

IRREVOCABLE REFUNDING INSTRUCTIONS

These IRREVOCABLE REFUNDING INSTRUCTIONS (these “Instructions”), dated as of _____, 2023, are given by the CORONA UTILITY AUTHORITY, a joint exercise of powers authority existing under the laws of the State of California (the “Authority”), to THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, acting as trustee (the “Trustee”) for the hereinafter defined 2012 Bonds;

WITNESSETH:

WHEREAS, the Authority has previously issued its Corona Utility Authority 2012 Water Revenue Bonds (Water Projects) in the aggregate principal amount of \$35,880,000 (the “2012 Bonds”) for the purpose of financing and refinancing water facilities, pursuant to an Indenture of Trust, dated as of July 1, 2012, (the “2012 Indenture”) between the Authority and the Trustee; and

WHEREAS, the Authority has determined that it is in the best financial interests of the Authority to refund, at this time, the outstanding 2012 Bonds; and

WHEREAS, in order to provide funds for such purpose, the Authority is issuing its 2023 Water Revenue Refunding Bonds (the “2023 Bonds”) and applying a portion of the proceeds thereof, together with certain other moneys, to defease and redeem all of the outstanding 2012 Bonds; and

WHEREAS, the 2023 Bonds are being issued pursuant to an Indenture of Trust, dated as of _____, 2023, (the “2023 Indenture”) between the Authority and to The Bank of New York Mellon Trust Company, N.A., as trustee; and

WHEREAS, the Authority wishes to give these Instructions to the Trustee for the purpose of providing the terms and conditions relating to the deposit and application of moneys to provide for the payment and redemption of a portion of the outstanding 2012 Bonds.

NOW, THEREFORE, the Authority hereby irrevocably instructs the Trustee as follows:

Section 1. Establishment of the Series 2012 Redemption Fund. The Trustee shall hold within the Redemption Fund established pursuant to Section 5.06 of the 2012 Indenture, separate and apart from all other funds and accounts held by it, the proceeds of the 2023 Bonds, together with other funds of the Authority, which amounts are hereby irrevocably pledged as a special trust fund for the redemption of the outstanding 2012 Bonds, as identified in Schedule 1 attached hereto, on _____, 2023. Neither the Trustee nor any other person shall have a lien upon or right of set off against the amounts at any time on deposit in the Redemption Fund, and such amounts shall be applied only as provided herein.

Section 2. Deposit into the 2012 Bonds Redemption Fund; Investment of Amounts. Concurrently with delivery of the 2023 Bonds, the Authority shall cause to be deposited in the Redemption Fund the amount of \$_____ in immediately available funds which represents \$_____ on hand in the funds and accounts relating to the 2012 Bonds, \$_____ to be

contributed directly by the Authority and \$ _____ of 2023 Bonds proceeds. The Authority hereby directs the Trustee to hold all amounts as uninvested cash.

The Authority signifies that by making the deposit described herein, it is discharging the outstanding 2012 Bonds pursuant to Sections 10.01 of the 2012 Indenture.

Section 3. Proceedings for Redemption of 2012 Bonds. The Authority hereby irrevocably elects, and directs the Trustee, to redeem, on _____, 2023, from amounts on deposit in the Redemption Fund, the outstanding 2012 Bonds pursuant to the provisions of the 2012 Indenture. The Trustee acknowledges it has given notice of such redemption in accordance with the 2012 Indenture in order to allow for the redemption of the 2012 Bonds on _____, 2023.

Section 4. Application of Funds to Redeem 2012 Bonds. The Trustee shall apply the amounts on deposit in the Refunding Fund to redeem the outstanding 2012 Bonds, as identified in Schedule 1 attached hereto, on _____, 2023 at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest, all in accordance with the 2012 Indenture.

Section 5. Transfer of Remaining Funds. Any amounts on deposit in the Redemption Fund shall be used for the purpose of paying interest on and the principal of any outstanding 2012 Bonds pursuant to the 2012 Indenture. Any amounts on deposit in the Redemption Fund or any other funds and accounts related to the 2012 Bonds following redemption or defeasance of the Outstanding 2012 Bonds shall be transferred to the Interest Account established under the 2023 Indenture to be used solely for the purpose of paying interest on the 2023 Bonds.

Section 6. Amendment. These Instructions shall be irrevocable by the Authority. These Instructions may be amended or supplemented by the Authority, but only if the Authority shall file with the Trustee (a) an opinion of nationally recognized bond counsel engaged by the Authority stating that such amendment or supplement will not, of itself, adversely affect the exclusion from gross income of interest on the 2012 Bonds or the 2023 Bonds under federal income tax law, and (b) a certification of an independent accountant or independent financial adviser engaged by the Authority stating that such amendment or supplement will not affect the sufficiency of funds invested and held hereunder to make the payments required by Section 4.

Section 7. Application of Certain Terms of the 2012 Indenture. All of the terms of the 2012 Indenture relating to the payment of principal of and interest and repayment premium, if any, on the 2012 Bonds and the redemption thereof, and the protections, immunities and limitations from liability afforded the Trustee, are incorporated in these Instructions as if set forth in full herein.

Section 8. Counterparts. These Instructions may be signed in several counterparts, each of which will constitute an original, but all of which will constitute one and the same instrument.

(Signature page follows)

Section 9. Governing Law. These Instructions shall be construed in accordance with and governed by the laws of the State of California.

CORONA UTILITY AUTHORITY

By: _____
Executive Director

ACCEPTED:

to THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee

By: _____
Authorized Officer

*-Signature Page-
Irrevocable Refunding Instructions*

Schedule 1

BONDS TO BE REDEEMED

Maturity Date

Principal Amount

Schedule-1