners.

Currently, the Assessments are generating approximately \$6.8 million annually for flood protection. A portion of the annual Assessment revenue, up to the amount of \$750,000 is available for administration costs. Assessments may increase or decrease as parcels transition among land uses and improvements on the land.

TABLE 5B
SUTTER BUTTE FLOOD CONTROL AGENCY
5 Year Projected Coverage Table
Fiscal Years 2025/26 through 2029-30^{(1) *}

	2026	2027	2028	2029	2030
Assessment Revenues					
Non-Governmental Assessments	\$6,220,642	\$6,220,642	\$6,220,642	\$6,220,642	\$6,220,642
Governmental Assessments	641,994	641,994	641,994	641,994	641,994
Total Revenues ⁽²⁾	\$6,862,636	\$6,862,636	\$6,862,636	\$6,862,636	\$6,862,636
Parity Debt Service ⁽²⁾					
Non-Refunded 2013 and 2015 Bonds*	980,200	980,200	980,200	980,200	980,200
2025 Bonds ^{(4)*}	4,400,469	4,370,750	4,369,500	4,362,500	4,369,750
Total Estimated Debt Service*	\$5,380,669	\$5,350,950	\$5,349,700	\$5,342,700	\$5,349,950
Administrative Expenses ⁽³⁾	750,000	750,000	750,000	750,000	750,000
Available for Capital Projects ⁽⁴⁾	\$731,968	\$761,686	\$762,936	\$769,936	\$762,686
Debt Service Coverage					
All-In Coverage ⁽⁵⁾	1.28	1.28	1.28	1.28	1.28
From Non-Governmental Assessments ⁽⁶⁾	1.16	1.16	1.16	1.16	1.16

* Preliminary, subject to change.

- (1) Based on actual fiscal year 2025/26 assessment levy per Willdan Financial Services and assumes assessments are levied at the maximum allowable rates as described in the Engineer's Report and zero growth. Excludes an estimated [\$20,000] for estimated County administrative fees for collecting the assessments (reflected in historic levies also). Future levies may be reduced to the extent less funds are required for debt service payments, administrative expenses or capital projects (see "SECURITY FOR THE BONDS – Collection of Assessments").
 - (2) Revenues presented for the fiscal year ending June 30 of each year, debt service presented for the bond year ending October 1 of each year.
 - (3) Annual administrative budget for subsequent fiscal year estimated at up to \$750,000 per year per Engineer's Report.
 - (4) Remaining assessment revenues if levied at maximum allowable rates based on fiscal year 2025/26 land use, after payment of debt service and administrative budget.
 - (5) Total fiscal year 2025/26 assessment revenues divided by total estimated parity debt service.
 - (6) Fiscal year 2025/26 non-governmental assessment revenues divided by total estimated parity debt service.
- Note: Maximum annual debt service is currently \$5,506,200, which occurs in the year ending on 10/1/41. Based on FY 2025/26 revenues, all-in maximum annual debt service coverage is approximately 1.25 times, while maximum annual debt service coverage from 2025/26 Non-Governmental Revenues is 1.13 times. Issuance of Parity Obligations, if any, could modestly reduce debt service coverage (see "Parity Obligations" and "THE PROJECT - Status of Funding").

Sources: KNN Public Finance; Willdan Financial Services; Stifel Nicolaus and Company, Incorporated.

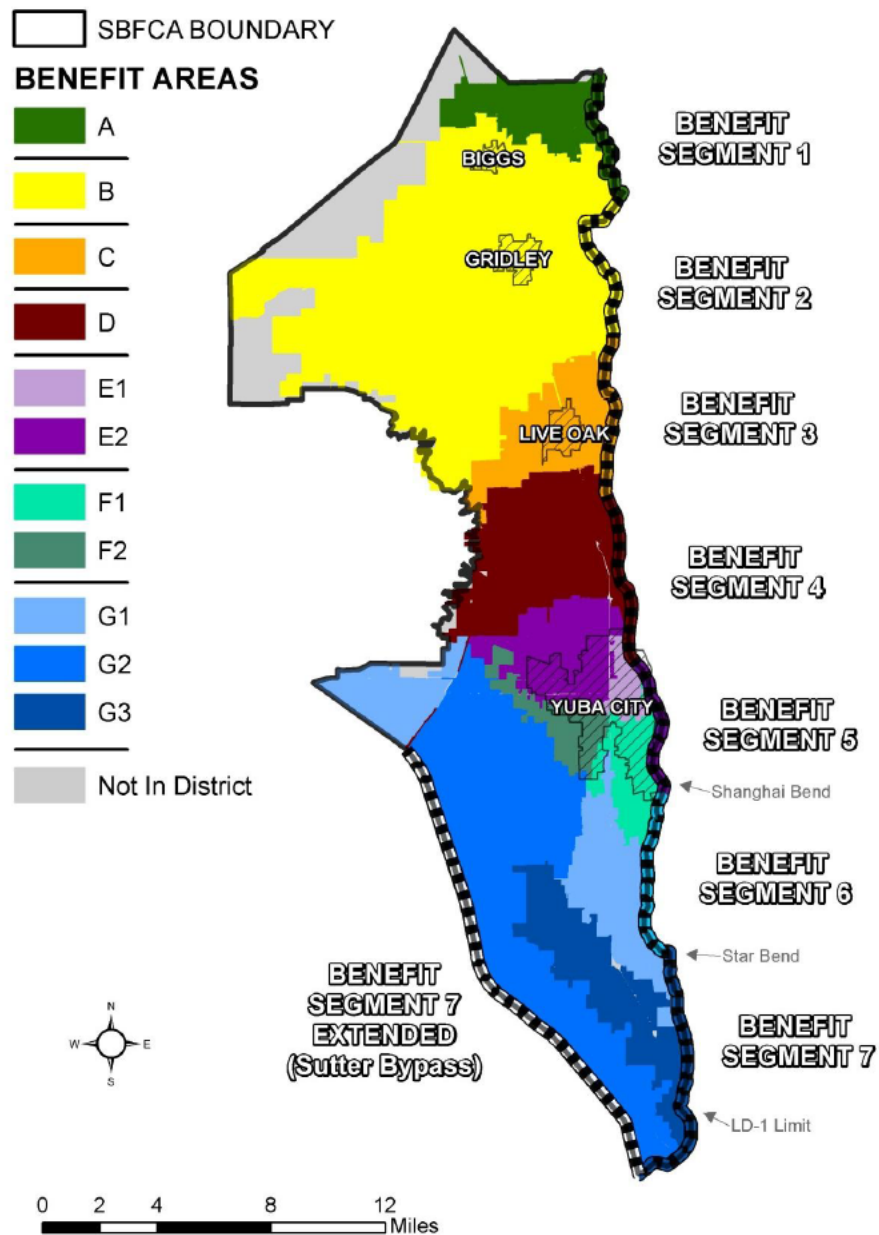
GENERAL RISK FACTORS RELATING TO THE BONDS

Flood Risks Prior to Project Completion

Significant portions of the Project described herein to reduce the risk of flood damage to property in the Assessment District have been completed, however, it will take many more years and additional funding from the State and Federal governments which have not been committed to complete all of improvements and achieve 100-year flood protection in the southern portion of the Basin. See "THE PROJECT AND THE FINANCING PLAN." The occurrence of a flood or other natural disaster which results in significant damage to property within the Assessment District could materially adversely affect the ability of the Agency to collect Assessments at the levels required to pay debt service on the Bonds in a timely manner.

The Sutter Basin is an area subject to inundation from flood flows in the Sutter Bypass, Wadsworth Canal, and Feather Rivers. Despite past efforts to ward off inundation, levee breaches in 1917, 1955, 1986 and 1997 resulted in major flooding that affected the region, resulting in dozens of deaths and millions of dollars in property damage. The risk of flooding caused by river overflow or heavy rainfall remains significant in the rural portions of Assessment District protected by levees that have not yet been improved, though this area receives increased flood protection due to the completed portions of the Project. Approximately 7% of all assessments, approximately \$500,000 in FY 2025/26, are generated from those lands with less than 100-Year level of protection from levees, which is substantially represented by the Areas shown as Benefit Area G1, G2 and G3 within Figure 4 of the August 8, 2012 Engineer's Report Addendum shown below.

Figure 4
Revised Benefit Areas



Based on a Levee Accreditation package submitted by the Agency to FEMA related to maps covering Sutter County, FEMA is currently in the process of revising their estimates of flood risks in different portions of the Sutter Basin. Based on the information provided by the Agency, it is expected that the rural portion of the Basin, represented by Areas G1, G2 and G3 in the figure above, will remain in a high-risk flood zone as designated by FEMA. As a result, property owners

would continue to be required to purchase flood insurance for buildings covered by loans from banks and mortgage companies with a federal guarantee. These limitations and requirements would remain in effect until the deficiencies in the levee system are adequately corrected.

There can be no assurances that a significant flooding event will not result in damage to or abandonment of properties within the Assessment District, or reduce the willingness and ability of the property owners within the Assessment District to pay Assessments when due, or otherwise materially adversely affect the ability of the Agency to pay debt service on the Bonds in a timely manner.

Project Completion; Funding

The remaining portions of the Project described herein to reduce the risk of flood damage to property in the Assessment District will take several years to complete. See "THE PROJECT AND THE FINANCING PLAN." The completion of the Project and its various remaining components to reduce the risk of flooding could be delayed for a variety of reasons, including but not limited to longer than expected construction periods or higher than expected construction bids. In addition, completion of Project 2 depends in significant part on the availability of federal and State funding. Failure to receive funding at the times and in the amounts contemplated by the Agency could cause significant delays in Project 2 implementation. In addition, changes in regulatory standards could significantly increase the cost of, and time needed to complete, improvements necessary to achieve the Agency's 100-year flood protection objectives in the rural portion of the basin. Any such delays or changes could result in significant delay in the completion of Project 2 or abandonment of planned components, and/or reduce the willingness and ability of the property owners within portions of the Assessment District to pay Assessments when due, or otherwise materially adversely affect the ability of the agency to pay debt service on the Bonds in a timely manner.

Factors Affecting Parcel Value and Aggregate Values

The facts and circumstances concerning the values of the parcels subject to the Assessments that are of importance are not confined to those relating to individual parcel values because the Bonds are not individually secured by particular parcels. The following are some of the factors that may affect the market for and value of particular parcels in the Assessment District.

Geologic, topographic and climatic conditions. Values of parcels can be adversely affected by a variety of natural events and conditions. These include, without limitation:

- geologic conditions such as earthquakes;
- topographic conditions such as earth movements and floods; and
- climatic conditions such as droughts or super storms.

The possibility of the occurrence of some of these conditions and events, particularly as to flood hazards, has been taken into account to a limited extent in the design of public improvements that have been or may be approved by the Agency or other public agencies. Building codes require that some of these conditions be taken into account to a limited extent in the design of private improvements. Design criteria in any of these circumstances are established upon the basis of a variety of considerations and may change from time to time leaving previously designed improvements unaffected by more stringent subsequently established criteria. In general, design criteria, at the time of their establishment, reflect a balance between the present costs of protection and the future costs of lack of protection, based in part upon a present perception of the probability

that the condition will occur and the seriousness of the condition should it occur. Also reflecting that balance are decisions not to impose design criteria at all.

The Agency expects that one or more of these conditions may occur from time to time, and, even with current FEMA and FEMA mapping standards, such conditions may result in damage to property improvements. That damage may entail significant repair or replacement costs, and repair or replacement may never occur. Under any of these circumstances, the value of the parcels in the Assessment District could depreciate substantially notwithstanding the establishment of design criteria and/or the execution of the mitigation of flood risk measures undertaken by the Agency.

Natural Disasters. The value of the parcels in the Assessment District in the future can be adversely affected by a variety of natural occurrences, particularly those that may affect infrastructure and other public improvements and private improvements on the parcels in the Assessment District and the continued habitability and enjoyment of such private improvements. For example, the areas in and surrounding the Assessment District, like those in much of California, may be subject to earthquakes or other unpredictable seismic activity, however, the Assessment District is not located in a seismic special studies zone.

Other natural disasters could include, without limitation, landslides, floods, droughts, wildfires or tornadoes. One or more natural disasters could occur and could result in damage to improvements of varying seriousness. Although the land in the Assessment District is not in a high-risk area (or a special fire hazard severity zone) for and may occur anywhere throughout the State, with devastating consequences. Damage from destructive natural occurrences is unpredictable and may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost, or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances there could be significant delinquencies in the payment of the Assessments, and the value of the parcels may depreciate.

Wildfires. Wildfires have caused extensive damage throughout the State, including within Butte County. Certain of these fires have burned thousands of acres and destroyed hundreds and in some cases thousands of homes, including the 2018 Camp fire in the Butte County foothills which destroyed most of the town of Paradise. In some instances entire neighborhoods have been destroyed. Several fires in recent years damaged or destroyed property in areas that were not previously considered to be at risk from such events. In 2023, as in several prior years, for example, devastating wildfires burned in various communities in the State, causing wide-spread damage.

In 2025, Governor Gavin Newsom issued an Executive Order which canceled penalties, costs and interest on overdue property taxes within certain ZIP codes affected by the Palisades and Eaton Fires during calendar year 2025. In the event of a major fire or other natural disaster affecting the Assessment District a similar order affecting the Assessment District could impact the timely payment of debt service on the Bonds.

A small number of parcels in the Assessment District are within an area of moderate concern, as designated by CAL-FIRE.

Seismic Conditions. The area of the Assessment District, like all California communities, may be subject to unpredictable seismic activity. There are several active and potentially active fault zones that could affect the area.

Climate Conditions. There are current beliefs that greenhouse gas emissions are accumulating in the atmosphere, which may affect climate change. If that belief is correct and accumulations intensify, increasing the frequency, severity and timing of extreme weather events such as storm surges, drought, wildfires, floods and heat waves, and raising sea levels may be a consequence. The future fiscal impact of such climate change on the Agency and the residents and businesses within its boundaries is difficult to predict, but it could be significant and it could have a material adverse effect on the receipt of Assessment Revenues if property owners' ability and willingness to pay their property tax bills is affected.

Legal requirements. Other events that may affect the value of a parcel include changes in the law or application of the law. Such changes may include, without limitation, the following:

- local growth control initiatives;
- local utility connection moratoriums;
- local application of statewide tax and governmental spending limitation measures.

Other Possible Claims Upon the Value of a Parcel

Hazardous substances. While governmental taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to pay the Assessments is 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 of the parcel relating to released or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or "Superfund 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. Under many of these laws, the owner or operator of a property is obligated to remedy a hazardous substance condition whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect therefore, should any of the parcels be affected by a hazardous substance, is to reduce the marketability and value of the parcel by the costs of remedying the condition.

Further, it is possible that liabilities may arise in the future with respect to any of the parcels resulting from the current existence on the parcel of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of a parcel that is realizable upon delinquency.

Levy and Collection of the Assessments

The principal source of payment of principal of and interest on the Bonds is the proceeds of the annual levy and collection of the Assessments against property within the Assessment District. The annual levy of the Assessments is subject to the maximum assessment rates authorized. The levy cannot be made at a higher rate even if the failure to do so means that the estimated proceeds of the levy and collection of the Assessments, together with other available funds, will not be sufficient to pay debt service on the Bonds. Other funds that might be available include funds derived from the payment of penalties on delinquent Assessments and funds derived from the tax sale or foreclosure and sale of parcels on which levies of the Assessments are delinquent.

The levy of the Assessments will rarely, if ever, result in a uniform relationship between the value of particular assessed parcels and the amount of the levy of the Assessments against such parcels. Thus, there will rarely, if ever, be a uniform relationship between the value of such parcels and the proportionate share of debt service on the Bonds, and certainly not a direct relationship.

The Assessments levied in any particular assessment year on an assessed parcel are based upon the application of the assessment methodology. Application of the assessment methodology will, in turn, be dependent upon the special benefit provided with respect to each assessed parcel.

The Assessments are to be collected in the same manner as ordinary *ad valorem* property taxes are collected and typically counties will not accept only one or the other. Non-payment is subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for *ad valorem* property taxes. Pursuant to these procedures, if taxes are unpaid for a period of five years or more, the property is subject to sale by the applicable County. The Agency has no ability to bring a foreclosure action and is dependent on the applicable County's procedures for enforcement of the lien of the Assessments on delinquent property.

In the event that sales of property are necessary, there could be a delay in payments to owners of the Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the Agency of the proceeds of sale if the 2025 Reserve Fund is depleted.

Other Governmental Obligations. While the Bonds are not secured by specific parcels, the security only extends to the value thereof that is not subject to priority and parity liens and similar claims relative to the Bonds (i.e., special taxes or assessments). Other governmental obligations may be authorized and undertaken or issued in the future the tax, assessment or charge for which may become an obligation of one or more of the parcels in the Assessment District, and may be secured by liens on a parity with the liens of the Assessments.

In general, as long as installments of the Assessments are collected on the County tax roll, the installments and all other taxes, assessments and charges also collected on the tax roll are on a parity. Questions of priority become significant when collection of one or more of the taxes, assessments or charges is sought by some other procedure, such as foreclosure and sale. In the event of proceedings to foreclose for delinquency of Assessments, the Assessments will be subordinate only to existing prior governmental liens, if any. Otherwise, in the event of such foreclosure proceedings, the Assessments will generally be on a parity with the other taxes, assessments and charges, and will share the proceeds of such foreclosure proceedings on a pro-rata basis.

No Accelerated Foreclosure

The Assessments are to be collected in the same manner as ordinary *ad valorem* property taxes are collected and non-payment is subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for ad valorem property taxes. Pursuant to these procedures, if taxes are unpaid for a period of five years or more, the property is subject to sale by the applicable County. ***The Agency has no ability to bring a foreclosure action and is dependent on the applicable County's procedures for enforcement of the lien of the Assessments on delinquent property.***

Bankruptcy. The payment of the Assessments and the ability of the Agency to collect delinquent Assessments, as discussed in "SECURITY FOR THE BONDS," may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights. 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, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the Assessments to become extinguished, bankruptcy of a property owner or any other person claiming an interest in a property subject to the Assessments could result in a delay in collection proceedings and could result in the possibility of annual Assessment installments not being paid in part or in full. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds.

Proposition 218

Under the California Constitution, the power of initiative is reserved to the voters for the purpose of enacting statutes and constitutional amendments. Over the several decades, the voters have exercised this power through the adoption of Proposition 13 and similar measures.

Any such initiative may affect the collection of fees, taxes and other types of revenue by local agencies such as the Agency. Subject to overriding federal constitutional principles, such collection may be materially and adversely affected by voter-approved initiatives, possibly to the extent of creating cash-flow problems in the payment of outstanding obligations such as the Bonds.

On November 5, 1996, the voters approved Proposition 218—Voter Approval for Local Government Taxes—Limitation on Fees, Reassessments, and Charges—Initiative Constitutional Amendment, added Articles XIIC and XIID to the California Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. The Assessments were authorized by a ballot procedure meeting the requirements of Proposition 218.

Among other things, Section 3 of Article XIIC states that ". . . the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge."

On July 1, 1997, a bill was signed into law by the Governor of the State enacting Government Code Section 5854, which states that:

"Section 3 of Article XIII C of the California Constitution, as adopted at the November 5, 1996, general election, shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after that date, assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights protected by Section 10 of Article I of the United States Constitution."

Therefore, although the matter is not free from doubt, it is likely that Proposition 218 has not conferred on the voters the power to repeal or reduce the Assessments if such reduction would interfere with the timely retirement of the Bonds.

The Assessments were authorized by a ballot procedure meeting the requirements of Proposition 218.

Like its antecedents, Proposition 218 is likely to undergo both judicial and legislative scrutiny before its impact on the parcels in the Assessment District and its obligations can be determined. Certain provisions of Proposition 218 may be examined by the courts for their constitutionality under both State and federal constitutional law. The Agency is not able to predict the outcome of any such examination.

Government-Owned Properties

Proposition 218, discussed herein, for the first time required the assessment of governmentally-owned property that benefits from the improvements. The law thus appears to require governmental agencies to pay the annual Assessments. Under State law, the Agency generally may not foreclose on properties owned by governmental entities in order to collect delinquent Assessments. Currently, approximately 2.1% of the total amount of Assessments are payable by governmental entities. Judicial enforcement of delinquent assessments owed by governmental agencies and/or enforcement of any money-judgment that might be obtained against any governmental entity through the judicial process is uncertain. No assurance can be given that effective and timely enforcement of any delinquent Assessments against governmental agencies can be achieved, particularly against the Federal Government. The Assessments levied against such property likely may not be collected through any County foreclosure proceeding and as such, may be largely unenforceable. For that reason, the Agency expects that it, as well as the County, will be unable to collect the Assessments on government-owned property should the government entity which owns the property elect not to pay the respective Assessments allocated to its property. In the event that collections from private property owners are insufficient, the inability or unwillingness of governmental entities to pay Assessments could adversely affect the ability of the Agency to pay debt service with respect to the Bonds.

Payment of the Assessments Is Not a Personal Obligation

The owners of assessed property are not personally liable for the payment of the Assessments. Rather, the Assessments are obligations only of the property subject to an Assessment. If the value of a parcel of property is not sufficient to fully secure the Assessments on it, the Agency has no recourse against the owner.

Limited Obligation to Pay Debt Service

The Agency has no obligation to pay principal of and interest on the Bonds if Assessment collections are insufficient for that purpose, other than from amounts, if any, on deposit in the 2025 Reserve Fund. The Agency is not obligated to advance its own funds to pay debt service on the Bonds.

Reduction of Assessments

Under the assessment methodology, the amount of the Assessment levied on a parcel in each year is a function of the imputed benefit derived by such property and is not based directly on apportionment of debt service on the Bonds. Accordingly, a reduction in benefit derived by a parcel (such as through change in land use classification of a parcel or the size or existence of improvements on a parcel) could reduce the Assessment levied on such parcel. For example, to the extent improvements on a property are partially or totally destroyed for any reason (including but not limited to the occurrence of a significant flood event) and not rebuilt, the land use classification of the property could be reclassified by the County Assessor and subject to a substantially reduced Assessment. Also, the use of a parcel of property may change and therefore could result in a different classification under the methodology utilized for Assessments.

Covenant to Levy Assessments Not a Guarantee

The ability of the Agency to pay the debt service on the Bonds depends on the ability of the Agency to collect Assessments in the amounts required by the Indenture. Although the Agency expects that sufficient Assessments will be collected, there is no assurance that the levy of Assessments will result in the collection of Assessments in the amounts required by the Indenture. As a result, the Agency's covenant does not constitute a guarantee that sufficient Assessments will be available to make debt service payments on the Bonds.

Limitations 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 or to preserve the tax-exempt status of the Bonds.

Bond Counsel has limited its opinion as to the enforceability of the Bonds and of the Indenture 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.

Loss of Tax Exemption

As discussed under the caption "LEGAL MATTERS – 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 Agency in violation of its covenants in the Indenture. The Indenture 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.

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. Occasionally, because of general market conditions 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.

Additional Debt

The Agency may incur indebtedness payable from the Assessments on parity with the Bonds and the Non-Refunded Parity Bonds, subject to certain limitations in the Indenture. Other governmental entities or districts having jurisdiction over all or a portion of the land within the Assessment District may also incur debt payable from taxes or assessments on all or a portion of the property within the Assessment District. Nothing prevents the owners of land within the Assessment District from consenting to the issuance of additional debt by other public agencies which would be secured by taxes, including special taxes, payable on an equal priority with the Assessments. To the extent such indebtedness is payable from special taxes or property taxes, such special taxes and property taxes may have a lien on the property within the Assessment District on a parity with the Assessments.

Accordingly, the debt on the property within the Assessment District could greatly increase, without any corresponding increase in the value of the property. The imposition of additional assessments could also reduce the willingness and ability of the property owners within the Assessment District to pay Assessments when due. The Agency has no control over the ability of other entities and districts to issue indebtedness secured by special taxes or assessments payable from all or a portion of the property within the Assessment District.

Potential Early Redemption of Bonds

As described under "THE BONDS — Redemption – Optional Redemption," the Agency may choose to effect an optional redemption of the Bonds maturing on a certain date. The optional redemption of such Bonds which were purchased at a price greater than par could reduce the otherwise expected yield on such Bonds.

Pandemic Diseases

In recent years, public health authorities have warned of threats posed by outbreaks of disease and other public health threats. Pandemic diseases arising in the future could have significant adverse health and financial impacts throughout the world, leading to loss of jobs and personal financial hardships, and/or actions by federal, State and local governmental authorities to contain or mitigate the effects of an outbreak.

Taxpayer assistance measures may include deferral of due dates of property taxes, which was an assistance program during the COVID-19 pandemic, and with or without a deferral some taxpayers may be unable to make their property and assessment payments. No assurance can be given that the property tax payment dates will not be deferred in the future, which may cause a delay in the receipt of Assessments. In addition, home values may be affected by a reduction in demand stemming from personal finances, or general widespread economic circumstances resulting from pandemic diseases.

Cyber Security

The Agency, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other sensitive electronic information, the Agency is potentially subject to multiple cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. The Agency has in place certain protection measures, including its “Business Disaster, Resumption & Preparedness Plan.” No assurance can be given that the Agency’s efforts to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the Agency, or the administration of the Bonds. The Agency is also reliant on other entities and service providers in connection with the administration of the Bonds, including without limitation the County tax collector for the levy and collection of Assessments, the Trustee, and the dissemination agent. No assurance can be given that the Agency and these other entities will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

Payments by FDIC and Other Governmental Agencies

The ability of the Agency to collect the Assessments and interest and penalties specified by State law, and to foreclose the lien of delinquent Assessments, may be limited in certain respects with regard to properties in which the Federal Deposit Insurance Corporation (the “**FDIC**”) or other similar federal governmental agencies has or obtains an interest. On June 4, 1991, the FDIC issued a Statement of Policy Regarding the Payment of State and Local Property Taxes (the “**1991 Policy Statement**”). The 1991 Policy Statement was revised and superseded by a new Policy Statement effective January 9, 1997 (the “**Policy Statement**”). The Policy Statement provides that real property owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property’s value, and that the FDIC is immune from real property taxes assessed on any basis other than property value.

According to the Policy Statement, the FDIC will pay its property tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution’s affairs, unless abandonment of the FDIC’s interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes owed at the rate provided under state law, to the extent that the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will neither pay nor recognize liens for such amounts. If any property taxes (including interest) on FDIC-owned property are secured by a valid lien (in effect

before the property became owned by the FDIC), the FDIC will pay those claims. The Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure or sale without the FDIC's consent. In addition, the FDIC will not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC's consent.

The Policy Statement states that the FDIC generally will not pay non-*ad valorem* taxes, including special assessments such as the Assessments, on property in which it has a fee interest unless the amount of tax is fixed at the time that the FDIC acquires its fee interest in the property, nor will it recognize the validity of any lien to the extent it purports to secure the payment of any such amounts. With respect to property in California owned by the FDIC on January 9, 1997, and that was owned by the Resolution Trust Corporation ("**RTC**") on December 31, 1995, or that became the property of the FDIC through foreclosure of a security interest held by the RTC on that date, the FDIC will continue the RTC's prior practice of paying special taxes imposed pursuant to the Act if the taxes were imposed prior to the RTC's acquisition of an interest in the property. All other special taxes may be challenged by the FDIC.

The Agency is unable to predict what effect the FDIC's application of the Policy Statement would have in the event of a delinquency on a parcel within the Agency in which the FDIC has or obtains an interest, although prohibiting the lien of the FDIC to be foreclosed at a judicial foreclosure sale would reduce or eliminate the persons willing to purchase a parcel at a foreclosure sale. Owners of the Bonds should assume that the Agency will be unable to foreclose on any parcel owned by the FDIC. Such an outcome could cause draws on the 2025 Reserve Fund and perhaps, ultimately, a default in payment on the Bonds. [Based upon the secured tax roll for Fiscal Year 2025/26, the FDIC does not presently own any of the property within the Agency's boundaries.]

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest on a parcel and the Agency causes the applicable County 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.

LEGAL MATTERS

Tax Matters

Federal Tax Status. In the opinion of Jones Hall LLP, San Mateo, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the Agency comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") relating to the exclusion from gross income for federal income tax purposes of interest on

obligations such as the Bonds. The Agency has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes “original issue discount” for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes “original issue premium” for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount and original issue premium are disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under federal individual alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond’s maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

Other Tax Considerations. Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the Bonds, or as to the consequences of owning or receiving interest on the Bonds, as of any future date. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the Bonds, the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

Absence of Litigation

The Agency will certify at the time the Bonds are issued that no litigation is pending or threatened concerning the validity of the Bonds and that no action, suit or proceeding is known by the Agency to be pending that would restrain or enjoin the delivery of the Bonds, or contest or affect the validity of the Bonds or any proceedings of the Agency taken with respect to the Bonds.

Legal Opinion

All proceedings in connection with the issuance of the Bonds are subject to the approval as to their legality of Jones Hall LLP, Bond Counsel, in connection with the Bonds. The unqualified opinion of Bond Counsel approving the validity of the Bonds will be attached to each Bond; a form of such opinion is attached to this Official Statement as "APPENDIX D – FORM OF BOND COUNSEL OPINION." Bond Counsel's employment is limited to a review of legal procedures required for the approval of the Bonds and to rendering an opinion as to the validity of the Bonds and the exemption of interest on the Bonds from income taxation.

THE AGENCY

The Agency was established in September 2007 under Sections 6500 *et seq.* of the California Government Code and a Joint Exercise of Powers Agreement among the Counties of Sutter and Butte, Cities of Yuba City, Live Oak, Gridley and Biggs, and Levee Districts 1 and 9. The purpose of the Agency is to plan, finance and construct a flood control program, and coordinate regional flood control improvements, to protect lives and property in the Yuba City Basin (sometimes called the Sutter Basin). The Agency's goal is to protect public safety within the boundaries of the member jurisdictions against the ongoing threat of flooding from Sierra storms and snowpacks that run off into the region's rivers systems and to finance the local share of flood control projects.

The governing board of the Agency is comprised of 13 directors. Staff of certain member entities assist in matters related to the Agency. The Agency has a full-time Executive Director, Board Clerk / Administrative Assistant and has contract staff for engineering, certain financial, planning, budgeting and administrative functions. The City of Yuba City Finance Director serves as the Agency Treasurer and the Yuba City Finance Department performs various treasury and

financial functions for the Agency. The Joint Exercise of Powers Agreement provides that the debts, liabilities and obligations of the Agency are those of the Agency and not of the members.

RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("**S&P**"), is anticipated to assign the Bonds that are insured its municipal bond rating of "_____" with the understanding that upon delivery of the Bonds, a policy insuring the payment of principal and interest on the Bonds that are insured will be issued by the Bond Insurer. S&P has assigned an underlying rating of "_____" to the Bonds.

Such ratings reflect only the views of S&P and any desired explanation of the significance of such ratings should be obtained from S&P. Generally, a rating agency bases its ratings on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings 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 such ratings may have an adverse effect on the market price for the Bonds.

MISCELLANEOUS

Continuing Disclosure

The Agency has covenanted for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the Agency by not later than 9 months following the end of its fiscal year (which currently would be by April 1 each year based upon the June 30 end of its fiscal year), commencing by April 1, 2026 with the report for the 2024/25 Fiscal Year (the "**Annual Report**"), and to provide notices of the occurrence of certain listed events.

These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934, as amended (the "**Rule**"). The specific nature of the information to be contained in the Annual Report or the notices of material events is set forth in "APPENDIX E - FORM OF CONTINUING DISCLOSURE CERTIFICATE."

[[The Agency has reviewed its prior continuing disclosure undertaking and determined that it has materially complied with the provisions thereof.]]

The Agency retains Willdan Financial Services to serve as dissemination agent with respect to the filings to be made with respect to the Bonds and its other undertakings under the Rule.

Underwriting

The Bonds were purchased through negotiation by Stifel, Nicolaus & Company, Incorporated (the "**Underwriter**"), at a purchase price of \$_____, being the aggregate principal amount thereof (\$_____), less an underwriter's discount of \$_____, plus net original issue premium of \$_____. The initial public offering prices set forth on the cover page hereof may be changed by the Underwriter. The Underwriter may offer and sell the Bonds to certain dealers and others at a price lower than the public offering prices set forth on the cover page hereof.

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

The Underwriter and its affiliates comprise a full-service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the Agency and to persons and entities with relationships with the Agency, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Agency (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Agency.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the Underwriter.

Municipal Advisor

KNN Public Finance, Berkeley, California, has served as Municipal Advisor to the Agency with respect to the sale of the Bonds. The Municipal Advisor has assisted the Agency in the review of this Official Statement and in other matters relating to the planning, structuring, execution and delivery of the Bonds. The Municipal Advisor has not independently verified any of the data contained herein or conducted a detailed investigation of the affairs of the Agency to determine the accuracy or completeness of this Official Statement. Due to its limited participation, the Municipal Advisor assumes no responsibility for the accuracy or completeness of any of the information contained herein. The Municipal Advisor will receive compensation from the Agency contingent upon the sale and delivery of the Bonds.

Additional Information

References are made herein to certain documents and reports that are brief summaries thereof do not purport to be complete or definitive, and reference is made to such documents and reports for full and complete statements of the contents thereof.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Agency and the purchasers or Owners of any of the Bonds.

The execution and delivery of this Official Statement has been duly authorized by the Agency.

SUTTER BUTTE FLOOD CONTROL AGENCY

By: _____
Executive Director

APPENDIX A
SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

APPENDIX B
FINAL ENGINEER'S REPORT

APPENDIX C

YUBA CITY AND SUTTER COUNTY DEMOGRAPHIC INFORMATION

The following information with respect to Yuba City (the "City") and Sutter County (the "County") is presented for general background data on the area in which the assessed property is located. To a lesser extent, parcels subject to Assessments are also located in Butte County. The Bonds and the Assessments are not obligations of the City or the County. This information should not be evaluated by investors under a presumption that the City or the County are in any manner obligated to pay the Bonds or the Assessments. The taxing power of the City or the County is not available for payment of the Bonds.

The City. The City of Yuba City lies in Sutter County, which is located on U.S. Highway 99, approximately 45 miles north of Sacramento in north-central California. Because of its proximity to metropolitan Sacramento, the area grew rapidly in the early 2000s and is projected to experience continued growth in the future. Much of the proposed growth with Yuba City is expected to be through annexation of service areas adjacent to the existing City boundaries. The incorporated cities of Live Oak and Yuba City lie in Sutter County.

The County. Sutter County is a county in the U.S. state of California. The county seat is Yuba City. Sutter County is included in the Yuba City, CA Metropolitan Statistical Area as well as the Sacramento-Roseville, CA Combined Statistical Area. The county is located along the Sacramento River in the Sacramento Valley. According to the U.S. Census Bureau, the county has a total area of 608 square miles (1,570 km²), of which 602 square miles (1,560 km²) is land and 6.1 square miles (16 km²) (1.0%) is water. It is the fourth-smallest county in California by total area. Some 88 percent of the county is prime farmland and grazing land. Sutter County was one of the original counties of California, created in 1850 at the time of statehood. Parts of the county were given to Placer County in 1852. Sutter County is the birthplace (Yuba City, 1858) of John Joseph Montgomery, who was the first American to successfully pilot a heavier than air craft, 20 years before the Wright Brothers, and who held the first patent for an "aeroplane."

The following table lists population estimates for Sutter County and the State for the last five calendar years for which data is available.

YUBA CITY and SUTTER COUNTY Population Estimates Calendar Years 2021 through 2025

<u>Year</u>	<u>Yuba City</u>	<u>Sutter County</u>	<u>State of California</u>
2021	69,777	99,144	39,369,530
2022	69,864	99,435	39,179,680
2023	69,304	98,704	39,228,444
2024	69,781	99,431	39,420,663
2025	70,453	100,257	39,529,101

Source: California State Department of Finance.

Industry and Employment

Sutter County, along with Yuba County, comprises the Yuba City Metropolitan Statistical Area ("MSA"). The following table summarizes the civilian labor force, employment and unemployment in the Yuba City MSA for the calendar years 2020 through 2024.

The unemployment rate in the Yuba City MSA was 7.3% in August 2025, up from a revised 8.1% in July 2025, and below the year-ago estimate of 7.3%. This compares with an unadjusted unemployment rate of 5.8% for California and 4.5% for the nation during the same period. The unemployment rate was 7.6% in Sutter County, and 6.9% in Yuba County.

**YUBA CITY METROPOLITAN STATISTICAL AREA
(SUTTER AND YUBA COUNTIES)
Employment by Industry
Calendar Years 2020 through 2024
Annual Averages**

	2020	2021	2022	2023	2024
Civilian Labor Force ⁽¹⁾	76,800	76,800	78,000	79,700	81,300
Civilian Employment	68,300	70,100	73,100	73,900	75,000
Civilian Unemployment	8,400	6,700	4,900	5,800	6,300
Civilian Unemployment Rate	11.0%	8.7%	6.3%	7.3%	7.8%
<u>Wage and Salary Employment:</u> ⁽²⁾					
Total Farm	5,000	4,900	4,800	4,700	4,500
Total Nonfarm	45,800	47,500	49,800	50,400	51,600
Total Private	33,500	34,900	36,300	36,500	37,000
Goods Producing	4,900	4,900	5,000	5,200	5,000
Mining, Logging, and Construction	2,800	2,800	2,800	2,900	2,600
Manufacturing	2,100	2,200	2,200	2,300	2,400
Service Providing	40,900	42,600	44,800	45,200	46,600
Private Service Producing	28,600	30,000	31,300	31,300	31,900
Trade, Transportation & Utilities	9,600	10,300	10,500	10,500	10,600
Wholesale Trade	1,500	1,600	1,500	1,500	1,500
Retail Trade	5,700	6,100	6,200	6,100	6,200
Transportation, Warehousing & Utilities	2,400	2,600	2,800	3,000	3,000
Information	200	200	200	200	200
Financial Activities	1,400	1,400	1,400	1,200	1,200
Professional & Business Services	3,400	3,300	3,500	3,400	3,500
Educational & Health Services	8,700	8,900	9,200	9,600	10,000
Leisure & Hospitality	4,100	4,700	5,400	5,300	5,200
Other Services	1,100	1,200	1,100	1,000	1,100
Government	12,300	12,600	13,500	13,900	14,700
Federal Government	1,600	1,600	1,600	1,600	1,600
State & Local Government	10,700	11,000	11,900	12,400	13,000
State Government	1,100	1,200	1,200	1,200	1,200
Local Government	9,600	9,800	10,700	11,200	11,800
Local Government Excluding Education	3,900	3,800	4,000	4,000	4,200
Special Districts plus Indian Tribes	1,500	1,400	1,600	1,500	1,500
Total, All Industries ⁽³⁾	50,800	52,300	54,600	55,100	56,100

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Totals may not add due to rounding.

Source: State of California Employment Development Department.

Principal Employers

Rank	Employer	Employees	Percentage of Total Employment
1	Yuba City Unified School District	1,416	2.96
2	County of Sutter	1,019	2.13
3	Legend Transportation	1,000	2.09
4	Sunsweet Growers Inc.	600	1.25
5	Sutter North Medical	475	0.99
6	Sysco Sacramento	460	0.96
7	Rush Personnel Services, Inc	400	0.84
8	Wal-Mart	384	0.80
9	Express Employment Professionals	315	0.66
10	City of Yuba City	300	0.63
		6,369	13.30%

Source: City of Yuba City, Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024.

The following tables list the major employers in the City and the County:

SUTTER COUNTY Major Employers (As of October 2025)

Employer Name	Location	Industry
Applebee's Grill + Bar	Yuba City	Restaurants
City of Yuba City	Yuba City	Government Offices-City/Village & Twp
Foodmaxx	Yuba City	Grocers-Retail
Fountains Managed By Rideout	Yuba City	Convalescent Homes
Great Beginnings	Yuba City	Clinics
Holt of California	Pleasant Grove	Contractors-Equip/Supls-Dlrs/Svc (whls)
Home Depot	Yuba City	Home Centers
Homeward Bound Golden	Elverta	Animal Shelters
Legend Transportation	Yuba City	Transportation
Lowe's Home Improvement	Yuba City	Home Centers
Multi Specialty Group Practice	Yuba City	Medical Centers
River Valley High School	Yuba City	Schools
Sam's Club	Yuba City	Wholesale Clubs
Sierra Gold Nurseries Inc	Yuba City	Nurseries-Plants Trees & Etc-Wholesale
Siller Brothers Aviation Div	Yuba City	Helicopter-Charter & Rental Service
Sunsweet Growers Inc	Yuba City	Fruits-Dried (whls)
Sutter County Jail	Yuba City	Government Offices-County
Sutter County Sheriff	Yuba City	Sheriff
Sutter-Yuba Behavioral Health	Yuba City	Hospitals
Sysco Sacramento	Pleasant Grove	Grocers-Wholesale
Trees Inc	Yuba City	Tree Service
Valley Truck-Tractor Co-Yuba	Yuba City	Lawn Mowers
Walmart Supercenter	Yuba City	Department Stores
Winco Foods	Yuba City	Grocers-Retail
Yuba City High School	Yuba City	Schools

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2025 2nd Edition.

Effective Buying Income

Effective buying income (“**EBI**”) is designated as personal income less personal tax and non-tax payments. Personal income is the aggregate of wages and salaries, other labor income (such as employer contributions to private pension funds), proprietor’s income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, personal interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), non-tax payments (such as fines, fees, penalties), and personal contributions for social insurance. Effective buying income is a bulk measure of market potential. It indicates the general ability to buy and is essential in comparing, selecting and grouping markets on that basis. The following table demonstrates the growth in annual estimated EBI for the City, the County, the State and the United States.

YUBA CITY and SUTTER COUNTY Effective Buying Income As of January 1, 2022 through 2026

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2022	Yuba City	\$1,764,947	\$62,214
	Sutter County	2,704,646	64,740
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448
2023	Yuba City	1,906,293	63,875
	Sutter County	2,834,857	66,197
	California	1,461,799,662	77,175
	United States	11,454,846,397	65,326
2024	Yuba City	1,764,394	61,355
	Sutter County	2,594,341	63,191
	California	1,510,708,521	80,973
	United States	11,987,185,826	67,876
2025	Yuba City	1,834,551	62,729
	Sutter County	2,709,253	64,850
	California	1,557,429,767	82,725
	United States	12,525,577,707	69,687
2026	Yuba City	2,059,029	68,636
	Sutter County	3,024,216	70,944
	California	1,730,654,738	90,403
	United States	13,932,177,817	75,433

Source: Claritas, LLC

Commercial Activity

A summary of historic taxable sales within the City and the County during the past five years in which data is available is shown in the following tables.

Total taxable sales during the first, two quarters of calendar year 2025 in the City were reported to be \$678,025,447, a 6.28% decrease from the total taxable sales of \$723,473,160 reported during the comparable two quarters of calendar year 2024.

CITY OF YUBA Taxable Transactions (Dollars in Thousands)

	Retail and Food Services Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2020	1,214	\$1,128,111	1,924	\$1,311,968
2021	1,118	1,346,921	1,833	1,568,036
2022	1,107	1,327,482	1,913	1,565,283
2023	1,090	1,283,107	1,892	1,537,313
2024	1,111	1,221,880	1,936	1,457,230

Source: California Department of Tax and Fee Administration

Total taxable sales during the first, two quarters of calendar year 2025 in the County were reported to be \$1,082,396,366, a 2.42% decrease over the total taxable sales of \$1,109,193,975 reported during the comparable two quarters of calendar year 2024.

COUNTY OF SUTTER Taxable Transactions (Dollars in Thousands)

	Retail and Food Services Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2020	1,542	\$1,426,077	2,549	\$1,944,432
2021	1,415	1,677,538	2,396	2,302,254
2022	1,424	393,080	2,426	542,362
2023	1,380	1,625,133	2,465	2,364,598
2024	1,403	1,565,078	2,525	2,261,175

Source: California Department of Tax and Fee Administration

Construction

The following tables show a five year summary of the valuation of building permits issued in the City and the County.

YUBA CITY Building Permit Valuation (Valuation in Thousands of Dollars)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>Permit Valuation</u>					
New Single-family	\$17,045.8	\$5,516.0	\$18,650.3	\$22,663.4	\$28,625.
New Multi-family	0.0	0.0	\$348.9	0.0	45,215.7
Res. Alterations/Additions	<u>6,810.6</u>	3,898.8	\$3,327.6	2,908.4	3,412.4
Total Residential	23,856.4	\$9,414.8	22,326.8	25,571.8	77,253.1
New Commercial	3,987.0	15,361.3	13,659.6	9,225.5	24,199.5
New Industrial	748.2	1,018.4	0.0	0.0	0.0
New Other	<u>2,124.4</u>	1,884.8	2,171.4	2,083.8	4,722.0
Com. Alterations/Additions	4,209.3	<u>4,357.5</u>	<u>13,229.3</u>	<u>13,430.1</u>	<u>12,813.8</u>
Total Nonresidential	\$11,068.9	\$22,622.0	\$29,060.3	\$24,739.4	\$41,735.3
New Dwelling Units					
Single Family	48	28	53	53	75
Multiple Family	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>292</u>
TOTAL	48	28	55	53	367

Source: Construction Industry Research Board, Building Permit Summary.

SUTTER COUNTY Building Permit Valuation (Valuation in Thousands of Dollars)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>Permit Valuation</u>					
New Single-family	\$34,731.1	\$21,433.3	\$26,452.3	\$50,257.5	\$31,803.3
New Multi-family	2,968.5	0.0	4,476.5	846.5	45,215.7
Res. Alterations/Additions	<u>11,452.9</u>	7,365.1	<u>5,283.6</u>	<u>8,939.6</u>	4,981.2
Total Residential	49,152.5	\$28,798.4	36,212.4	\$60,043.6	<u>82,000.2</u>
New Commercial	8,352.6	19,065.8	17,732.5	19,082.8	24,199.5
New Industrial	748.2	1,018.4	0.0	0.0	0.0
New Other	3,884.5	3,312.0	3,271.5	3,900.2	7,744.4
Com. Alterations/Additions	<u>7,246.7</u>	<u>4,598.9</u>	<u>14,135.0</u>	<u>17,564.9</u>	<u>13,031.3</u>
Total Nonresidential	\$20,232.0	\$27,995.1	\$35,139.0	\$40,547.9	<u>\$44,975.2</u>
New Dwelling Units					
Single Family	111	87	83	123	82
Multiple Family	<u>24</u>	<u>0</u>	<u>35</u>	<u>8</u>	<u>292</u>
TOTAL	135	87	118	131	374

Source: Construction Industry Research Board, Building Permit Summary.

APPENDIX D
FORM OF OPINION OF BOND COUNSEL

_____, 2025

Sutter Butte Flood Control Agency
1227 Bridge Street, Suite C
Yuba City, California 95991

OPINION: \$_____ Sutter Butte Flood Control Agency
Assessment Revenue Refunding Bonds, Series 2025

Members of the Agency Board:

We have acted as bond counsel in connection with the issuance by the Sutter Butte Flood Control Agency (the "Agency") of \$_____ aggregate principal amount of bonds of the Agency designated the "Sutter Butte Flood Control Agency Assessment Revenue Refunding Bonds, Series 2025" (the "Bonds"), issued under the provisions of Article 4, Chapter 5, Division 7 of the Government Code of the State of California, commencing with Section 6584 of said Code (the "Bond Law"), and under an Indenture of Trust dated as of December 1, 2025 (the "Indenture"), between the Agency and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), and a resolution of the governing board of the Agency adopted on _____, 2025.

We have examined the Bond Law, an executed copy of the Indenture and such certified proceedings and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the Authority and the City contained in the Indenture, the Installment Sale Agreement and in the certified proceedings, and upon other certifications furnished to us, without undertaking to verify the same by independent investigation.

Based upon our examination we are of the opinion, under existing law, that:

1. The Agency is a joint powers agency organized and existing under the laws of the State of California, with power to enter into the Indenture, to perform the agreements on its part contained therein and to issue the Bonds.

2. The Bonds have been duly authorized, executed and delivered by the Agency and are legal, valid and binding obligations of the Agency enforceable in accordance with their terms.

3. The Indenture has been duly approved by the Agency and constitutes a legal, valid and binding obligation of the Agency enforceable against the Agency in accordance with its terms.

4. The Indenture establishes a valid lien on and security interest in the Assessment Revenues (as such term is defined in the Indenture) and other funds pledged thereby for the security of the Bonds, in accordance with the terms of the Indenture.

5. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in the preceding sentence are subject to the condition that the Agency comply with all requirements of the Internal Revenue Code of 1986, as amended, which must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Agency has covenanted in the Indenture and in other instruments relating to the Bonds to comply with each of such requirements, and the Agency has full legal authority to make and comply with such covenants. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

Interest on the Bonds may be subject to the corporate alternative minimum tax. We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in accordance with principles of equity or otherwise in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Moreover, our opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or any court; rather, our 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, opinions, and covenants referenced above. Our engagement with respect to this matter.

Respectfully submitted,

APPENDIX E
FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

\$ _____
SUTTER BUTTE FLOOD CONTROL AGENCY
ASSESSMENT REVENUE REFUNDING BONDS
SERIES 2025

THIS CONTINUING DISCLOSURE CERTIFICATE (the "**Disclosure Certificate**") dated as of _____, 2025, is executed and delivered by the Sutter Butte Flood Control Agency (the "**Agency**") in connection with the issuance by the Agency of its \$ _____ Assessment Revenue Refunding Bonds, Series 2025 (the "**Bonds**"). The Bonds are being issued by the Agency under an Indenture of Trust dated as of _____ 1, 2025 (the "**Indenture**") by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**"). The Agency covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Agency for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Underwriter in complying with the Rule (defined herein).

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, 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 Agency pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Annual Report Date" means the date that is nine months after the end of the Agency's fiscal year (currently April 1 based on the Agency's fiscal year end of June 30).

"Dissemination Agent" shall mean, initially Willdan Financial Services and thereafter any Dissemination Agent appointed by the Agency which has filed with the Dissemination Agent a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate and any other event legally required to be reported pursuant to the Rule.

"MSRB" means 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.

"Official Statement" means the Official Statement, dated _____, 2025, relating to the Bonds.

"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.

" Underwriter" shall mean the underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

SECTION 3. Provision of Annual Reports.

(a) The Agency shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing April 1, 2026, with the report for the 2024/25 fiscal year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4. Not later than 15 Business Days prior to the Annual Report Date, the Agency shall provide the Annual Report to the Dissemination Agent (if other than the Agency). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the Agency) has not received a copy of the Annual Report, the Dissemination Agent shall contact the Agency to determine if the Agency is in compliance with the previous sentence. 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; provided that the audited financial statements of the Agency may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the Agency's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The Agency shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the Agency hereunder.

(b) If the Agency does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the Agency shall provide (or cause the Dissemination Agent to provide) to the MSRB, in a timely manner as required by the Rule, in an electronic format as prescribed by the MSRB, a notice to such effect.

(c) With respect to each Annual Report, the Dissemination Agent shall:

- (i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and
- (ii) if the Dissemination Agent is other than the Agency, file a report with the Agency certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

SECTION 4. Content of Annual Reports. The Agency's Annual Report shall contain or include by reference the following:

(a) Audited Financial Statements of the Agency prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Agency's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official

Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available; provided, that in each Annual Report or other filing containing the Agency's financial statements, the following statement shall be included in bold type:

The Agency'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 Agency (other than Assessment Revenues and other funds pledged in the Indenture) are required to be used to pay debt service on the bonds and the Agency is not obligated to advance available funds from the agency treasury to cover any delinquencies. Investors should not rely on the financial condition of the Agency in evaluating whether to buy, hold or sell the Bonds.

(b) The following additional items with respect to the Bonds:

- (1) Principal amount of Bonds and Parity Obligations outstanding.
- (2) Balance in 2025 Reserve Fund (if funded in cash).
- (3) Update of Table 1 - Assessed Valuation by Land Use.
- (4) Update of Table 3 - Assessment Levies and Receipts.

(c) The placement by FEMA, based on effective Flood Insurance Rate Maps, of land within the Assessment District into a flood zone designated as a Special Flood Hazard Area, due to flooding resulting from deficiencies in the levee system identified on said Maps, where such land was determined to have 200-Year Urban Level of Flood Protection by the Agency in its October 8, 2021 *Urban Levee Design Criteria Engineer's Report* (Figure 2), and where the assessments from such area represent more than two percent (2%) of the total assessment levy.

(d) In addition to any of the information expressly required to be provided under this Section, the Agency shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Agency is an "obligated person" (as defined by the Rule), which have been filed with the MSRB. If the document included by reference is a final official statement, it must be available from the MSRB. The Agency shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The Agency shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds in a timely manner not to exceed 10 business days after the occurrence of the Listed Event:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.

- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the Agency.

Note: For the purposes of the event identified in subparagraph (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Agency in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Agency, 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 Agency.

- (13) The consummation of a merger, consolidation, or acquisition involving the Agency or the sale of all or substantially all of the assets of the Agency, 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, if material.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) Incurrence of a financial obligation of the Agency, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Agency, any of which affect security holders, if material (for definition of “financial obligation,” see clause (c)).
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Agency, any of which reflect financial difficulties (for definition of “financial obligation,” see clause (c)).

(b) Whenever the Agency obtains knowledge of the occurrence of a Listed Event, and, if the Listed Event is described in subsections (a)(2), (a)(6), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14) and (a)(15) above, the Agency determines that knowledge of the occurrence of that Listed Event would be material under applicable Federal securities law, the Agency shall, or shall cause the Dissemination Agent (if not the Agency) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsection (a)(8) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Indenture.

(c) For purposes of Section 5(a)(15) and (16), "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

SECTION 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The Agency'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 Agency shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

SECTION 8. Dissemination Agent. The Agency 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 Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the Agency. The initial Dissemination Agent shall be Willdan Financial Services.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Agency may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that all of 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 the Agency 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 Indenture for amendments to the Indenture with the

consent of holders, or (ii) does not, in the opinion of 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 Report 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 this Disclosure Certificate modifying the accounting principles to be followed in preparing financial statements, the Annual Report 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 Agency to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(a).

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Agency 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 Agency 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 Agency 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 11. Default. If the Agency fails to comply with any provision of this Disclosure Certificate, the Underwriter or 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 Agency 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 Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Agency to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Agency, the Dissemination Agent (if other than the Agency), the Underwriter and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: _____, 2025

SUTTER BUTTE FLOOD CONTROL
AGENCY

By: _____
Executive Director

ACCEPTED AND AGREED:

Willdan Financial Services,
As Dissemination Agent

By _____
Authorized Representative

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Sutter Butte Flood Control Agency

Name of Issue: \$_____ Assessment Revenue Refunding Bonds, Series 2025

Date of Issuance: _____, 2025

NOTICE IS HEREBY GIVEN that the Sutter Butte Flood Control Agency has not provided an Annual Report with respect to the above-named Bonds. The Agency anticipates that the Annual Report will be filed by _____.

Dated: _____

By: _____
Authorized Officer

APPENDIX F

DTC AND THE BOOK-ENTRY-ONLY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest 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. Accordingly, no representations can be made concerning these matters and neither the DTC 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.

Neither the issuer of the Bonds (the "Issuer") nor trustee or paying agent appointed with respect to the Bonds (the "Agent") take any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (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 certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. 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 U.S. 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. *The information contained on this Internet site is not incorporated herein by reference.*

3. 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 certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. 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 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.

5. 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 transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security 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 the notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer 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 the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest 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 Issuer or 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 nor its nominee, Agent, or Issuer, 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 Issuer or 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.

9. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

APPENDIX G

SPECIMEN MUNICIPAL BOND INSURANCE POLICY



Sutter Butte Flood Control Agency

A Partnership for Flood Safety

November 12, 2025

TO: Board of Directors

FROM: Michael Bessette, Executive Director
Seth Wurzel, Budget Manager

SUBJECT: Receive and File Monthly Financial Reports (June Accruals & September 2025)

Recommendation

Staff recommends that the Board receive and file the June Accruals & September 2025 Financial Reports and receive staff's monthly financial report update.

Background

Staff will provide a brief presentation of SBFCA's current financial position and financial activities at the Board meeting and will be prepared to answer any questions. For this report, staff is presenting financial information for June Accruals & September 2025. Staff's oral presentation will cover the financial activities of the Agency through September 2025.

The monthly financial reports include the following information:

- Current Working Capital Position: The reports provide an update as to the liquidity of the Agency and ability to cover current obligations. This information is presented within the monthly financial reports prepared in coordination with Yuba City finance staff. The current and past months' financial reports reflect the financial information as of September 2025. The information presented is compared to the Final Amended Final Budget for 2024/25 and 2025/26.

Fiscal Impact

This is an informational item with no fiscal impact.

Attachments

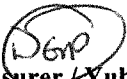
Yuba City Finance Department Memorandum, November 12, 2025 re: Monthly Financial Report: September 2025



Yuba City
Finance Department
Memorandum

Date: November 12, 2025

To: Board Members, Sutter Butte Flood Control Agency
Michael Bessette, Executive Director

From: Diona Pope 
Agency Treasurer / Yuba City Finance Director

Subject: Monthly Financial Report: June 2025 and September 2025

Attached is the Monthly Financial Report for the Sutter Butte Flood Control Agency for the month of June covering fiscal year 2024-25 and September of fiscal year 2025-26. This Monthly Financial Report includes the following information prepared by SBFCA:

- Total working capital reconciliation: A reconciliation of total working capital for fiscal year **2024-25** through June 2025 as compared to the amended SBFCA Budget is shown. The statement also shows the cumulative expenditures and revenues incurred through June 30, 2025, for fiscal year 2024-25. The total preliminary working capital for the Agency as of June 30, 2025, is \$23,977,838 (**Exhibit A**).

For fiscal year 2024-25 through June, the total amount of revenue received through grants from the State of California and assessment collection included in the working capital totals \$10,710,054. This represents combined Proposition 1E revenue for the EIP/UFRR, Small Communities, Regional Planning, and various OWA projects and Proposition 13 revenue for the Feasibility Study.

- Total working capital reconciliation: A reconciliation of total working capital for fiscal year **2025-26** through September 2025 as compared to the amended SBFCA Budget is shown. The statement also shows the cumulative expenditures and revenues incurred through June 30, 2025, for fiscal year 2024-25. The total preliminary working capital for the Agency as of September 30, 2025, is \$17,266,983 (**Exhibit A**).

For fiscal year 2025-26 through September, the total amount of revenue received through grants from the State of California and assessment collection included in the working capital totals \$0. This represents combined Proposition 1E revenue for the EIP/UFRR, Small Communities, Regional Planning, and various OWA projects and Proposition 13 revenue for the Feasibility Study.

SBFCA has drawn the balance of its 2013 Assessment Revenue Bond proceeds. Since final draw on the proceeds in October 2014, additional interest has been received into the Project Fund. The balance of the Project Fund as of July 31st, 2025, is \$0. After the remaining balance contributed toward the debt service

SBFCA Monthly Financial Report: September 2025
November 12, 2025

payment this month, the balance of the 2015 Assessment Revenue Bond proceeds remaining with the Trustee is \$0 as of September 30, 2025.

- Summary statement of cumulative activities for fiscal year 2024-25 through June 2025: This statement shows the expenditures by fund and by the major expenditure category – Operations & Capital (USACE Study, EIP, Regional Planning, Tudor Flood Risk Reduction, Sutter Bypass East Levee, etc.). This statement also shows the amounts received and expended through June 2025, as compared to the Final Amended SBFCA Budget for fiscal year 2024-25. This statement has been reconciled by SBFCA staff to the City of Yuba City's financial system (**Exhibit B**).
- Summary statement of cumulative activities for fiscal year 2025-26 through September 2025: This statement shows the expenditures by fund and by the major expenditure category – Operations & Capital (USACE Study, EIP, Regional Planning, Tudor Flood Risk Reduction, Sutter Bypass East Levee, etc.). This statement also shows the amounts received and expended through June 2025, as compared to the Final Amended SBFCA Budget for fiscal year 2025-26. This statement has been reconciled by SBFCA staff to the City of Yuba City's financial system (**Exhibit C**).

Check registers reflecting all checks issued on behalf of the Agency for the fiscal year 2024-25 June 2025 and fiscal year 25-26 September 2025 are also included.

This correspondence is informational only. Please review and file.

Thank you.

Exhibit A

SBFCA BUDGET
TOTAL WORKING CAPITAL RECONCILIATION

	FY 2024/25			FY 2025/26		
Line Item Description	Amended 2024-25 Budget [1]	Month Ending June 2025	Rec'd/Invoiced to Date	Amended 2025-26 Budget [1]	Month Ending September 2025	Rec'd/Invoiced to Date
Working Capital Beginning of Period						
Operational Fund 730	6,928,124	6,928,124	6,855,871	6,225,339	7,355,956	7,229,417
Capital Fund 731 - USACE Study	(9,259,515)	(9,259,515)	(9,617,247)	(9,696,861)	(9,534,807)	(9,892,578)
Capital Fund 731 - Capital Fund Management	6,859,100	6,859,100	6,859,100	7,420,823	13,792,112	13,811,667
Capital Fund 731 - EIP/UFRR	35,092,971	35,092,971	35,186,836	36,763,857	28,614,859	31,271,661
Capital Fund 731 - Stakeholder	23,267	23,267	23,267	23,267	23,267	23,267
Capital Fund 731 - RFMP	(601,360)	(601,360)	(600,871)	(475,342)	(495,252)	(478,627)
Capital Fund 731 - OWA	(979,604)	(979,604)	(929,264)	(388,855)	(1,889,582)	(1,479,144)
Capital Fund 731 - ER Planning	(69,991)	(69,991)	(69,991)	(69,991)	(69,991)	(69,991)
Capital Fund 731 - Gridley Bridge	(73,099)	(73,099)	(73,099)	(73,099)	(73,099)	(73,099)
Capital Fund 731 - FSRP	(1,776,671)	(1,776,671)	(1,776,671)	(1,776,671)	(1,776,671)	(1,776,671)
Capital Fund 731 - FRWLP Phase II	(1,478,280)	(1,478,280)	(1,502,434)	(4,578,280)	(4,796,026)	(4,768,150)
Capital Fund 731- ULOP	(6,844)	(6,844)	(6,844)	(6,844)	(6,844)	(6,844)
Capital Fund 731 - Small Communities/Sutter Bypass	(1,235,507)	(1,235,507)	(1,235,507)	(253,391)	(996,274)	(825,819)
Capital Fund 731 - Flood & Emergency	1,895,697	1,895,697	1,895,697	1,895,697	1,895,697	1,895,697
Capital Fund 731 - Sediment Removal	(7,589,897)	(7,589,897)	(7,593,171)	(7,579,141)	(7,490,356)	(7,493,630)
Capital Fund 731 - FRWLFA	(690,049)	(690,049)	(695,195)	(648,531)	(600,890)	(606,036)
Capital Fund 731 - City of Oroville	(6,407)	(6,407)	(9,991)	(3,507)	(4,407)	(8,218)
Total Beginning of Period	27,031,935	27,031,935	26,710,485	26,778,469	23,947,693	26,752,900
Transfers						
Operational Fund 730						
Capital Fund 731						
Subtotal Capital Fund						
Net Transfers						
Revenues						
Operational Fund 730	750,000	1,020,168	1,020,168	900,000	-	-
Capital Fund 731						
Capital Fund 731 - USACE Study	184,154	184,154	184,154	-	-	-
Capital Fund 731 - Capital Fund Management	6,050,854	6,934,096	6,954,328	6,621,275	(4,950)	-
Capital Fund 731 - EIP/UFRR (State)	2,568,486	-	2,568,486	100,000	-	95,050
Capital Fund 731 - RFMP	300,000	181,210	210,822	214,000	-	58,875
Capital Fund 731 - OWA	2,454,827	954,429	1,479,175	4,966,565	-	1,035,999
Capital Fund 731 - FRWLP Tudor Phase II	-	-	-	-	-	-
Capital Fund 731 - Small Communities/Sutter Bypass	1,596,641	989,861	1,180,080	608,850	-	111,078
Capital Fund 731 - Sediment Removal	358,815	337,355	337,355	625,949	-	133,950
Capital Fund 731 - FRWLFA	47,640	95,281	95,281	47,640	-	-
Capital Fund 731 - City of Oroville	13,500	13,500	13,500	39,025	-	-
Subtotal Capital Fund	13,574,917	9,689,886	13,023,181	13,223,305	(4,950)	1,434,952
Total Revenues Operating & Capital	14,324,917	10,710,054	14,043,349	14,123,305	(4,950)	1,434,952
Expenses						
Operational Fund 730	1,452,785	592,337	646,622	1,525,424	142,576	206,027
Capital Fund 731						
Capital Fund 731 - USACE Study	621,500	459,446	459,485	-	-	-
Capital Fund 731 - Capital Fund Management	41,275	1,084	1,762	-	678	678
Capital Fund 731 - EIP/UFRR	897,600	1,030,255	1,035,804	410,000	117,931	151,232
Capital Fund 731 - RFMP	173,982	75,101	88,578	167,900	15,238	15,589
Capital Fund 731 - OWA	1,864,078	1,864,407	2,029,056	5,400,336	170,134	164,406
Capital Fund 731- FSRP	-	-	-	-	-	-
Capital Fund 731 - FRWLP Tudor Phase II	3,100,000	3,317,747	3,265,716	7,065,000	2,256,144	2,583,805
Capital Fund 731 - Small Communities/Sutter Bypass	614,525	750,627	770,392	676,500	39,819	-
Capital Fund 731 - Sediment Removal	348,060	237,814	237,814	125,949	-	87
Capital Fund 731 - FRWLFA	6,122	6,122	6,122	-	-	-
Capital Fund 731 - City of Oroville	10,600	11,500	11,727	35,518	-	-
Subtotal Capital Fund	7,677,742	7,754,104	7,906,456	13,881,203	2,599,943	2,915,796
Total Expenses Operating & Capital	9,130,526	8,346,440	8,553,078	15,406,626	2,742,519	3,121,823
Financing Activities [2]						
Debt Service on Outstanding Debt (Principle Amount)	(2,255,000)	(2,255,000)	(2,255,000)	(2,365,000)	(2,365,000)	(2,365,000)
Debt Service on Outstanding Debt (Interest Amount)	(3,192,856)	(3,192,856)	(3,192,856)	(3,077,356)	(1,568,241)	(2,333,006)
Net Financing Activities	(5,447,856)	(5,447,856)	(5,447,856)	(5,442,356)	(3,933,241)	(4,698,006)
Working Capital End of Period						
Operational Fund 730	6,225,339	7,386,101	7,229,417	5,599,915	7,213,380	7,023,391
Capital Fund 731 - USACE Study	(9,696,861)	(9,534,807)	(9,892,578)	(9,696,861)	(9,534,807)	(9,892,578)
Capital Fund 731 - Capital Fund Management	7,420,823	13,792,112	13,811,667	8,599,742	13,786,484	13,810,989
Capital Fund 731 - EIP/UFRR	36,763,857	28,614,859	31,271,661	36,453,857	24,563,688	26,517,472
Capital Fund 731 - Stakeholder	23,267	23,267	23,267	23,267	23,267	23,267
Capital Fund 731 - RFMP	(475,342)	(495,252)	(478,627)	(429,242)	(510,490)	(435,341)
Capital Fund 731 - OWA	(388,855)	(1,889,582)	(1,479,144)	(822,626)	(2,059,716)	(607,552)
Capital Fund 731 - ER Planning	(69,991)	(69,991)	(69,991)	(69,991)	(69,991)	(69,991)
Capital Fund 731 - Gridley Bridge	(73,099)	(73,099)	(73,099)	(73,099)	(73,099)	(73,099)
Capital Fund 731 - FSRP	(1,776,671)	(1,776,671)	(1,776,671)	(1,776,671)	(1,776,671)	(1,776,671)
Capital Fund 731 - FRWLP Phase II	(4,578,280)	(4,796,026)	(4,768,150)	(11,643,280)	(7,052,170)	(7,351,954)
Capital Fund 731- ULOP	(6,844)	(6,844)	(6,844)	(6,844)	(6,844)	(6,844)
Capital Fund 731 - Small Communities/Sutter Bypass	(253,391)	(996,274)	(825,819)	(321,041)	(1,036,092)	(714,741)
Capital Fund 731 - Flood & Emergency	1,895,697	1,895,697	1,895,697	1,895,697	1,895,697	1,895,697
Capital Fund 731 - Sediment Removal	(7,579,141)	(7,490,356)	(7,493,630)	(7,079,141)	(7,490,356)	(7,359,767)
Capital Fund 731 - FRWLFA	(648,531)	(600,890)	(606,036)	(600,890)	(600,890)	(606,036)
Capital Fund 731 - City of Oroville	(3,507)	(4,407)	(8,218)	0	(4,407)	(8,218)
Total End of Period	26,778,469	23,977,838	26,752,900	20,052,792	17,266,983	20,368,023
Working Capital Net of Trustee Funds		\$23,977,838			\$17,266,983	

[1] Reflects Board Approved Amended Budget June 11, 2025.
[2] Financing Activities are reflected in the Capital Fund EIP Ending Working Capital Balance
[3] Reconciliation based on ledger dated 09/12/2025.

Exhibit B

SUTTER BUTTE FLOOD CONTROL AGENCY
COMBINED SUMMARY STATEMENT OF ACTIVITIES
AS OF MONTH ENDING June 2025 OF FY 24/25
10/27/2025

SBFCA FUNDS - ACTIVITIES TO DATE																		SBFCA FUNDS - FY 23/24 BUDGET				SBFCA FUNDS - VARIANCE FROM BUDGET			
	OPERATIONS (730)		CAPITAL FUND (731)															TOTALS	%						
	ADMIN	USACE STUDY	EIP	STAKE-HOLDER	OWA	GR	City of Oroville	FSRP	FRWLFA	REGIONAL PLANNING	ULOP	SED REM	ER PLAN	Tudor Phase II	SMALL COM	Sub-Total - Capital Fund	OPERATIONS (730)			CAPITAL FUND (731)	TOTALS	% OF BUDGET EXPENDED			
	a														January-00	b	c=a+b	d	e	f=d+e	g=d-a	h=e-b	i=f-c	j=c/f	
REVENUES:																									
43495-Proposition 13 Funds - \$650 K	-	184,154	-	-	-	-	-	-	-	-	-	-	-	-	-	184,154	184,154	-	-	-	-	(184,154)	(184,154)	0%	
45520-Assessment District Revenues	1,020,168	-	5,970,964	-	416,064	-	-	-	-	-	-	-	-	-	-	5,970,964	6,991,132	750,000	-	750,000	(270,168)	(5,491,132)	(5,761,301)	932%	
43450-WCB Thermalito Afterbay					42,259											42,259	42,259					(84,518)	(84,518)	0%	
43448 DWR FMPRA Robinson's Riffle					88,102											88,102	88,102					(176,203)	(176,203)	0%	
43450 -WCB Thermalito Rec Improvements					117,336											117,336	117,336					(234,671)	(234,671)	0%	
43451-SFRA Thermalito Improvements					290,669											290,669	290,669					(581,338)	(581,338)	0%	
43454 Reimbursement from City of Oroville					13,500											13,500	13,500								
43456- RD 784			962,768													962,768	962,768								
43452-State Intergovernmental Funds - Directed RFMP IV										181,210						181,210	181,210					(181,210)	(181,210)	0%	
XXXXX - Reimbursement for FWRLFA									95,281							95,281	95,281					(95,281)	(95,281)	0%	
4344(2,3)- Small Communities Grants															164,370	164,370	1,154,271	-	1,154,271		4,617,085	4,617,085	14%		
Sub-Total	1,020,168	184,154	6,933,732	-	954,429	-	13,500	-	95,281	181,210	-	337,355	-	-	-	989,861	9,689,522	750,000	4,222,226	4,972,226	(270,168)	9,523,040	9,252,872	215%	
46110-Interest on Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
49010-Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
Sub-Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
TOTAL INCOME	1,020,168	184,154	6,933,732	-	954,429	-	13,500	-	95,281	181,210	-	337,355	-	-	-	989,861	9,689,522	750,000	4,222,226	4,972,226	(270,168)	9,523,040	9,252,872	215%	
EXPENDITURES - ADMINISTRATION:																									
Operations:																									
62701-Public Outreach	-															-	-	(80,560)	-	(80,560)	(80,560)	(161,120)	(241,680)	0%	
62701-Financial Mgt	(13,161)															-	(13,161)	(26,500)	-	(26,500)	(13,339)	(39,839)	(53,177)	50%	
62701-Assessment District Admin.	-															-	-	-	-	-	-	-	-	0%	
Sub-Total	(202,674)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(202,674)	-	-	(487,213)	(284,539)	(771,752)	(1,056,291)	42%	
Services and Supplies	(389,662)															-	(389,662)	-	-	-	389,662	389,662	779,324	0%	
Equipment	-															-	-	-	-	-	-	-	#REF!	0%	
Sub-Total	(389,662)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(389,662)	-	-	-	389,662	389,662	#REF!	0%	
Total Operations	(592,337)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(592,337)	-	-	(487,213)	105,123	(382,090)	#REF!	122%	
EXPENDITURES - PROGRAM:																									
USACE Feasibility Study:																									
Administration		(459,446)														(459,446)	(459,446)	-	-	-	-	459,446	459,446	0%	
Sub-Total	-	(459,446)	-	-	-	-	-	-	-	-	-	-	-	-	-	(459,446)	(459,446)	-	-	-	-	459,446	459,446	0%	
EIP:																									
Pre-Planning				-												-	-	-	-	-	-	-	-	0%	
Administration			(593,431)													(593,431)	(593,431)	-	-	-	-	593,431	593,431	0%	
Engineering			(161,449)													(161,449)	(161,449)	-	-	-	-	161,449	161,449	0%	
Environmental			(86,392)													(86,392)	(86,392)	-	-	-	-	86,392	86,392	0%	
Right of Way Services			(7,352)													(7,352)	(7,352)	-	-	-	-	7,352	7,352	0%	
Construction & OWA FSR			(180,999)													(180,999)	(180,999)	-	-	-	-	180,999	180,999	0%	
ULDC			(1,352)													(1,352)	(1,352)	-	-	-	-	-	-	0%	
Sub-Total	-	-	(1,030,975)	-	-	-	-	-	-	-	-	-	-	-	-	(1,030,975)	(1,030,975)	-	-	-	-	1,029,623	1,029,623	0%	
OWA																									
7006 - CDFW 2019 - Vegetation Restoration					(29,428)											(29,428)	(29,428)	-	-	-	-	-	-	0%	
7007 - DWR Robinson's Riffle (FMPRA)					(666,222)											(666,222)	(666,222)	-	-	-	-	431,940	431,940	-16%	
7013 - CDFW - Robinson's Riffle					(639,408)											(639,408)	(639,408)	-	-	-	-	2,578,444	2,578,444	-107%	
7008 - Thermalito Rec Improvemnets CDFW SFRA					(236,563)											(236,563)	(236,563)	-	-	-	-	1,278,816	1,278,816	0%	
7009 - WCB Thermalito Rec Improvements					(292,785)											(292,785)	(292,785)	-	-	-	-	4,487,571	4,487,571	-12%	
Sub-Total	-	-	-	-	(1,864,407)	-	-	-	-	-	-	-	-	-	-	(1,864,407)	(1,864,407)	-	-	-	-	5,507,175	5,507,175	-47%	
Small Communities																									
7010 - Small Communities Grant Sutter																-	-	-	-	-	-	-	-	0%	
7011 - Small Communities Grant Tudor																(4,025)	(4,025)	-	-	-	-	-	-	0%	
7071 - Sutter Critical Rehabilitation (Bypass East Levee)																(746,603)	(746,603)	-	-	-	-	7,351,037	7,351,037	-41%	
Sub-Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(750,627)	(750,627)	-	-	-	-	2,978,138	2,978,138	-41%	
Sediment Removal																									
7002 - Sediment Removal												(237,814)				(237,814)	(237,814)	-	-	-	-	-	-	0%	
XXXX - CDFW Sediment Removal												-				-	-	-	-	-	-	237,814	237,814	0%	
XXXX - Phase II Funding Sediment Removal												-				-	-	-	-	-	-	-	-	0%	
Sub-Total	-	-	-	-	-	-	-	-	-	-	-	(237,814)	-	-	-	(237,814)	(237,814)	-	-	-	-	237,814	237,814	0%	
Tudor																									
7072 - Tudor														(3,317,747)		(3,317,747)	(3,317,747)	-	-	-	-	-	-	0%	
Sub-Total	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,317,747)	-	(3,317,747)	(3,317,747)	-	-	-	-	-	-	0%	
City of Oroville																									

% of Year Complete

REVENUES:
43195-Federal Intergov't Funds
43495-Proposition 13 Funds - \$1.4 M
43495-Proposition 13 Funds - \$650 K
43530-EIP Grant Funds - (Local Credit)
43531-EIP Grant Funds - (State Share)
43535-State Revenues - Flood Emergency Response Grant
43536-State Revenues - Prop 13 Grant
43717-Local Intergov't Contributions
45520-Assessment District Revenues
49081-Non-Govt Settlements
43537-State Revenues - Gridley Bridge
43538- State Revenues - WCB/CDWF Grant
43540-State Grant (Prop 1) (2017 CDFW)
43544-State Grant (Prop 1) (2017 WCB)

SBFCA New Budget Forecast and Cash Flow 10.15.25 10/27/2025

SUNGARD PENTAMATION, INC.
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CITY OF YUBA CITY
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SELECTION CRITERIA: transact.yr='25' and transact.period='3' and transact.fund between '730' and '732'
ACCOUNTING PERIOD: 4/26

FUND - 730 - FLOOD CONTROL AGENCY

CASH ACCT	CHECK NO	ISSUE DT	-----VENDOR-----	FUND/DEPT	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
10100	297784 V	08/22/24	300739	ADVANCED DOCUMENT C 7350	62601	SBFCA/JULY 2024	0.00	-28.22
10100	297784 V	08/22/24	300739	ADVANCED DOCUMENT C 7350	62601	SBFCA/MAY 2024	0.00	-73.56
TOTAL CHECK							0.00	-101.78
10100	298188	09/05/24	305409	LARSEN WURZEL & ASS 7350	62701	SBFCA/JULY 2024	0.00	962.00
10100	298426	09/12/24	302252	U.S. BANK CORP PAYM 7350	62501	TY/OFFICE SUPPLIES	0.00	4.82
10100	298426	09/12/24	302252	U.S. BANK CORP PAYM 7350	62501	TY/OFFICE SUPPLIES	0.00	10.80
10100	298426	09/12/24	302252	U.S. BANK CORP PAYM 7350	62501	TY/OFFICE SUPPLIES	0.00	14.59
10100	298426	09/12/24	302252	U.S. BANK CORP PAYM 7350	62201	TY/COMCAST	0.00	120.33
10100	298426	09/12/24	302252	U.S. BANK CORP PAYM 7350	62201	TY/PHONE SERVICE	0.00	561.67
10100	298426	09/12/24	302252	U.S. BANK CORP PAYM 7350	62501	TY/BOARD LUNCH	0.00	234.93
10100	298426	09/12/24	302252	U.S. BANK CORP PAYM 7350	63201	TY/EQUIP RENTAL	0.00	120.40
10100	298426	09/12/24	302252	U.S. BANK CORP PAYM 7350	63201	TY/EQUIPMENT RENTAL	0.00	28.68
10100	298426	09/12/24	302252	U.S. BANK CORP PAYM 7350	62301	TY/POSTAGE	0.00	100.75
10100	298426	09/12/24	302252	U.S. BANK CORP PAYM 7350	62501	TY/OFFICE SUP REFUN	0.00	-14.59
10100	298426	09/12/24	302252	U.S. BANK CORP PAYM 7350	62501	TY/OFFICE SUP REFUN	0.00	-4.82
10100	298426	09/12/24	302252	U.S. BANK CORP PAYM 7350	63101	TY/ZOOM RENEWAL	0.00	159.90
TOTAL CHECK							0.00	1,337.46
10100	298442	09/19/24	308404	A&R JANITORIAL SERV 7350	62701	SBFCA/AUGUST 2024	0.00	150.00
10100	298671	09/25/24	308355	YUBA RIVER MOLDING 7350	63201	SBFCA/OCT RENT	0.00	1,800.00
TOTAL CASH ACCOUNT							0.00	4,147.68
TOTAL FUND							0.00	4,147.68

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ACCOUNTING PERIOD: 4/26

FUND - 731 - SBFCA CAPITAL FUND

CASH ACCT	CHECK NO	ISSUE DT	-----VENDOR-----	FUND/DEPT	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
10100	297833 V	08/22/24	310119 CBEC ECO ENGINEERIN	992009	65646	SBFCA/APRIL 2024	0.00	-484.00
10100	297923 V	08/22/24	309534 R&F ENGINEERING, IN	997008	65741	SBFCA/JUNE 2024	0.00	-2,450.00
10100	297923 V	08/22/24	309534 R&F ENGINEERING, IN	997009	65741	SBFCA/JUNE 2024	0.00	-2,974.50
10100	297923 V	08/22/24	309534 R&F ENGINEERING, IN	997009	65741	SBFCA/JUNE 2024	0.00	-148.73
10100	297923 V	08/22/24	309534 R&F ENGINEERING, IN	997007	65728	SBFCA/JUNE 2024	0.00	-1,732.50
10100	297923 V	08/22/24	309534 R&F ENGINEERING, IN	997008	65741	SBFCA/JUNE 2024	0.00	-122.50
TOTAL CHECK							0.00	-7,428.23
10100	298176	09/05/24	304203 GEORGE SILLS GEOTEC	997072	67623	SBFCA/TFRR CONSULTI	0.00	1,000.00
10100	298176	09/05/24	304203 GEORGE SILLS GEOTEC	731	20102	SBFCA/SBEL CONSULTI	0.00	857.14
10100	298176	09/05/24	304203 GEORGE SILLS GEOTEC	731	20102	SBFCA/TFRR CONSULTI	0.00	2,000.00
10100	298176	09/05/24	304203 GEORGE SILLS GEOTEC	997071	67611	SBFCA/SBEL CONSULTI	0.00	2,142.86
TOTAL CHECK							0.00	6,000.00
10100	298181	09/05/24	200071 HDR ENGINEERING INC	997071	67611	SBFCA/JULY 2024	0.00	12,042.82
10100	298181	09/05/24	200071 HDR ENGINEERING INC	997072	67623	SBFCA/JULY 2024	0.00	23,118.50
10100	298181	09/05/24	200071 HDR ENGINEERING INC	997007	65728	SBFCA/JULY 2024	0.00	18,712.45
10100	298181	09/05/24	200071 HDR ENGINEERING INC	996001	68802	SBFCA/JULY 2024	0.00	116.57
10100	298181	09/05/24	200071 HDR ENGINEERING INC	995001	68202	SBFCA/JULY 2024	0.00	294.19
10100	298181	09/05/24	200071 HDR ENGINEERING INC	995001	67202	SBFCA/JULY 2024	0.00	678.71
10100	298181	09/05/24	200071 HDR ENGINEERING INC	996001	68202	SBFCA/JULY 2024	0.00	92.91
10100	298181	09/05/24	200071 HDR ENGINEERING INC	997009	65741	SBFCA/JULY 2024	0.00	22,297.00
10100	298181	09/05/24	200071 HDR ENGINEERING INC	996001	67202	SBFCA/JULY 2024	0.00	214.33
10100	298181	09/05/24	200071 HDR ENGINEERING INC	997008	65741	SBFCA/JULY 2024	0.00	18,365.39
10100	298181	09/05/24	200071 HDR ENGINEERING INC	995001	68802	SBFCA/JULY 2024	0.00	577.30
TOTAL CHECK							0.00	96,510.17
10100	298188	09/05/24	305409 LARSEN WURZEL & ASS	992009	65641	SBFCA/JULY 2024	0.00	1,503.50
10100	298188	09/05/24	305409 LARSEN WURZEL & ASS	995001	66521	SBFCA/JULY 2024	0.00	11,869.77
10100	298188	09/05/24	305409 LARSEN WURZEL & ASS	997071	67610	SBFCA/JULY 2024	0.00	3,737.00
10100	298188	09/05/24	305409 LARSEN WURZEL & ASS	997009	65740	SBFCA/JULY 2024	0.00	757.50
10100	298188	09/05/24	305409 LARSEN WURZEL & ASS	995001	67311	SBFCA/JULY 2024	0.00	1,170.78
10100	298188	09/05/24	305409 LARSEN WURZEL & ASS	997011	65730	SBFCA/SCFRR TUDOR	0.00	4,024.50
10100	298188	09/05/24	305409 LARSEN WURZEL & ASS	996001	67311	SBFCA/JULY 2024	0.00	369.72
10100	298188	09/05/24	305409 LARSEN WURZEL & ASS	997006	65720	SBFCA/JULY 2024	0.00	555.50
10100	298188	09/05/24	305409 LARSEN WURZEL & ASS	997008	65740	SBFCA/JULY 2024	0.00	1,414.00
10100	298188	09/05/24	305409 LARSEN WURZEL & ASS	997007	65720	SBFCA/JULY 2024	0.00	1,161.50
10100	298188	09/05/24	305409 LARSEN WURZEL & ASS	996001	66521	SBFCA/JULY 2024	0.00	3,748.35
10100	298188	09/05/24	305409 LARSEN WURZEL & ASS	997020	67603	SBFCA/JULY 2024	0.00	991.50
TOTAL CHECK							0.00	31,303.62
10100	298234	09/05/24	307582 WSP USA, INC.	997072	67624	SBFCA/JULY 2024	0.00	2,015.00
10100	298313	09/12/24	306923 CAPRI & CLAY, INC.	996001	66552	SBFCA/AUGUST 2024	0.00	2,500.00
10100	298363	09/12/24	200071 HDR ENGINEERING INC	731	20102	SBFCA/MAY 2024	0.00	2,623.70
10100	298363	09/12/24	200071 HDR ENGINEERING INC	731	20102	SBFCA/MAY 2024	0.00	1,457.84
10100	298363	09/12/24	200071 HDR ENGINEERING INC	731	20102	SBFCA/MAY 2024	0.00	1,240.01
10100	298363	09/12/24	200071 HDR ENGINEERING INC	731	20102	SBFCA/MAY 2024	0.00	944.68
10100	298363	09/12/24	200071 HDR ENGINEERING INC	731	20102	SBFCA/MAY 2024	0.00	262.47
10100	298363	09/12/24	200071 HDR ENGINEERING INC	731	20102	SBFCA/MAY 2024	0.00	631.92

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FUND - 731 - SBFCA CAPITAL FUND

CASH ACCT	CHECK NO	ISSUE DT	-----VENDOR-----	FUND/DEPT	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
10100	298363	09/12/24	200071	HDR ENGINEERING INC 731	20102	SBFCA/MAY 2024	0.00	562.29
10100	298363	09/12/24	200071	HDR ENGINEERING INC 731	20102	SBFCA/MAY 2024	0.00	177.57
10100	298363	09/12/24	200071	HDR ENGINEERING INC 731	20102	SBFCA/MAY 2024	0.00	9,232.53
10100	298363	09/12/24	200071	HDR ENGINEERING INC 731	20102	SBFCA/MAY 2024	0.00	199.56
10100	298363	09/12/24	200071	HDR ENGINEERING INC 731	20102	SBFCA/MAY 2024	0.00	7,604.56
10100	298363	09/12/24	200071	HDR ENGINEERING INC 731	20102	SBFCA/MAY 2024	0.00	250.39
10100	298363	09/12/24	200071	HDR ENGINEERING INC 731	20102	SBFCA/MAY 2024	0.00	2,769.85
10100	298363	09/12/24	200071	HDR ENGINEERING INC 731	20102	SBFCA/MAY 2024	0.00	460.38
TOTAL CHECK							0.00	28,417.75
10100	298399	09/12/24	308917	RIVER PARTNERS 731	20102	SBFCA/JUNE 2024	0.00	1,122.01
10100	298400	09/12/24	308282	SACRAMENTO VALLEY C 996001	68901	SBFCA/JULY 2024	0.00	236.05
10100	298400	09/12/24	308282	SACRAMENTO VALLEY C 731	20102	SBFCA/JUNE 2024	0.00	490.93
10100	298400	09/12/24	308282	SACRAMENTO VALLEY C 996001	68401	SBFCA/JULY 2024	0.00	145.36
10100	298400	09/12/24	308282	SACRAMENTO VALLEY C 996001	67401	SBFCA/JULY 2024	0.00	335.34
10100	298400	09/12/24	308282	SACRAMENTO VALLEY C 731	20102	SBFCA/APRIL MAY 202	0.00	278.47
10100	298400	09/12/24	308282	SACRAMENTO VALLEY C 731	20102	SBFCA/JUNE 2024	0.00	251.77
10100	298400	09/12/24	308282	SACRAMENTO VALLEY C 731	20102	SBFCA/APRIL MAY 202	0.00	513.98
10100	298400	09/12/24	308282	SACRAMENTO VALLEY C 995001	68901	SBFCA/JULY 2024	0.00	849.55
10100	298400	09/12/24	308282	SACRAMENTO VALLEY C 995001	68401	SBFCA/JULY 2024	0.00	460.28
10100	298400	09/12/24	308282	SACRAMENTO VALLEY C 731	20102	SBFCA/JUNE 2024	0.00	357.67
10100	298400	09/12/24	308282	SACRAMENTO VALLEY C 731	20102	SBFCA/JUNE 2024	0.00	155.04
10100	298400	09/12/24	308282	SACRAMENTO VALLEY C 995001	67401	SBFCA/JULY 2024	0.00	1,061.87
10100	298400	09/12/24	308282	SACRAMENTO VALLEY C 731	20102	SBFCA/APRIL MAY 202	0.00	142.83
10100	298400	09/12/24	308282	SACRAMENTO VALLEY C 731	20102	SBFCA/APRIL MAY 202	0.00	87.95
10100	298400	09/12/24	308282	SACRAMENTO VALLEY C 731	20102	SBFCA/APRIL MAY 202	0.00	642.45
10100	298400	09/12/24	308282	SACRAMENTO VALLEY C 731	20102	SBFCA/JUNE 2024	0.00	906.11
10100	298400	09/12/24	308282	SACRAMENTO VALLEY C 731	20102	SBFCA/APRIL MAY 202	0.00	202.89
10100	298400	09/12/24	308282	SACRAMENTO VALLEY C 731	20102	SBFCA/JUNE 2024	0.00	1,132.58
TOTAL CHECK							0.00	8,251.12
10100	298437	09/12/24	307582	WSP USA, INC. 731	20102	SBFCA/MAY 2024	0.00	608.50
10100	298437	09/12/24	307582	WSP USA, INC. 731	20102	SBFCA/APRIL 2024	0.00	1,488.00
TOTAL CHECK							0.00	2,096.50
10100	298477	09/19/24	302416	BENDER ROSENTHAL, I 995001	67114	SBFCA/AUGUST 2024	0.00	74.10
10100	298477	09/19/24	302416	BENDER ROSENTHAL, I 996001	67114	SBFCA/AUGUST 2024	0.00	23.40
TOTAL CHECK							0.00	97.50
TOTAL CASH ACCOUNT							0.00	170,401.44
TOTAL FUND							0.00	170,401.44
TOTAL REPORT							0.00	174,549.12



Sutter Butte Flood Control Agency

A Partnership for Flood Safety

November 12, 2025

TO: Board of Directors

FROM: Michael Bessette – Executive Director

SUBJECT: Receive and File Program/Project Update Report

Recommendation

Receive and file the November 2025 Program/Project update report.

Background

The purpose of this report is to provide a regular, monthly update on SBFCA program and project activities:

Tudor Flood Risk Reduction Project (lower Feather River West Levee)

The contractor is working on levee regrade and end of year project closeout activities. All cutoff wall construction and levee regrade work will be completed by early November with the contractor coming back next year to complete the pipe crossings. The Central Valley Flood Protection Board and SBFCA staff met with Odysseus Farms to work out the required pipe encroachment permit details. Attorneys for both the State and Odysseus are working on the required encroachment permit in order for the private encroachment to be reinstalled.

Sutter Bypass Critical Levee Repair

SBFCA, Calpine, and DWR continue to dialogue on funding the remainder of the Sutter Bypass East levee repairs. SBFCA staff is also coordinating with both NCWA and the Floodplain Forward coalition in order to better align the levee improvement work with the various proposed restoration activities being advanced within and adjacent to the Sutter Bypass. The project team continues to advance the design and permitting work funded by the \$4M funding agreement from DWR. The design team submitted the 90% design in June to USACE, DWR, and the Independent Panel of Experts (IPE). All comments have been received and addressed accept for USACE. DWR posted the CEQA IS/MND for public review and the comment period ended on August 11. DWR filed the Notice of Determination in late October. In addition, staff is coordinating with DWR on federal funding for the construction of the 5.2-mile levee improvement project. With the cancellation of the Building Resilient Infrastructure and Communities (BRIC) program, we must now work with both DWR and CalOES to submit a new application under FEMA's Hazard Mitigation Grant Program (HMGP) by spring of 2026. SBFCA, in coordination with DWR, submitted the HMGP sub-application to CalOES on September 15. Coordination with Calpine, who have a large energy facility protected by the project, is taking place and will result in strong federal advocacy support for the levee repair project and possibly private funding for the levee repair project.

Oroville Wildlife Area (OWA) Projects

The OWA Robinson's Riffle Project, a project resulting from the DWR funded planning effort, is advancing and being coordinated with both DWR and the California Department of Fish & Wildlife (CDFW), who are funding the design of the project. The project team is coordinating with CDFW and DWR on the review of the 65% design plans, which were completed in August. The project team is also coordinating additional outreach activities to private property owners adjacent to the proposed project and other stakeholders. Follow-up coordination is also underway with multiple agencies to discuss potential funding opportunities for the construction phase. Staff submitted a full grant application proposal to CDFW under their Fisheries Restoration Grant Program (FRGP) in mid-April requesting up to \$5M in construction funds. In addition, staff is coordinating with DWR and the Wildlife

Conservation Board (WCB) to fully fund construction of the project. The WCB Board will consider providing the \$31.9 million grant funding on November 20th, with construction currently planned for 2027

The Oroville Wildlife Area Thermalito Afterbay Outlet Boat Ramp and Campground Project

The design team continues to work through both the USACE Section 404 and 408 review processes in order to bid the project and construct next year (2026). The project went out to bid on October 30 with bids due on December 9. The construction contract award is scheduled for March 2026. The 401 Water Quality Certification was received in January and SBFCA has also received the CDFW Lake and Streambed Alteration Agreement and State Lands Commission approval. SBFCA is still working on acquiring FERC approval (led by DWR), the CDFW Consistency Determination, and the DWR Implementation Agreement. Construction is currently planned for July thru October of 2026. SBFCA staff is also coordinating closely with both WCB and CDFW regarding potential grant amendments in case additional funds are needed for construction, depending on contractor bid results.

City of Oroville Levee Repair Project

The U.S. Army Corps of Engineers (USACE) completed their 2-day Levee Safety Inspection under their National Levee Safety Program for the City's 1.1-mile-long levee in May. SBFCA received the draft report on September 26 which staff has reviewed and provided feedback to the Corps at a closeout meeting with USACE held on October 7. In addition, the City submitted a letter request to be included in the USACE Continuing Authorities Program which would result in a feasibility study to analyze deficiencies and recommend repair alternatives. USACE notified us that due to federal budget issues we may not hear back on this request until USACE knows what their program funding looks like under the recently passed federal budget Continuing Resolution. We continue to check in with the Corps' program manager in San Francisco on their budget status.

Feather River Regional Flood Management Planning

The Feather River Regional planning team continues to advance planning efforts in our region. DWR has requested that each region submit a list of projects important to the region into DWR's new online database by October 31. The funding agreement from the Department of Water Resources (DWR) for this effort continues to fund regional flood risk management planning work and more specifically SBFCA's desire to advance important planning efforts, including; coordination on the 2027 Central Valley Flood Protection Plan (CVFPP) update, advance OMRR&R activities for Cherokee Canal, explore opportunities to fund construction of the Sutter Bypass East Levee and the Yuba City Sediment Removal Projects, participate in FEMA National Flood Insurance Program reform, participate in efforts related to the Oroville Citizen's Advisory Committee, and identify and implement other regional flood risk reduction projects. A minor contract budget amendment was received from DWR in September in the amount of \$46k.

Sutter Basin Flood Risk Management Project (federal project)

The Project Partnership Agreement (PPA) amendment for federal credit transfer from the Sutter Basin Project (SBFCA) to the San Joaquin Project (SJAFCA) was approved by the Assistant Secretary of the Army (ASA) office in August and taken to the Central Valley Flood Protection Board (CVFPB) for approval and execution on September 26. This approval by CVFPB allowed both SBFCA and SJAFCA to execute them respectively. SBFCA staff also recently submitted the required System-Wide Improvement Framework (SWIF) annual progress report to USACE, which ensures eligibility for funding under the PL84-99 rehabilitation program for the Sutter Basin levee system.

Sutter County FEMA Accreditation

Staff continues to coordinate with FEMA and Sutter County on FEMA's remapping of all of Sutter County. The existing Flood Insurance Rate maps are currently paper maps and they need to be updated to digital maps. FEMA will also incorporate SBFCA's 100-year FEMA accreditation package for the southern Feather River west levee reaches (Yuba City basin). It is anticipated that the package review and processing period with FEMA will take approximately 3 to 5 years before the proposed mapping changes become effective. SBFCA received additional comments on the proposed accreditation package in June and sent responses back to FEMA on September 23.

State & Local Funding and Coordination >>do we want to include a statement or two in this section about the bond refunding effort?>>

EIP / UFRR Agreement

SBFCA staff continues to work with DWR to process additional payments and reimbursement requests for various items of work. SBFCA has since received \$2,499,794 for the Emergency Work Retention Release. The last payment received and reported to the Board was in the amount of \$2,060,217 on June 18, 2022, for costs incurred during the 28th, 29th, and 30th. An \$308,156 payment for 31st Quarter was received in December 2024. In February 2023, SBFCA received one FAPS payment totaling \$1,989,855 from DWR for ROW request for a Partial Closeout Retention Release of \$2,668,485. SBFCA and DWR have agreed for an immediate release of \$2,568,486 and SBFCA submitted the formal request for release in June, leaving a remainder of \$100,000 in pending retention until final closeout in December. The table below presents the current funding status of the Agency's UFRR Grant.

FRWLP DWR EIP/UFRR Funding

	<u>Agreement</u>		
	<u>Design</u>	<u>Construction</u>	<u>Total</u>
Agreement No.	#4600009480	#4600010296	
Capital Outlay Amount	\$9,000,000	\$56,780,000	\$65,780,000
Amendment 1	\$0 [1]	\$0 [2]	\$0
Amendment 2	\$14,869,280 [3]	\$57,803,791 [4]	\$72,673,071
Amendment 3		\$43,861,587	\$43,861,587
Amendment 4		\$40,828,931	\$40,828,931
Amendment 5	-\$2,529,451 [5]	\$31,730,451 [5]	\$29,201,000
Amendment 6	\$0	\$0	\$0
Amendment 7	\$0	\$3,744,017	\$3,744,017
Amendment 8	\$0	\$0	\$0
TOTAL FUNDING	\$21,339,829	\$234,748,777	\$256,088,606.03
Pending [6]	\$0	\$2,568,486	\$2,568,486
TOTAL RECEIVED TO DATE	\$21,339,829	\$230,648,323	\$253,320,120
TOTAL PAYMENTS	\$21,339,829	\$234,648,777	\$255,988,606
GRANT BALANCE	\$0	\$100,000	\$100,000

[1] Amendment 1 to the Design Agreement amended the term of the agreement.

[2] Amendment 1 to the Construction Agreement amended the scope agreement to include the closure of gaps (at reaches 13 and 24) in Area C.

[3] Amendment 2 to the Design Agreement increased the cost share from 50% to 76% State Cost Share and increased the State funding limit.

[4] Amendment 2 to the Construction Agreement increased the scope to include Areas B & D2A and increased the State funding limit. It also incorporated many of the guideline provisions of the UFRR Program.

[5] Reflects pending transfer of remaining design funding to the CFA.

[6] Pending Requested Payments from DWR.

OWA (CDFW & WCB) Grant Agreements

SBFCA staff is working with the WCB and CDFW to process payments for the ongoing OWA work.

Payments on the CDFW Veg Planting grant for the first through sixteenth quarters were received in the sum amount of \$1,578,912 with \$10,052 for the final 18th quarterly submittal currently pending receipt of payment.

SBFCA submitted the sixth, seventh and eighth quarter packages to WCB for the Thermalito Afterbay project and are currently pending payment from WCB, while an 9th Quarter will also be submitted in November. Fourth, fifth, and sixth quarter packages for the CDFW SFRA Thermalito Afterbay project were submitted and currently pending payment, while a 7th quarter package is on track for submittal in November. The tables below present the funding status of the Agency's WCB Grants and CDFW Grants, respectively.

OWA CDFW Funding

	<u>Agreement</u>	
	<u>Veg Restoration</u>	<u>Total</u>
Grant Agreement No.	Q1996015	
Grant Amount	\$1,716,847	\$1,716,847
TOTAL FUNDING	\$1,716,847	\$1,716,847
Receipts		
<i>Payment Received</i>		
PMT 1	\$404,324	\$404,324
PMT 2	\$113,379	\$113,379
PMT 3	\$56,180	\$56,180
PMT 4	\$42,759	\$42,759
PMT 5	\$139,725	\$139,725
PMT 6	\$102,987	\$102,987
PMT 7	\$112,641	\$112,641
PMT 8	\$86,177	\$86,177
PMT 10	\$300,653	\$300,653
PMT 11	\$27,633	\$27,633
PMT 13	\$25,100	\$25,100
PMT 9	\$97,462	\$97,462
PMT 12	\$27,633	\$27,633
PMT 14	\$8,905	\$8,905
PMT 15	\$18,887	\$18,887
PMT 16	\$5,505	\$5,505
PMT 17	\$8,962	\$8,962
<i>Pending</i>		
PMT 18	\$10,052	\$10,052
TOTAL PAYMENTS	\$1,588,964	\$1,588,964
GRANT BALANCE	\$127,883	\$127,883

OWA Thermalito Afterbay Funding

	<u>Agreement</u>		
	<u>WCB</u>	<u>CDFW-SFRA</u>	
	Thermo Afterbay	Thermo Afterbay	<u>Total</u>
Grant Agreement No.	WC-2334CA	G2398072	
Grant Amount	\$4,415,000	\$3,305,756	\$7,720,756
TOTAL FUNDING	\$4,415,000	\$3,305,756	\$7,720,756
<i>Payment Received</i>			
PMT 1	\$58,555	\$129,443	\$187,998
PMT 2	\$125,098	\$57,582	\$125,098
PMT 3	\$115,015	\$103,643	\$115,015
PMT 4	\$57,547		\$57,547
PMT 5	\$118,403		\$118,403
<i>Pending [1]</i>			
PMT 4		\$101,655	\$101,655
PMT 5		\$45,342	\$45,342
PMT 6	\$118,403	\$41,572	\$159,976
PMT 7	\$51,653		\$51,653
PMT 8	\$46,029		\$46,029
TOTAL PAYMENTS	\$690,704	\$479,239	\$8,049,247
GRANT BALANCE	\$3,724,296	\$2,826,517	\$7,081,792

[1] No payments yet received.

CNRA Proposition 68 Sediment Management Project

SBFCA staff finalized a grant with California Natural Resources Agency (CNRA) for Sediment Management along the Feather River in February 2020 for \$5,000,000. Payments on all packages through the 9th Quarter have been received. A 10th invoice package was submitted to CNRA in September. A final retention release request package is also currently being formulated.

CNR Sediment Removal Funding

	<u>Agreement</u>	<u>Total</u>
Grant Agreement No.	R31866-0	
Grant Amount	\$5,000,000	\$5,000,000
TOTAL FUNDING	\$5,000,000	\$5,000,000

Receipts

Received		
PMT 1	\$15,477	\$15,477
PMT 2	\$233,338	\$233,338
PMT 3	\$151,111	\$151,111
PMT 4	\$258,997	\$258,997
PMT 5	\$209,605	\$209,605
PMT 6	\$2,916,496	\$2,916,496
PMT 7	\$230,211	\$230,211
PMT 8	\$144,214	\$144,214
PMT 9	\$193,142	\$193,142
Pending		
PMT 10	\$133,950	\$133,950
TOTAL PAYMENTS	\$4,486,540	\$4,486,540
GRANT BALANCE	\$513,460	\$513,460

Additional State Funded Grants

SBFCA has secured and executed work on additional state-funded grants: The Floodplain Management, Protection and Risk Awareness (FMPRA) Robinson's Riffle; CDFW Robinson's Riffle, Regional Flood Management Planning Phase IV and V (RFMP IV and RFMP V); and Sutter Bypass East Levee (SBEL) projects.

A seventh reimbursement package for FMPRA Robinson's Riffle was submitted to DWR in October for \$191,065. SBFCA has received payment through the fourth quarter, totaling \$359,457 received with \$479,913 in pending receivables for this grant. A subsequent eighth quarter package is currently being finalized for November submission.

The second, third, and fourth quarter CDFW Robinson's Riffle packages totaling \$537,043 are currently pending payment. A fifth quarter package is presently being formulated and on track for submission in November.

A fifth and final sixth quarter reimbursement packages for RFMP IV were submitted to DWR in September requesting \$52,790 in reimbursement. A retention release request for \$26,000 was submitted in October, totaling \$78,790 in reimbursement pending.

SBFCA has also submitted the first quarter of RFMP V for \$35,698 and is currently pending payment. A second quarter reimbursement request is on track for November submission.

An ninth reimbursement request package for SBEL was submitted to DWR in June for \$111,078, totaling \$1,068,320 in submitted reimbursements to date and \$242,830 in pending receivables. SBFCA has received reimbursement for all quarters through the seventh quarter request. A tenth quarter package is currently being formulated and on track for submittal in November.

State Funding

	Agreement					Total
	FMPRA Robinson's Riffle	CDFW Robinson's Riffle	RFMP IV	RFMP V	Sutter Bypass East Levee	
Grant Agreement No.	4600015071	Q2296026	4600015037	4600016181	4600014883	
Grant Amount	\$1,484,823	\$2,115,000	\$260,000	\$391,500	\$4,000,000	\$8,251,323
TOTAL FUNDING	\$1,484,823	\$2,115,000	\$260,000	\$391,500	\$4,000,000	\$8,251,323
Receipts						
Received						
PMT 1	\$99,307	\$117,336	\$12,832		\$112,991	\$342,466
PMT 2	\$77,213		\$60,872		\$123,650	\$261,735
PMT 3	\$94,835		\$54,864		\$201,698	\$351,398
PMT 4	\$88,102		\$52,642		\$103,312	\$244,056
PMT 5					\$51,017	\$51,017
PMT 6					\$66,359	\$66,359
PMT 7					\$166,462	
Pending						
PMT 1				\$35,698		\$35,698
PMT 2		\$156,321				\$156,321
PMT 3		\$158,703				\$158,703
PMT 4		\$222,019				\$222,019
PMT 5	\$184,163		\$29,612			\$213,775
PMT 6	\$104,686		\$23,178			\$127,863
PMT 7	\$191,065					\$191,065
PMT 8					\$131,751	\$131,751
PMT 9					\$111,078	\$111,078
Retention Release			\$26,000			
TOTAL PAYMENTS	\$839,370	\$654,379	\$260,000	\$35,698	\$1,068,320	\$2,857,767
GRANT BALANCE	\$645,453	\$1,460,621	\$0	\$355,802	\$2,931,680	\$5,393,556

Fiscal Impact: This is an informational item only with no fiscal impact to SBFCA.