

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (this “Disclosure Agreement”), dated as of May __, 2024, is by and between the ORANGE COUNTY SANITATION DISTRICT, a county sanitation district organized and existing under the laws of the State of California (the “District”), and DIGITAL ASSURANCE CERTIFICATION, LLC, as Dissemination Agent (the “Dissemination Agent”).

WITNESSETH:

WHEREAS, the District has caused to be executed and delivered the Orange County Sanitation District Wastewater Refunding Revenue Obligations, Series 2024A (the “Revenue Obligations”), evidencing principal in the aggregate amount of \$_____, pursuant to a Trust Agreement, dated as of the date hereof (the “Trust Agreement”), by and among U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), the Orange County Sanitation District Financing Corporation (the “Corporation”) and the District; and

WHEREAS, this Disclosure Agreement is being executed and delivered by the District and the Dissemination Agent for the benefit of the owners and beneficial owners of the Revenue Obligations and in order to assist the purchaser of the Revenue Obligations in complying with the Rule (as defined herein);

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

Section 1. Definitions. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Trust Agreement or, if not defined therein, in the Master Agreement, dated as of August 1, 2000, by and between the District and the Corporation. In addition, the following capitalized terms shall have the following meanings:

“Annual Report” means any Annual Report provided by the District pursuant to, and as described in, Sections 2 and 3 hereof.

“Annual Report Date” means the date in each year that is eight months after the end of the Fiscal Year, which date, as of the date of this Disclosure Agreement, is March 1.

“Disclosure Representative” means the Director of Finance and Administrative Services of the District, or such other officer or employee of the District as the District shall designate in writing to the Dissemination Agent and the Trustee from time to time.

“Dissemination Agent” means an entity selected and retained by the District, or any successor thereto selected by the District. The initial Dissemination Agent shall be Digital Assurance Certification, LLC.

“EMMA” shall mean Electronic Municipal Market Access system, maintained on the internet at <http://emma.msrb.org> by the MSRB.

“Financial Obligation” shall have the meaning ascribed to it in the Rule, any other applicable federal securities laws and guidance provided by the SEC in its Release No. 34-83885 dated August 20, 2018 (the “2018 Release”), and any further amendments or written guidance provided by the SEC or its staff with respect to the amendments to the Rule effected by the 2018 Release.

“Fiscal Year” shall mean the period beginning on July 1 of each year and ending on the next succeeding June 30, or any twelve-month or fifty-two week period hereafter selected by the District, with notice of such selection or change in fiscal year to be provided as set forth herein.

“Listed Events” means any of the events listed in Section 4 hereof and any other event legally required to be reported pursuant to the Rule.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through EMMA.

“Official Statement” means the Official Statement, dated April __, 2024, relating to the Revenue Obligations.

“Participating Underwriter” means any of the original purchaser(s) of the Revenue Obligations required to comply with the Rule in connection with the offering of the Revenue Obligations.

“Repository” means, until otherwise designated by the SEC, EMMA.

“Rule” means Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same has been or may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

Section 2. Provision of Annual Reports.

(a) The District shall provide, or shall cause the Dissemination Agent to provide, to MSRB, through EMMA, not later than 15 days prior to the Annual Report Date, an Annual Report which is consistent with the requirements of Section 3 of this Disclosure Agreement. The Annual Report must be submitted in electronic format, accompanied by such identifying information as provided by the MSRB. 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 3 of this Disclosure Agreement. Not later than 15 Business Days prior to such date, the District shall provide the Annual Report to the Dissemination Agent. If the Fiscal Year changes for the District, the District shall give notice of such change in the manner provided under Section 4(e) hereof.

(b) If by 15 Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, through EMMA, the Dissemination Agent has not received a copy of the Annual Report the Dissemination Agent shall contact the District to determine if the District is in compliance with subsection (a). The District 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 it hereunder. The Dissemination Agent may conclusively rely upon such certification of the District and shall have no duty or obligation to review such Annual Report.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine the electronic filing address of, and then-current procedures for submitting Annual Reports to, the MSRB each year prior to the date for providing the Annual Report; and

(ii) to the extent appropriate information is available to it, file a report with the Authority certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided.

Section 3. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements 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 District's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) The principal evidenced by the Revenue Obligations Outstanding as of the June 30 next preceding the Annual Report Date and the principal amount of other Senior Obligations outstanding as of the June 30 next preceding the Annual Report Date.

(c) Updated information (not to include projections), for the Fiscal Year ended the June 30 next preceding the Annual Report Date, comparable to the information contained in the Official Statement in Table Nos. 2, 4, 6 (only with respect to information on 6 under the headings Fiscal Year and Sewer Service Charge), 8, 9, 10, 11, 12, 13, 14 and 16.

(d) In addition to any of the information expressly required to be provided under subsections (a), (b) and (c) of this Section, the District 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 District is an "obligated person" (as defined by the Rule), which are available to the public on EMMA or filed with the SEC. The District shall clearly identify each such document to be included by reference.

Section 4. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 4, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Revenue Obligations, in a timely manner not more than ten (10) Business Days after the event:

(1) principal and interest payment delinquencies;

- (2) defeasances;
- (3) tender offers;
- (4) rating changes;
- (5) adverse tax opinions or 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 Revenue Obligations, or other material events affecting the tax status of the Revenue Obligations;
- (6) unscheduled draws on the debt service reserves reflecting financial difficulties;
- (7) unscheduled draws on credit enhancements reflecting financial difficulties;
- (8) substitution of credit or liquidity providers or their failure to perform;
- (9) bankruptcy, insolvency, receivership or similar proceedings; or
- (10) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

For these purposes, any event described in the immediately preceding paragraph (9) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing 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 District.

(b) Pursuant to the provisions of this Section 4, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Revenue Obligations, if material:

- (1) consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, 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;
- (2) appointment of a successor or additional Trustee or the change of the name of a Trustee;
- (3) nonpayment related defaults;
- (4) modifications to the rights of Owners;

- (5) a notices of prepayment;
- (6) release, substitution or sale of property securing repayment of the Revenue Obligations; or
- (7) incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect Revenue Obligation holders.

(c) Whenever the District obtains knowledge of the occurrence of an event, described in subsection (b) of this Section 4, the District shall as soon as possible determine if such event would be material under applicable federal securities law.

(d) If the District determines that knowledge of the occurrence of an event described in subsection (b) of this Section 4 would be material under applicable federal securities law, the District shall promptly notify the Dissemination Agent in writing and instruct the Dissemination Agent to report the occurrence to the Repository in a timely manner not more than ten (10) Business Days after the event.

(e) If the Dissemination Agent has been instructed by the District to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB.

Section 5. Filings with the MSRB. All information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Disclosure Agreement shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

Section 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior prepayment or payment in full of all of the Revenue Obligations. If such termination occurs prior to the final maturity of the Revenue Obligations, the District shall give notice of such termination in the same manner as for a Listed Event under Section 4 hereof.

Section 7. Dissemination Agent. The District may, from time to time, appoint or engage another Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. Notwithstanding any other provision to this Disclosure Agreement to the contrary, the District may provide any Annual Report to Beneficial Owners by means of posting such Annual Report on an internet site that provides open access to Beneficial Owners.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the District may amend this Disclosure Agreement, provided no amendment increasing or affecting the obligations or duties of the Dissemination Agent shall be made without the consent of such party, and any provision of this Disclosure Agreement may be waived if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to the District and the Dissemination Agent to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in

any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the District shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the District or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee, at the written direction of any Participating Underwriter or the holders of at least 25% of the aggregate amount of principal evidenced by Outstanding Revenue Obligations and upon being indemnified to its reasonable satisfaction, shall, or any holder or beneficial owner of the Revenue Obligations may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the District or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. Article VIII of the Trust Agreement is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Trust Agreement. Neither the Trustee nor the Dissemination Agent shall be responsible for the form or content of any Annual Report or notice of Listed Event. The Dissemination Agent shall receive reasonable compensation for its services provided under this Disclosure Agreement. The Dissemination Agent and the Trustee shall have only such duties as are specifically set forth in this Disclosure Agreement, and the District agrees to indemnify and save the Dissemination Agent and the Trustee, their officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's or the Trustee's respective negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Revenue Obligations. The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the District, any holder of a Revenue Obligation or any other party.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the District, the Trustee, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Revenue Obligations, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure 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.

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first above written.

ORANGE COUNTY SANITATION DISTRICT

By: _____
Wally Ritchie
Director of Finance

DIGITAL ASSURANCE CERTIFICATION, LLC,
as Dissemination Agent

By: _____
Authorized Representative

Acknowledged and Accepted:

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

By: _____
Authorized Officer

EXHIBIT A

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE
TO FILE ANNUAL REPORT**

Name of Obligor: Orange County Sanitation District

Name of Issue: \$_____ Orange County Sanitation District
Wastewater Refunding Revenue Obligations, Series 2024A
(the "Revenue Obligations")

Date of Execution and Delivery: May __, 2024

NOTICE IS HEREBY GIVEN that the Orange County Sanitation District (the "District") has not provided an Annual Report with respect to the above-captioned Revenue Obligations as required by Section 6.09 of the Trust Agreement, dated as of May 1, 2024, by and among U.S. Bank Trust Company, National Association, as Trustee, the Orange County Sanitation District Financing Corporation and the District. [The District anticipates that the Annual Report will be filed by _____.]

Dated: ____, 20__

ORANGE COUNTY SANITATION DISTRICT

By: _____
Title: _____

cc: Trustee
Dissemination Agent