

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

363



FROM: Economic Development Agency

SUBMITTAL DATE:
August 23, 2016

SUBJECT: Riverside County Infrastructure Financing Authority Lease-Lease Back for the Equipment Lease/Purchase Agreement Between the County of Riverside and Banc of America Public Capital Corporation, All Districts [\$1]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and adopt Resolution No. 2016-01 and the execution and delivery of the lease lease-back documents associated with and supporting the Equipment Lease/Purchasing Agreement (ELPA) between the County of Riverside (County) and Banc of America Public Capital Corporation (BAPCC) to provide for the continued construction of the OpTerra solar project.

BACKGROUND

Summary

(Commences on Page 2)

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 1	\$ 0	\$ 0	\$ 0	Consent ☐ Policy ☒
NET COUNTY COST	\$ 1	\$ 0	\$ 0	\$ 0	
SOURCE OF FUNDS: General Fund				Budget Adjustment: No	
				For Fiscal Year:	2016/17-17/18

C.E.O. RECOMMENDATION:

APPROVE

BY:
Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

☐ A-30 ☐ Positions Added
☐ 4/5 Vote ☐ Change Order

Prev. Agn. Ref.: 9.1 of 10/28/14 3.13 of District: All
5/19/15

Agenda Number:

3-24

FORM APPROVED COUNTY COUNSEL
BY: JAMES E. CROWN
DATE: 8/16/16
Departmental Concurrence

BACKGROUND:

Summary

On October 2014, the Board of Supervisors approved an Energy Conservation Program to install solar photovoltaic systems on multiple county-owned sites in Southern California Edison (SCE) territory. The County of Riverside entered into an Energy Services Contract with OpTerra Energy Services and an ELPA with BAPCC to fund the project. No upfront capital was required to perform the project. The project is self-supporting in that the savings generated by the project will pay for the project over the 20-year term of the ELPA. OpTerra is guaranteeing the savings. The financing for the project is secured by the solar system equipment. Ongoing construction costs are funded through an escrow account established by the ELPA with BAPCC. Over 30 years, the project is expected to save the County over \$116 million in avoided energy costs.

Due to delays in construction, the County needs to temporarily lease-lease rent property to make debt service payments to BAPCC. Once all of the solar equipment is operational, the project will be self-supporting as the savings in electricity costs will be sufficient to cover debt service payments to BAPCC. It is expected that all of the solar equipment will be operational by June 2017 and the real property under the lease lease-back will be released. Until then, the County will pay rental payments on the leased real property.

This item also has a companion item on the Board of Supervisors agenda.

Impact on Citizens and Businesses

This project will result in greater availability of shaded parking at County facilities. Also, the project is expected to generate 19,034,548 kWh per year, which will remove 13,125 metric tons of Carbon Dioxide (GHG equivalent) annually from County air. This will improve the air quality in the County.

Additional Fiscal Information

If approved, the real property lease lease-back together with the Second Amendment to Equipment Lease/Purchase Agreement will allow the County to make full debt service payments on this approximate \$58 million financing. The proposed action would avoid the continuing accrual of unpaid interest to principal.

Attachments:

Resolution No. 2016-01
Site Lease
Facility Lease
Assignment Agreement

2
3
4 RESOLUTION NO. 2016-01

5 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
6 RIVERSIDE COUNTY INFRASTRUCTURE FINANCING
7 AUTHORITY AUTHORIZING THE EXECUTION AND
8 DELIVERY OF A SITE LEASE, A FACILITY LEASE, AN
9 ASSIGNMENT AGREEMENT AND OTHER RELATED MATTERS
10 TO SUPPORT THE FINANCING OF AND INSTALLATION OF
11 CERTAIN SOLAR EQUIPMENT

12 WHEREAS, the Riverside County Infrastructure Financing Authority (the
13 "Authority") is a joint exercise of powers authority, duly organized and existing under and pursuant
14 to that certain Joint Exercise of Powers Agreement (the "Joint Powers Agreement") by and between
15 the County of Riverside (the "County") and the Riverside County Flood Control and Water
16 Conservation District, and under the provisions of Articles 1 through 4 (commencing with Section
17 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the
18 "Act"), and is authorized and empowered pursuant to Article 4 (commencing with Section 6584) of
19 the Act to take part in the financing and refinancing public capital improvements; and

20 WHEREAS, the County has entered into a lease financing arrangement with Banc of
21 America Public Capital Corp (the "Bank") to finance the purchase, installation and construction of
22 certain solar facilities throughout the County (the Solar financing); and

23 WHEREAS, in order to provide a temporary funding mechanism necessary for the
24 timely repayment of Bank until all of the solar equipment is installed and operational, the County and
25 the Authority will enter into a Site Lease (the "Site Lease"), whereby the County will lease to the
26 Authority certain real property and the improvements located thereon (the "Leased Property"), and
27 the County and the Authority will enter into a Facility Lease (the "Facility Lease"), whereby the
28 County will sublease from the Authority the Leased Property and make rental payments thereon; and

FORM APPROVED COUNTY COUNSEL
BY Dale A. Gardner 8/15/16
DATE
DALE A. GARDNER

1 WHEREAS, pursuant to an Assignment Agreement (the "Assignment Agreement"),
2 the Authority will transfer certain of its rights, title and interests in and to the Site Lease and the
3 Facility Lease, including its right to receive base rental payments due under the Facility Lease, to
4 Bank to make partial debt service payments on the Solar Financing; and
5

6 WHEREAS, the Solar Financing will be self-supporting once all of the solar
7 equipment is purchased, installed, and operational and the Leased Property under the Site Lease and
8 Facility Lease will then be released and rental payments will thereafter be made solely under the
9 Second Amendment to Equipment Lease/Purchase Agreement with the Bank; and
10

11 WHEREAS, the County, in consideration of the Authority's determination to assist
12 with the Refunding as described above, has agreed to indemnify and hold harmless the Authority in
13 connection with entering into the Site Lease, the Facility Lease and the Assignment Agreement as
14 more particularly set forth in the Facility Lease; and
15

16 WHEREAS, there have been presented to this meeting proposed forms of the
17 following documents:

- 18 1. a Site Lease;
- 19 2. a Facility Lease;
- 20 3. an Assignment Agreement.
- 21

22 NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE
23 RIVERSIDE COUNTY INFRASTRUCTURE FINANCING AUTHORITY AS FOLLOWS:
24

25 SECTION 1. Approval of Structure of Solar Financing. The structure of the Solar
26 Financing, including the temporary lease-lease back of real property to make temporary debt service
27 payments to the Bank until all of the financed solar equipment is installed and operational on the
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1 terms and conditions set forth in, and subject to the limitations specified in, the Site Lease and
2 Facility Lease and this Resolution, is hereby approved.

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4 SECTION 2. Approval of Site Lease. The form of Site Lease presented at this
5 meeting is hereby approved and each Officer of the Authority and any other staff person to whom
6 such authority is delegated by any of them (each an "Authorized Officer") is hereby authorized and
7 directed, for and in the name of and on behalf of the Authority, to execute, acknowledge and deliver
8 the Site Lease in substantially the form presented at this meeting with such changes therein as the
9 Authorized Officer executing the same may approve, such approval to be conclusively evidenced by
10 the execution and delivery thereof.

11
12 SECTION 3. Approval of Facility Lease. The form of Facility Lease presented at
13 this meeting is hereby approved and each Authorized Officer is hereby authorized and directed, for
14 and in the name of and on behalf of the Authority, to execute, acknowledge and deliver the Facility
15 Lease in substantially the form presented at this meeting with such changes therein as the Authorized
16 Officer executing the same may approve, such approval to be conclusively evidenced by the
17 execution and delivery thereof.

18
19 SECTION 4. Approval of Assignment Agreement. The form of Assignment
20 Agreement presented at this meeting is hereby approved and each Authorized Officer is hereby
21 authorized and directed, for and in the name of and on behalf of the Authority, to execute,
22 acknowledge and deliver the Assignment Agreement in substantially the form presented at this
23 meeting with such changes therein as the Authorized Officer executing the same may approve, such
24 approval to be conclusively evidenced by the execution and delivery thereof.

25
26 SECTION 5. Other Acts. The officers and staff of the Authority are hereby
27 authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and
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1 all documents, they may deem necessary or advisable in order to effectuate the purposes of this
2 Resolution, and any and all such actions previously taken by such officers or staff members are
3 hereby ratified and confirmed.

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5 SECTION 6. Effective Date. This Resolution shall take effect upon adoption.

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7 PASSED and ADOPTED this August 23, 2016.

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10 _____
11 Chairman

12 ATTESTED:

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14 _____
15 Secretary
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CERTIFICATION:

The undersigned Secretary of the Riverside County Infrastructure Financing Authority does hereby certify that the foregoing Resolution was duly adopted by the Riverside County Infrastructure Financing Authority at a meeting thereof held on August 23, 2016, by the following vote to wit:

AYES: Board

NOES: None

ABSENT: None

ABSTAIN: None

Secretary

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

CHAPMAN AND CUTLER LLP
595 Market Street, 26th Floor
San Francisco, California 94105-2839
Attention: Darrell R. "Buzz" Larsen

(Space above for Recorder's Use)

This document is recorded for the benefit of the County of Riverside and the recording is fee-exempt under Section 6103 of the California Government Code.

SITE LEASE

by and between

COUNTY OF RIVERSIDE, CALIFORNIA

and the

RIVERSIDE COUNTY INFRASTRUCTURE FINANCING AUTHORITY

Dated as of August __, 2016

relating to the

**EQUIPMENT LEASE/PURCHASE AGREEMENT, AS AMENDED
(FOR SOLAR ENERGY EQUIPMENT FINANCING PROJECT)
OF THE COUNTY OF RIVERSIDE, CALIFORNIA**

SITE LEASE

This Site Lease (this "*Site Lease*"), dated as of August __, 2016, by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California (the "*County*"), and the RIVERSIDE COUNTY INFRASTRUCTURE FINANCING AUTHORITY, a joint powers authority duly organized and existing under and by virtue of the laws of the State of California (the "*Authority*");

WITNESSETH:

WHEREAS, the Authority is a joint exercise of powers authority, duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated as of _____, 2015, by and between the County and _____ of the County, and under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California;

WHEREAS, the County desires to provide for the financing of certain energy conservation measures implemented and to be implemented and solar energy generating equipment acquired and installed, and to be acquired and installed, on County-owned facilities as more fully described in the Equipment Lease, hereinafter defined (the "*Project*");

WHEREAS, pursuant to this Site Lease, the County will lease certain real property and the improvements thereon, described in *Exhibit A* hereto (the "*Leased Property*"), to the Authority;

WHEREAS, concurrently with the execution of this Site Lease, the County and the Authority are entering into a Facility Lease (the "*Facility Lease*"), dated as of August __, 2016, whereby the Authority will lease back the Leased Property to the County;

WHEREAS, the County has entered into that certain Equipment Lease/Purchase Agreement dated as of October 30, 2014, as amended by that certain First Amendment dated as of February 9, 2016, and as further amended by that certain Second Amendment dated as of August __, 2016 (as so amended, the "*Equipment Lease*") with Banc of America Public Capital Corp, as lessor, to provide funds for the financing of the Project;

WHEREAS, the Equipment Lease will be secured by the payments to be made by the County pursuant to the Facility Lease;

WHEREAS, the County is authorized by law to lease the Leased Property and the Leased Property is necessary and proper for public purposes; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Site Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Site Lease;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

Section 1. Leased Property. The County hereby leases to the Authority and the Authority hereby rents and hires from the County, on the terms and conditions hereinafter set forth, those certain real property and improvements thereon or to be located thereon, more particularly described in *Exhibit A* attached hereto and made a part hereof (the "*Leased Property*"). Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Facility Lease.

Section 2. Term. (a) The term hereof will commence on the Effective Date and shall end on the Expiry Date unless such term is sooner terminated or is extended as hereinafter provided. If prior to the Expiry Date the County's Share of all Base Rental Payments under the Facility Lease shall have been paid, the term hereof shall end simultaneously therewith.

(b) If the Facility Lease is extended beyond the Expiry Date pursuant to the terms thereof, this Site Lease shall also be extended to the day following the date of termination of the Facility Lease.

Section 3. Rent. The Authority shall pay to the County an advance rent of \$1, which, together with the execution and delivery of the Facility Lease, shall constitute full consideration for this Site Lease over its term. The Authority hereby waives any right that it may have under the laws of the State of California to receive a rebate of such rent in full or in part in the event there is a substantial interference with the use and right of possession by the Authority of the Leased Property or portion thereof as a result of material damage, destruction or condemnation.

Section 4. Purpose. The Authority shall use the Leased Property solely for the purpose of subleasing the same to the County; *provided*, that in the event of default by the County under the Facility Lease, the Authority may exercise the remedies provided in the Facility Lease.

Section 5. Owner in Fee. The County covenants that it is the owner of the Leased Property free and clear of all liens, claims or encumbrances which affect marketability.

Section 6. Assignments and Leases. Unless the County shall be in default under the Facility Lease, the Authority may not, without the prior written consent of the County, assign its rights hereunder or sublet the Leased Property except that the County expressly approves and consents to the assignment and transfer of the Authority's right, title and interest in this Site Lease to the Assignee pursuant to the Assignment Agreement.

Section 7. Right of Entry. The County reserves the right for any of its duly authorized representatives to enter upon the Leased Property at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

Section 8. Termination. The Authority agrees, upon the termination hereof, to quit and surrender the Leased Property in the same good order and condition as the same was in at the time of commencement of the terms hereunder, reasonable wear and tear excepted, and agrees that any permanent improvements to the Leased Property at the time of the termination hereof shall remain thereon and title thereto shall vest in the County.

Section 9. Default. In the event the Authority shall be in default in the performance of any obligation on its part to be performed under the terms hereof, which default continues for thirty (30) days following notice and demand for correction thereof to the Authority, the County may exercise any and all remedies granted by law, except that no merger of this Site Lease and of the Facility Lease shall be deemed to occur as a result thereof; *provided*, that so long as any Equipment Lease Rentals under the Equipment Lease are unpaid, the County shall have no power to terminate this Site Lease by reason of any default on the part of the Authority, if such termination would affect or impair any assignment of the Facility Lease then in effect between the Authority and the Assignee.

Section 10. Quiet Enjoyment. The Authority at all times during the term hereof shall peaceably and quietly have, hold and enjoy the Leased Property.

Section 11. Waiver of Personal Liability. All liabilities hereunder on the part of the Authority shall be solely corporate liabilities of the Authority, and the County hereby releases each and every director, officer and employee of the Authority of and from any personal or individual liability hereunder. No director, officer or employee of the Authority shall at any time or under any circumstances be individually or personally liable hereunder for anything done or omitted to be done by the Authority hereunder.

Section 12. Eminent Domain. In the event the whole or any portion of the Leased Property is taken by eminent domain proceedings, the interest of the Authority shall be recognized and is hereby determined to be the amount of the County's Share of the then unpaid Base Rental Payments payable under the Facility Lease, and the amount of the unpaid Additional Payments due under the Facility Lease, and the balance of the award, if any, shall be paid to the County.

Section 13. Amendments. This Site Lease may be amended for the purpose of affecting a Substitution or Removal, as further described in the Facility Lease, and in the manner and under the circumstances described in connection with the amendment of the Facility Lease, as further described in the Facility Lease.

Section 14. Partial Invalidity. If any one or more of the agreements, conditions, covenants or terms hereof shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining agreements, conditions, covenants or terms hereof shall be affected thereby, and each provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 15. Notices. All written notices to be given hereunder shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by facsimile transmission or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, (b) 48 hours after deposit in the United States of America first class mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Authority, the County and the Assignee 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 County:

County of Riverside
4080 Lemon Street, Fourth Floor
Riverside, CA 92501-3651
Attention: County Finance Director

If to the Authority:

Riverside County Infrastructure Financing Authority
4080 Lemon Street, Fourth Floor
Riverside, CA 92501-3651
Attention: Chair

If to the Assignee:

Banc of America Public Capital Corp
11333 McCormick Road
Hunt Valley II
M/C MD5-032-07-05
Hunt Valley, Maryland 21031
Attention: Contract Administration

Section 16. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit scope of any provision hereof.

Section 17. Counterparts. This Site Lease may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute one and the same instrument.

Section 18. Governing Law. This Site Lease is made in the State of California under the Constitution and laws of the State of California and is to be so construed.

[This space intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed and entered into this Site Lease by their officers thereunto duly authorized as of the day and year first above written.

COUNTY OF RIVERSIDE, CALIFORNIA

By: _____
County Executive Officer

RIVERSIDE COUNTY INFRASTRUCTURE
FINANCING AUTHORITY

By: _____
Chairman

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) SS
COUNTY OF RIVERSIDE)

On _____, 2016, before me, _____, Notary Public, personally appeared, _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) SS
COUNTY OF RIVERSIDE)

On _____, 2016, before me, _____, Notary Public, personally appeared, _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

EXHIBIT A

DESCRIPTION OF THE LEASED PROPERTY

All that certain real property, situated in the County of Riverside, State of California, described as follows:

Parcel 1:

Parcel 2:

Parcel 3:

Recording Requested By And)
When Recorded Mail To:)
)
CHAPMAN AND CUTLER LLP)
595 Market Street, 26th Floor)
San Francisco, California 94105-2839)
Attention: Darrell R. "Buzz" Larsen)

(Space above for Recorder's Use)

This transaction is exempt from California documentary transfer tax pursuant to Section 11929 of the California Revenue and Taxation Code. This document is recorded for the benefit of the County of Riverside and the recording is fee-exempt under Section 6103 of the California Government Code.

ASSIGNMENT AGREEMENT

by and between

**RIVERSIDE COUNTY INFRASTRUCTURE
FINANCING AUTHORITY**

and

BANC OF AMERICA PUBLIC CAPITAL CORP

**relating to the
EQUIPMENT LEASE/PURCHASE AGREEMENT, AS AMENDED
(FOR SOLAR ENERGY EQUIPMENT FINANCING PROJECT)
OF THE COUNTY OF RIVERSIDE, CALIFORNIA**

Dated as of August __, 2016

ASSIGNMENT AGREEMENT

This Assignment Agreement (the "*Assignment Agreement*"), executed and entered into as of August __, 2016, by and between the Riverside County Infrastructure Financing Authority (the "*Authority*"), a joint powers authority duly organized and existing under and pursuant to California Government Code Sections 6500 *et seq.*, and Banc of America Public Capital Corp, a Kansas corporation, as assignee (the "*Assignee*");

WITNESSETH:

WHEREAS, the Authority and the County of Riverside, California (the "*County*") have executed and entered into the Site Lease*, dated as of August __, 2016 (the "*Site Lease*"), pursuant to which the County has leased that certain real property, as more particularly described in the Site Lease (the "*Leased Property*") to the Authority, as described in *Exhibit A* attached hereto and incorporated herein; and

WHEREAS, the Authority and the County have executed and entered into the Facility Lease*, dated as of August __, 2016 (the "*Facility Lease*"), pursuant to which the Authority has leased the Leased Property back to the County; and

WHEREAS, under and pursuant to the Facility Lease, the County is obligated to make rental payments to the Authority for the lease of the Leased Property to it; and

WHEREAS, the Authority desires to assign without recourse all its rights to receive the County's Share of the Base Rental Payments (as defined in the Facility Lease) and certain other payments scheduled to be paid by the County under and pursuant to the Facility Lease to the Assignee; and

WHEREAS, the County has heretofore entered into that certain Equipment Lease/Purchase Agreement dated as of October 30, 2014, as amended by that certain First Amendment dated as of February 9, 2016, and as further amended by that certain Second Amendment dated as of August __, 2016 (as so amended, the "*Equipment Lease*") with Banc of America Public Capital Corp, as lessor, to provide funds for the financing of certain energy conservation measures implemented and to be implemented and solar generating energy equipment acquired and installed, and to be acquired and installed, on County-owned facilities as more fully described therein; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Assignment Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Assignment Agreement;

* Recorded concurrently herewith.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

Section 1. Assignment. The Authority, for good and valuable consideration, the receipt of which is hereby acknowledged, does hereby unconditionally grant, transfer and assign to the Assignee without recourse (i) all its rights to receive all of the County's Share of Base Rental Payments under and pursuant to the Facility Lease, and all other benefits, charges, income, proceeds, profits, receipts, rents and revenues derived by the Authority from the operation or use of the Leased Property thereunder, (ii) the right to take all actions under the Site Lease and the Facility Lease, (iii) the right of access more particularly described in the Site Lease and the Facility Lease, and (iv) any and all other rights and remedies of the Authority in the Site Lease, as lessee thereunder, and in the Facility Lease as lessor thereunder; *provided*, such assignment shall not include any of the Authority's rights to indemnification and payment or reimbursement for any costs or expenses under the Facility Lease, including without limitation, those rights specified in Section 5.01(b) and Section 9.03 of the Facility Lease; and *provided further*, that so long as no default in payment of the County's Share of Base Rental Payments under the Facility Lease shall have occurred or be continuing, the Authority shall have and may exercise all rights of the Authority under the Site Lease and the Facility Lease other than the right to receive the County's Share of Base Rental Payments.

Section 2. Acceptance. The Assignee hereby accepts the assignments made in this Assignment Agreement for the purpose of securing the payments due under the Facility Lease to, and the rights under the Site Lease and the Facility Lease of, the Authority. The Assignee acknowledges that any subsequent assignment of any rights acquired by it hereunder is subject to the limitations set forth in Section 9.01 of the Facility Lease.

Section 3. California Law. This Assignment Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of California.

Section 4. Severability. If any agreement, condition, covenant or term hereof or any application hereof should be held by a court of competent jurisdiction to be invalid, void or unenforceable, in whole or in part, all agreements, conditions, covenants and terms hereof and all applications thereof not held invalid, void or unenforceable shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.

Section 5. Execution in Counterparts. This Assignment Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same Assignment Agreement.

Section 6. Binding Effect. This Assignment Agreement inures to the benefit of and binds the Authority and the Assignee, and their respective successors and assigns, subject, however, to the limitations contained herein.

[This space intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed and entered into this Assignment Agreement by their officers thereunto duly authorized as of the day and year first above written.

RIVERSIDE COUNTY INFRASTRUCTURE
FINANCING AUTHORITY

By: _____
Chairman

BANC OF AMERICA PUBLIC CAPITAL CORP,
as Assignee

By: _____
Authorized Agent

IN WITNESS WHEREOF, the parties hereto have executed and entered into this Assignment Agreement by their officers thereunto duly authorized as of the day and year first above written.

RIVERSIDE COUNTY PUBLIC FINANCING
AUTHORITY

By: _____
Chairman

BANC OF AMERICA PUBLIC CAPITAL CORP,
as Assignee

By: _____
Authorized Agent

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) SS
COUNTY OF RIVERSIDE)

On _____, 2016, before me, _____, Notary Public, personally appeared, _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF MARYLAND)
) SS
COUNTY OF _____)

On _____, 2016, before me, _____, Notary Public, personally appeared, _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Maryland that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

EXHIBIT A

DESCRIPTION OF LEASED PROPERTY

All that certain real property, situated in the County of Riverside, State of California, described as follows:

Parcel 1:

Parcel 2:

Parcel 3:

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

CHAPMAN AND CUTLER LLP
595 Market Street, 26th Floor
San Francisco, California 94105-2839
Attention: Darrell R. "Buzz" Larsen

(Space above for Recorder's Use)

This document is recorded for the benefit of the County of Riverside and the recording is fee-exempt under Section 6103 of the California Governmental Code.

FACILITY LEASE

by and between the

**RIVERSIDE COUNTY
INFRASTRUCTURE FINANCING AUTHORITY**

and

COUNTY OF RIVERSIDE, CALIFORNIA

**relating to the
EQUIPMENT LEASE/PURCHASE AGREEMENT, AS AMENDED
(FOR SOLAR ENERGY EQUIPMENT FINANCING PROJECT)
OF THE COUNTY OF RIVERSIDE, CALIFORNIA**

Dated as of August __, 2016

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FACILITY LEASE

This Facility Lease (this "*Facility Lease*"), executed and entered into as of August __, 2016, by and between the RIVERSIDE COUNTY INFRASTRUCTURE FINANCING AUTHORITY, a joint powers authority duly organized and existing under and by virtue of the laws of the State of California (the "*Authority*"), and the COUNTY OF RIVERSIDE, a political subdivision duly organized and existing under the Constitution and laws of the State of California (the "*County*");

WITNESSETH:

WHEREAS, concurrently with the execution of this Facility Lease, the County and the Authority are entering into a Site Lease (the "*Site Lease*"), dated as of August __, 2016, whereby the Authority will lease the Leased Property from the County;

WHEREAS, the County will then sublease the Leased Property back from the Authority pursuant to this Facility Lease;

WHEREAS, the County desires to provide for the financing of certain energy conservation measures implemented and to be implemented and solar energy generating equipment acquired and installed, and to be acquired and installed, on County-owned facilities as more fully described in the Equipment Lease, hereinafter defined (the "*Project*");

WHEREAS, to provide funds for the financing of the Project, the County has entered into the Equipment Lease with the Equipment Lessor (as defined herein);

WHEREAS, a portion of the rental payments under the Equipment Lease will be payable from and secured by the base rental payments to be made by the County pursuant to this Facility Lease up to the Expiry Date (as defined herein);

WHEREAS, the County is authorized by law to sublease the Leased Property and the Leased Property is necessary and proper for public purposes; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Facility Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Facility Lease;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes hereof and of any amendment hereof have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein. All other capitalized terms used herein without definition shall have the meanings as set forth in the Equipment Lease (as hereafter defined).

“Acceptance Date” means, with respect to Additional Accepted Equipment identified in a Removal Request, the date that the County identifies to the Assignee and certifies as the date on which Equipment Acceptance with respect to such Additional Accepted Equipment has occurred and with respect to which partial Removal or final Removal is requested pursuant to Section 2.06.

“Accepted Equipment” means, as of any date of determination, the Initial Accepted Equipment and the Additional Accepted Equipment, collectively.

“Accepted Equipment Percentage” means the percentage determined as of the Effective Date and as of any Proposed Removal Notice Date and becomes effective on the Effective Date and on the related Removal Date, all as provided in Section 5.01(f) hereof. The Accepted Equipment Percentage as of the Effective Date equals ____%.

“Additional Accepted Equipment” means, as of any date of determination after the Effective Date, Equipment for which the Acceptance Date has occurred and with respect to which the County delivers a Removal Request pursuant to Section 2.06(b) hereof.

“Additional Payments” means all amounts payable by the County pursuant to Section 5.01(b) hereof.

“Allocated Accepted Equipment Cost” means, as of the Effective Date and as of any Proposed Removal Notice Date, the total Equipment Costs that have been disbursed on or prior to such Date from the Escrow Account to pay or reimburse Equipment Costs for Accepted Equipment.

“Assigned Rights” means all of the Authority’s rights under this Facility Lease as lessor of the Leased Property (excepting only any of the Authority’s rights to indemnification and payment or reimbursement for any costs or expenses under this Facility Lease, including without limitation, those rights specified in Section 5.01(b) and Section 9.03 hereof), including, but not limited to the right to receive and enforce payment of all of the County’s Share of Base Rental Payments to be made by the County under this Facility Lease, and as lessee of the Leased Property under the Site Lease, as more particularly described in the Assignment Agreement, that are assigned and transferred by the Authority to the initial Assignee pursuant to the Assignment Agreement.

"Assignee" means Banc of America Public Capital Corp, in its capacity as assignee under the Assignment Agreement and its successors and permitted assigns as provided in Section 9.01 hereof.

"Assignment Agreement" means that certain Assignment Agreement executed and entered into as of the Effective Date, by and between the Authority and the Assignee, as it may from time to time be amended.

"Authority" means the Riverside County Infrastructure Financing Authority, a joint powers authority duly organized and existing under and by virtue of the laws of the State of California, or its successors and assigns.

"Authorized County Representative" means the County Executive Officer, the Deputy County Executive Officer, the County Finance Director, the _____ or such other person as may be designated and authorized to sign for the County in writing to the Assignee.

"Balance Percentage" means the percentage calculated as 100.00% *minus* the Accepted Equipment Percentage as of the Effective Date and as of any Proposed Removal Notice Date and becomes effective on the Effective Date and on the related Removal Date, all as provided in Section 5.01(f) hereof.

"Base Rental Payment Date" means the 30th day of each month (except in the case of February, for which the term means the last day of such month), commencing on September 30, 2016.

"Base Rental Payments" means all amounts payable by the County as base rental pursuant to Section 5.01(a) hereof.

"Business Day" means a day other than (i) Saturday or Sunday or (ii) a day on which banking institutions in Los Angeles, California or The City of New York, New York are closed.

"Code" means the Internal Revenue Code of 1986, as amended, and the regulations of the United States Department of the Treasury issued thereunder, and in this regard reference to any particular section of the Code shall include reference to all successors to such section of the Code.

"County" means the County of Riverside, a political subdivision duly organized and existing under the Constitution and laws of the State of California.

"County's Share" means (i) as of any Rental Payment Date and with reference to the obligation of the County to pay Equipment Lease Rentals under the Equipment Lease, the amount calculated as the product obtained by multiplying Equipment Lease Rentals then due *times* the Accepted Equipment Percentage then in effect; and (ii) as of any Base Rental Payment Date and with reference to the obligation of the County to pay Base Rental Payments under this Facility Lease, the amount calculated as the product obtained by multiplying Base Rental Payments then due *times* the Balance Percentage then in effect.

“Effective Date” means the date on which this Facility Lease is executed and delivered by the County and the Authority and becomes effective, which is August __, 2016.

“Environmental Regulations” means any federal, state or local law, statute, code, ordinance, regulation, requirement or rule relating to dangerous, toxic or hazardous pollutants, Hazardous Substances or chemical waste, materials or substances.

“Equipment Acceptance” means, with respect to any portion of the Equipment that may operate for its intended purpose as a separate and independent functional unit, that the Equipment constituting such portion has been acquired and installed by the Vendor, is operating in a manner consistent with the manufacturer’s intended use, is substantially available for the County’s beneficial use and enjoyment and has been inspected and accepted by the County for all purposes of the Equipment Lease, as certified by the County in the applicable Removal Request.

“Equipment Lease” means that certain Equipment Lease/Purchase Agreement dated as of October 30, 2014, as amended by that certain First Amendment dated as of February 9, 2016, and as further amended by that certain Second Amendment dated as of August __, 2016, between the County, as lessee, and the Equipment Lessor, as such Equipment Lease/Purchase Agreement may be hereafter amended and supplemented in accordance with its terms.

“Equipment Lease Proceeds” means, as of any date of determination, all moneys and investments then held in the Escrow Account.

“Equipment Lease Rentals” means all amounts payable by the County as rental payments pursuant to Section 4.01 of the Equipment Lease.

“Equipment Lessor” means Banc of America Public Capital Corp, in its capacity as lessor under the Equipment Lease, and its successors and permitted assigns thereunder.

“Expiry Date” means the date on which all of the Leased Property has been released and this Facility Lease terminated pursuant to Section 2.06 hereof.

“Facility Lease” means this Facility Lease, dated as of August __, 2016, by and between the Authority and the County, as originally executed and entered into and as it may from time to time be amended in accordance herewith.

“Fiscal Year” means the fiscal year of the County which, as of the date hereof, is the period from July 1 to and including the following June 30.

“Hazardous Substances” means any substance that shall, at any time, be listed as “hazardous” or “toxic” in any Environmental Regulations or that has been or shall be determined at any time by any agency or court to be a hazardous or toxic substance regulated under Environmental Regulations; and also means, without limitation, raw materials, building components, the products of any manufacturing, or other activities on the facilities, wastes,

petroleum, and source, special nuclear, or by-product material as defined by the Atomic Energy Act of 1954, as amended (42 USC Sections 3011 *et seq.*).

"Initial Accepted Equipment" means, as of the Effective Date, that portion of the Equipment for which the Acceptance Date has occurred and that consists of [general description of \$14.9M in operational solar facilities and \$7.8M of solar cell equipment to be provided].

"Leased Property" means the real property more particularly described in *Exhibit A* attached hereto (as the same may be changed from time to time by Removal or Substitution), together with the improvements thereon.

"Lease Year" means the period from each July 1 to and including the following June 30 during the term hereof; *provided* that the initial Lease Year shall commence on the Effective Date and the final Lease Year shall terminate on the Expiry Date.

"Mobilization Costs" means \$_____, which is the amount paid from Equipment Lease Proceeds by the County to the Vendor pursuant to the Vendor Agreement for the purpose of mobilizing the Vendor to undertake design, engineering, site preparation and related activities (including advance purchase of materials and supplies) in anticipation of the acquisition and installation of the Equipment at the respective facilities pursuant to the Vendor Agreement.

"Opinion of Counsel" means a written opinion of counsel of recognized national standing in the field of law relating to municipal bonds, appointed and paid by the County.

"Permitted Encumbrances" means, as of any particular time: (i) liens for general *ad valorem* taxes and assessments, if any, not then delinquent, or which the County may, pursuant to Section 6.02, permit to remain unpaid; (ii) the Assignment Agreement, as it may be amended from time to time; (iii) this Facility Lease, as it may be amended from time to time; (iv) the Site Lease, as it may be amended from time to time; (v) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (vi) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the date of recordation of the Facility Lease in the office of the County Recorder of the County of Riverside, California; (vii) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions, all of a non-monetary nature, established following the date of recordation of this Facility Lease and to which the Authority and the County consent in writing and certify to the Assignee will not materially impair the ownership interests of the Authority or use of the Leased Property by the County; and (viii) subleases and assignments of the County which will not adversely affect the exclusion from gross income of the interest component of Equipment Lease Rentals.

"Project" means the implementation of the energy conservation measures and acquisition and installation of the solar energy generating equipment on County-owned facilities pursuant to the Equipment Lease, including (without limitation) the portion thereof that constitutes the Initial Accepted Equipment that has been acquired and installed and the acquisition and installation of Additional Accepted Equipment.

"Proposed Removal Notice Date" means any Business Day on which the County delivers a Removal Request pursuant to Section 2.06(b) hereof, which shall not be earlier than the first Business Day after the Effective Date on which the Allocated Accepted Equipment Costs for Additional Accepted Equipment at least equals \$[15,000,000] and up to two successive first Business Days thereafter on which the Allocated Accepted Equipment Costs for Additional Accepted Equipment has increased by an amount at least equal to the lesser of \$[10,000,000] or the Equipment Lease Proceeds then on deposit in the Escrow Account.

"Removal" means the release of all or a portion of the Leased Property from the leasehold hereof and the leasehold of the Site Lease as provided in Section 2.06.

"Removal Date" means the date on which all conditions precedent provided in Section 2.06(b) hereof to a proposed Removal as described in a Removal Request have been satisfied and such Removal becomes effective.

"Removal Request" means, with respect to the Additional Accepted Equipment therein identified and the Parcel or Parcels of Leased Property therein identified and proposed to be removed, a Removal Request substantially in the form attached hereto as *Exhibit C*, completed by the County, executed by an Authorized County Representative and delivered pursuant to Section 2.06(b) hereof.

"Site Lease" means that certain Site Lease, executed and entered into as of August __, 2016, by and between the County and the Authority, as originally executed and entered into and as it may from time to time be amended in accordance herewith and therewith.

"Substitution" means the release of all or a portion of the Leased Property from the leasehold hereof and the leasehold of the Site Lease, and the lease of substituted real property and improvements hereunder and under the Site Lease as provided in Section 2.06.

The singular form of any word used herein, including the terms defined in this Section 1.01, shall include the plural, and vice versa, unless the context otherwise requires. The use herein of a pronoun of any gender shall include correlative words of the other genders. All references herein to "Sections" and other subdivisions hereof are to the corresponding Sections or subdivisions of this Facility Lease as originally executed; and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Facility Lease as a whole and not to any particular Section or subdivision hereof.

ARTICLE II

THE LEASED PROPERTY

Section 2.01. Lease of the Leased Property. The Authority hereby leases to the County, and the County hereby rents and hires from the Authority, the Leased Property on the conditions and terms hereinafter set forth. The County hereby agrees and covenants that during the term hereof, except as hereinafter provided, it will use the Leased Property for public purposes so as to afford the public the benefits contemplated hereby and so as to permit the Authority to carry

out its agreements and covenants contained herein and in the Assignment, and the County hereby further agrees and covenants that during the term hereof that it will not abandon or vacate the Leased Property.

Section 2.02. Quiet Enjoyment. The parties hereto mutually covenant that the County, so long as it observes and performs the agreements, conditions, covenants and terms required to be observed or performed by it contained herein and is not in default hereunder, shall at all times during the term hereof peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble or hindrance from the Authority.

Section 2.03. Right of Entry and Inspection. The Authority shall have the right to enter the Leased Property and inspect the Leased Property during reasonable business hours (and in emergencies at all times) for any purpose connected with the Authority's rights or obligations hereunder and for all other lawful purposes.

Section 2.04. Prohibition Against Encumbrance or Sale. The County and the Authority will not create or suffer to be created any mortgage, pledge, lien, charge or encumbrance upon the Leased Property, except Permitted Encumbrances. The County and the Authority will not sell or otherwise dispose of the Leased Property or any property essential to the proper operation of the Leased Property, except as otherwise provided herein. Notwithstanding anything to the contrary herein contained, the County may assign, transfer or sublease any and all of the Leased Property or its other rights hereunder, *provided* that (a) the rights of any assignee, transferee or sublessee shall be subordinate to all rights of the Authority hereunder, (b) no such assignment, transfer or sublease shall relieve the County of any of its obligations hereunder, (c) the assignment, transfer or sublease shall not result in a breach of any covenant of the County contained in any other Section hereof, (d) any such assignment, transfer or sublease shall by its terms expressly provide that the fair rental value of the Leased Property for all purposes shall be first allocated to this Facility Lease, as the same may be amended from time to time before or after any such assignment, transfer or sublease and (e) no such assignment, transfer or sublease shall confer upon the parties thereto any remedy which allows reentry upon the Leased Property unless concurrently with granting such remedy the same shall be also granted hereunder by an amendment to this Facility Lease which shall in all instances be prior to and superior to any such assignment, transfer or sublease.

Section 2.05. Liens. In the event the County shall at any time during the term hereof cause any improvements to the Leased Property to be constructed or materials to be supplied in or upon or attached to the Leased Property, the County shall pay or cause to be paid when due all sums of money that may become due or purporting to be due for any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the County in, upon, about or relating to the Leased Property and shall keep the Leased Property free of any and all liens against the Leased Property or the Authority's interest therein. In the event any such lien attaches to or is filed against the Leased Property or the Authority's interest therein, and the enforcement thereof is not stayed or if so stayed such stay thereafter expires, the County shall cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due. If any such lien shall be reduced to final judgment and such judgment or any process as may be issued for the enforcement thereof is

not promptly stayed, or if so stayed and such stay thereafter expires, the County shall forthwith pay and discharge or cause to be paid and discharged such judgment. The County shall, to the maximum extent permitted by law, indemnify and hold the Authority and the Assignee and its directors, officers and employees harmless from, and defend each of them against, any claim, demand, loss, damage, liability or expense (including attorneys' fees) as a result of any such lien or claim of lien against the Leased Property or the Authority's interest therein.

Section 2.06. Substitution or Removal of Leased Property. (a) The County may amend this Facility Lease and the Site Lease to substitute other real property and/or improvements (the "*Substituted Property*") for existing Leased Property and/or to remove real property (including undivided interests therein) and/or improvements from the definition of Leased Property, and upon compliance with all of the conditions set forth in subsection (b) or (c) of this Section 2.06, as applicable. After a Substitution or Removal, the part of the Leased Property for which the Substitution or Removal has been effected shall be released from the leasehold hereunder and the leasehold under the Site Lease on the Removal Date.

(b) Except as provided in subsection (c) of this Section 2.06, no Substitution or Removal shall take place hereunder prior to the first Proposed Removal Notice Date or thereafter on any day other than a Removal Date until the County delivers to the Authority and the Assignee the following:

(1) A Removal Request that contains a description of (A) an identified Parcel or Parcels of the Leased Property (as shown on *Exhibit A* attached hereto) to be released and, in the event of a Substitution, a description of the Substituted Property to be substituted in its place; and (B) the Additional Accepted Equipment and related Acceptance Date and Allocated Accepted Equipment Costs in an aggregate amount that exceeds the dollar threshold for the applicable Proposed Removal Notice Date as described in the definition of that term;

(2) An Opinion of Counsel to the effect that the amendments hereto and to the Site Lease contemplating Substitution or Removal have been duly authorized, executed and delivered and constitute the valid and binding obligations of the County and the Authority enforceable in accordance with their terms;

(3) (A) In the event of a Substitution, a policy of title insurance in an amount equal to the same proportion of the principal amount as the principal portion of the County's Share of the Base Rental Payments for the Substituted Property bears to the total principal portion of the County's Share of the Base Rental Payments payable hereunder, insuring the County's leasehold interest in the Substituted Property (except any portion thereof which is not real property) subject only to Permitted Encumbrances, together with an endorsement thereto making said policy payable to the Assignee, and (B) in the event of a partial Removal, evidence that the title insurance in effect immediately prior thereto is not affected;

(4) In the event of a Substitution, an opinion of the County Counsel of the County to the effect that the exceptions, if any, contained in the title insurance policy

referred to in (3) above do not interfere with the beneficial use and occupancy of the Substituted Property described in such policy by the County for the purposes of leasing or using the Substituted Property; and

(5) Evidence that the County has complied with the covenants contained in clauses (1), (2) and (3) of Section 6.03 hereof with respect to the Substituted Property.

Notwithstanding anything in this Facility Lease to the contrary (including, without limitation, this Section 2.06), the County shall not be entitled to submit a Removal Request, and no proposed Removal shall take place, that would result in a Removal of the last Parcel or Parcels of Leased Property unless the annual fair rental value of all of the Accepted Equipment as of the applicable Proposed Removal Notice Date is at least equal to 100% of the maximum annual Equipment Lease Rentals in any year after giving effect to such Removal, as determined by the County on the basis of commercially reasonable evidence of the annual fair rental value of all of the Accepted Equipment as of the applicable Proposed Removal Notice Date.

The County shall deliver a Removal Request, together with all other supporting documents, required by this Section 2.06(b) at least 15 Business Days prior to the date on which the proposed Removal is to become effective. In connection with a Removal as provided in this Section 2.06, the Assignee shall execute and deliver to the County, and the County shall cause to be recorded, a partial termination in substantially the form attached as *Exhibit D* hereto on or promptly after the applicable Removal Date; *provided* that such form of partial termination may be modified to provide a final termination in connection with the Removal of the last Parcel or Parcels of the Leased Property pursuant to this Section 2.06.

(c) In addition to Substitution as provided in Section 2.06(a) hereof, in the event of damage to or destruction of all or a portion of the Leased Property due to earthquake or other uninsured casualty for which the proceeds of rental interruption insurance are not available, promptly after the occurrence of such event, the County Manager will use his or her best efforts to bring forward a recommendation for the County Board of Supervisors and the Authority's governing board consideration to substitute and add additional Leased Property hereunder other real or personal property of the County that is unimpaired and unencumbered, the fair rental value of which shall be at least equal to the County's Share of the Base Rental Payments due during each Fiscal Year to the Expiry Date, provided that any such addition and substitution shall be subject to the approval of the Board of Supervisors of the County and the governing board of the Authority.

ARTICLE III

TERM OF THE FACILITY LEASE

Section 3.01. Commencement of the Facility Lease. The term of this Facility Lease commences on the Effective Date and the term of this Facility Lease shall end on the Expiry Date, unless such term is extended or sooner terminated as hereinafter provided. If on the Expiry Date, the rental payable hereunder shall not be fully paid and all Equipment Lease Rentals shall not be fully paid, or if the rental payable hereunder shall have been abated at any time and for

any reason, then the term of this Facility Lease shall be extended until ten days after the rental payable hereunder shall be fully paid and all Equipment Lease Rentals shall be fully paid, except that the term of this Facility Lease shall in no event be extended beyond _____ 1, 2037. If prior to the Expiry Date, the rental payable hereunder shall be fully paid and all Equipment Lease Rentals shall have been fully paid in accordance with the Equipment Lease, the term of this Facility Lease shall end ten days thereafter or ten days after written notice by the County to the Authority to the effect that the rental payable hereunder shall be fully paid and all Equipment Lease Rentals have been fully paid, whichever is earlier, and this Facility Lease shall thereupon terminate.

ARTICLE IV

USE OF PROCEEDS; TAX COVENANTS

Section 4.01. Use of Equipment Lease Proceeds. The parties hereto agree that the Equipment Lease Proceeds will be used by the County pursuant to the Equipment Lease and the Escrow Agreement to pay Equipment Costs (including Mobilization Costs) with respect to the Project.

Section 4.02. Tax Covenants. (a) The County will not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest component of Equipment Lease Rentals pursuant to Section 103 of the Code, and specifically the County will not directly or indirectly use or make any use of the proceeds of the Equipment Lease or any other funds of the County or take or omit to take any action that would cause the Equipment Lease to be "arbitrage bonds" subject to federal income taxation by reason of Section 148 of the Code or "private activity bonds" subject to federal income taxation by reason of Section 141(a) of the Code or obligations subject to federal income taxation because they are "federally guaranteed" as provided in Section 149(b) of the Code; and to that end the County, with respect to the Equipment Lease Proceeds and such other funds, will comply with all requirements of such sections of the Code to the extent that such requirements are, at the time, applicable and in effect; *provided*, that if the County shall obtain an Opinion of Counsel to the effect that any action required under this section is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of the interest component of the Equipment Lease Rentals pursuant to Section 103 of the Code, the County may rely conclusively on such opinion in complying with the provisions hereof. In the event that at any time the County is of the opinion that for purposes of this section it is necessary to restrict or limit the yield on the investment of any Equipment Lease Proceeds or otherwise the County shall so instruct the Escrow Agent in writing, and the Escrow Agent shall take such action in accordance with such instructions.

(b) To the ends covenanted in this Section, the County hereby specifically certifies and agrees that no Equipment financed pursuant to the Equipment Lease has been or will be acquired and installed on any of the Leased Property unless the County delivers to the Equipment Lessor, prior to the commencement of any such acquisition and installation, an Opinion of Counsel to the effect that use of Equipment Lease Proceeds to pay Equipment Costs for the acquisition and installation of such Equipment on any portion of the Leased Property will not adversely affect

the excludability from gross income of the interest component of the Equipment Lease Rentals for federal income tax purposes.

ARTICLE V

RENTAL PAYMENTS

Section 5.01. Rental Payments. The County agrees to pay to the Authority, its successors or assigns, without deduction or offset of any kind, as rental for the use and occupancy of the Leased Property, the following amounts at the following times:

(a) *County's Share of Base Rental.* Subject to the immediately following paragraph, the County shall pay to the Authority rental hereunder equal to the County's Share of Base Rental Payments for the use and occupancy of the Leased Property for each Lease Year or portion thereof, at the times and in the amounts (calculated and payable on the basis of the Balance Percentage for the County's Share) set forth in the Base Rental Payment Schedule attached hereto as *Exhibit B*, and made a part hereof. The interest components of the County's Share of the Base Rental Payments shall be paid by the County as and constitute interest paid on the principal components of the County's Share of the Base Rental Payments to be paid by the County hereunder.

If the term of this Facility Lease shall have been extended pursuant to Section 3.01 hereof, Base Rental Payment installments shall continue to be payable on the Base Rental Payment Dates, continuing to and including the date of termination of this Facility Lease. Upon such extension of this Facility Lease, the County shall deliver to the Assignee a written certificate signed by an Authorized County Representative setting forth the extended rental payment schedule, which schedule shall establish the County's Share of the Base Rental Payments at an amount sufficient to the portion of all unpaid Equipment Lease Rentals based upon the County's Share of Base Rental Payments payable by the County under this Facility Lease.

(b) *Additional Payments.* The County shall also pay in addition to the Base Rental Payments, to the Authority or the Assignee, as hereinafter provided, such amounts ("*Additional Payments*") in each year as follows:

(i) All taxes and assessments of any type or character charged to the Authority or to the Assignee affecting the amount available to the Authority or the Assignee from payments to be received hereunder or in any way arising due to the transactions contemplated hereby but excluding franchise taxes based upon the capital and/or income of the Assignee and taxes based upon or measured by the net income of the Assignee; *provided, however*, that the County shall have the right to protest any such taxes or assessments and to require the Authority or the Assignee, at the County's expense, to protest and contest any such taxes or assessments levied upon them and that the County shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest

or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Authority or the Assignee;

(ii) The reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Authority to prepare audits, financial statements, reports, opinions or provide such other services required under this Facility Lease or the Site Lease; and

(iii) The reasonable fees and expenses of the Authority or any agent or attorney selected by the Authority to act on its behalf in connection with this Facility Lease, the Site Lease or the Assignment Agreement, including, without limitation, any and all reasonable expenses incurred in connection with the authorization, execution and delivery of this Facility Lease, the Site Lease and the Assignment Agreement or in connection with any litigation, investigation or other proceeding which may at any time be instituted involving this Facility Lease, the Site Lease or the Assignment Agreement or any of the other documents contemplated thereby, or in connection with the reasonable supervision or inspection of the County, the Leased Property, its properties, assets or operations or otherwise in connection with the administration of this Facility Lease, the Site Lease or the Assignment Agreement.

Such Additional Payments shall be billed to the County by the Authority or the Assignee from time to time, together with a statement certifying that the amount billed has been incurred or paid by the Authority or the Equipment Assignee for one or more of the above items. After such a demand, amounts so billed shall be paid by the County within thirty (30) days after receipt of the bill by the County.

(c) *Consideration.* Such payments of the County's Share of Base Rental Payments for each Lease Year or portion thereof during the term of this Facility Lease shall constitute, together with the Additional Payments, the total amount due for such Lease Year or portion thereof and shall be paid or payable by the County for and in consideration of the right of the use and possession of, and the continued quiet use and enjoyment of, the Leased Property. On the Effective Date, the County shall deliver a written certificate to the Authority and the Assignee, which shall set forth the annual fair rental value of the Leased Property. The parties hereto have agreed and determined that the annual fair rental value of the Leased Property is not less than the County's Share of the maximum Base Rental Payments payable hereunder in any year. In making such determinations of annual fair rental value, consideration has been given to a variety of factors including the replacement costs of the existing improvements on the Leased Property, other obligations of the parties under this Facility Lease, the uses and purposes which may be served by the improvements on the Leased Property and the benefits therefrom which will accrue to the County and the general public.

(d) *Payment; Credit.* Each installment of the County's Share of Base Rental Payments payable hereunder shall be paid in lawful money of the United States of America directly to the Assignee at such office or to such account and by such means as

the Assignee shall designate from time to time to the County in writing. Any such installment of rental accruing hereunder which shall not be paid when due shall remain due and payable until received by the Assignee, except as provided in Section 5.04 hereof, and to the extent permitted by law shall bear interest at the rate of ten percent per annum from the date when the same is due hereunder until the same shall be paid. Notwithstanding any dispute between the County and the Authority, the County shall make all rental payments when due, without deduction or offset of any kind, and shall not withhold any rental payments pending the final resolution of any such dispute. In the event of a determination that the County was not liable for said rental payments or any portion thereof, said payments or excess of payments, as the case may be, shall, at the option of the County, be credited against subsequent rental payments due hereunder or be refunded at the time of such determination. Any payment scheduled to be made on a date which is not a Business Day shall be made on the next succeeding Business Day.

(e) *Credit of County's Share of Base Rental Payments to Equipment Lease Rentals.* The County's Share of each installment of Base Rental Payments shall be applied and credited on each Base Rental Payment Date to payment of Equipment Lease Rentals on each of the related Rental Payment Dates under the Equipment Lease. The County shall not be obligated under this Facility Lease to pay any greater amount of Base Rental Payments (notwithstanding the full Base Rental Payments shown on *Exhibit B*) than the County's Share of such Base Rental Payments. The sum of the County's Share of Base Rental Payments under this Facility Lease *plus* the County's Share of Equipment Lease Rentals under the Equipment Lease shall equal the total Equipment Lease Rentals due on each Rental Payment Date under the Equipment Lease.

(f) *Establishment and Adjustment of Accepted Equipment Percentage and Balance Percentage.* The Accepted Equipment Percentage as of the Effective Date and as of any Removal Date shall be the quotient obtaining by dividing the Allocated Accepted Equipment Costs as of the related Proposed Removal Notice Date by \$54,548,300 (*i.e.*, the amount deposited into the Escrow Account on October 30, 2014). The Accepted Equipment Percentage shall be expressed as a percentage, rounded to two decimal places and rounded up for a calculation that is equal between high and low (*e.g.*, 0.005%). The Accepted Equipment Percentage as of the Effective Date shall be based on the Allocated Accepted Equipment Costs for the Initial Accepted Equipment and shall increase only on a Removal Date upon satisfaction of the conditions for a Removal under Section 2.06(b) hereof. The Balance Percentage shall also be decreased on each related Removal Date as provided in the definition thereof. The County shall certify in a Removal Request the expected Accepted Equipment Percentage and the expected Balance Percentage as of the related Proposed Removal Notice Date, which Percentages shall become effective on the applicable Removal Date.

Section 5.02. Annual Budgets; Reporting Requirements. The County covenants to take such action as may be necessary to include the County's Share of all Base Rental Payments and Additional Payments due under this Facility Lease in its operating budget for each Fiscal Year commencing after the date hereof (an "*Operating Budget*") and to make all necessary appropriations for the County's Share of such Base Rental Payments and Additional Payments.

Section 5.03. Application of Rental Payments. The County's Share of all Base Rental Payments received shall be applied first to the interest components of the County's Share of Base Rental Payments due hereunder, then to the County's Share of principal components (including any prepayment premium components) of the Base Rental Payments due hereunder and thereafter to all Additional Payments due hereunder, but no such application of any payments which are less than the total rental due and owing shall be deemed a waiver of any default hereunder.

Section 5.04. Rental Abatement. Except to the extent of (a) amounts held by the Escrow Agent in the Escrow Account, (b) amounts received in respect of rental interruption insurance, and (c) amounts, if any, otherwise legally available to the Assignee for payments in respect of the Base Rental Payments, during any period in which, by reason of material damage, destruction, title defect, condemnation, there is substantial interference with the use and possession by the County of any portion of the Leased Property, rental payments due hereunder with respect to the Leased Property shall be abated to the extent that the annual fair rental value of the portion of the Leased Property in respect of which there is no substantial interference is less than the County's Share of annual Base Rental Payments, in which case rental payments shall be abated only by an amount equal to the difference. In the event the County shall assign, transfer or sublease any or all of the Leased Property or other rights hereunder, as permitted by Section 2.04 hereof, for purposes of determining the annual fair rental value available to pay the County's Share of Base Rental Payments, annual fair rental value of the Leased Property shall first be allocated to this Facility Lease as provided in clause (d) of Section 2.04 hereof. Any abatement of rental payments pursuant to this Section shall not be considered an Event of Default as defined in Article X hereof. The County waives the benefits of Civil Code Sections 1932(2) and 1933(4) and any and all other rights to terminate this Facility Lease by virtue of any such interference and this Facility Lease shall continue in full force and effect. Such abatement shall continue for the period commencing with the date of such damage, destruction, title defect or condemnation and ending with the substantial completion of the work of repair or replacement of the portions of the Leased Property so damaged, destroyed, defective or condemned.

In the event that rental is abated, in whole or in part, pursuant to this Section due to damage, destruction, title defect or condemnation of any part of the Leased Property and the County is unable to repair, replace or rebuild the Leased Property from the proceeds of insurance, if any, the County agrees to apply for and to use its best efforts to obtain any appropriate state and/or federal disaster relief in order to obtain funds to repair, replace or rebuild the Leased Property.

Section 5.05. Prepayment of Rental Payments. The County may prepay, from eminent domain proceeds or net insurance proceeds received by it pursuant to Section 7.01 hereof, all or any portion of the County's Share of the components of Base Rental Payments payable hereunder relating to any portion of the Leased Property then unpaid, in whole or in part on any date to the same extent and on the same terms on which Equipment Lease Rentals may be prepaid in accordance with Section 10.01(b) of the Equipment Lease.

The County may prepay, from any source of funds that are legally available for the purpose, all or any part of the County's Share of the principal components of Base Rental Payments payable under this Facility Lease then unpaid on any date to the same extent and on the same terms on which Equipment Lease Rentals may be prepaid in accordance with Section 10.01(a) of the Equipment Lease.

The County hereby acknowledges and agrees that any Equipment Lease Proceeds not applied to Equipment Costs and remaining in the Escrow Account on the earlier of the two dates described in Section 4.07 of the Equipment Lease shall be applied on the terms provided in such Section 4.07.

Before making any prepayment pursuant to the first or second paragraph of this Section, at least 45 days before the prepayment date the County shall give written notice to the Authority and the Assignee describing such event and specifying the date on which the prepayment will be made, which date shall be not less than 30 nor more than 60 days from the date such written notice is given to the Authority and the Assignee.

Section 5.06. Obligation to Make Rental Payments. The agreements and covenants on the part of the County contained herein shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform the agreements and covenants contained herein agreed to be carried out and performed by the County.

THE OBLIGATION OF THE COUNTY TO MAKE THE COUNTY'S SHARE OF BASE RENTAL PAYMENTS AND TO PAY ADDITIONAL RENT DOES NOT CONSTITUTE AN OBLIGATION OF THE COUNTY FOR WHICH THE COUNTY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE COUNTY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NEITHER THE EQUIPMENT LEASE NOR THE OBLIGATION TO MAKE BASE RENTAL PAYMENTS AND TO PAY ADDITIONAL RENT CONSTITUTES AN INDEBTEDNESS OF THE COUNTY, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

ARTICLE VI

MAINTENANCE; TAXES; INSURANCE AND OTHER CHARGES

Section 6.01. Maintenance of the Leased Property by the County. The County agrees that, at all times during the term hereof, it will, at its own cost and expense, maintain, preserve and keep, or cause to be maintained, preserved and kept, the Leased Property and every portion thereof in good repair, working order and condition and that it will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals. The Authority shall have no responsibility in any of these matters or for the making of additions or improvements to the Leased Property.

Section 6.02. Taxes, Other Governmental Charges and Utility Charges. The parties hereto contemplate that the Leased Property will be used for public purposes by the County and, therefore, that the Leased Property will be exempt from all taxes presently assessed and levied with respect to real and personal property, respectively. In the event that the use, possession or acquisition by the County or the Authority of the Leased Property is found to be subject to taxation in any form, the County will pay during the term hereof, as the same respectively become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Leased Property and any other property acquired by the County in substitution for, as a renewal or replacement of, or a modification, improvement or addition to, the Leased Property, as well as all gas, water, steam, electricity, heat, power, air conditioning, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Leased Property; *provided*, that with respect to any governmental charges or taxes that may lawfully be paid in installments over a period of years, the County shall be obligated to pay only such installments as are accrued during such time as this Facility Lease is in effect.

Section 6.03. Insurance. (a) The County shall secure and maintain or cause to be secured and maintained at all time with insurers of recognized responsibility all coverage on the Leased Property required by this Section 6.03. Such insurance shall consist of:

(1) *Public Liability Insurance.* A standard comprehensive general insurance policy or policies in protection of the County, the Authority and their respective members, officers, agents, employees and assigns. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Leased Property. Such policy or policies must provide coverage of at least \$1,000,000 per occurrence, \$3,000,000 in aggregate and \$5,000,000 excess liability and may be subject to such deductibles as the County deems adequate and prudent. The County may obtain such coverage as a joint insured with one or more other public agencies located within or outside the County. The County will apply the proceeds of such liability insurance toward extinguishment or satisfaction of the liability with respect to which such proceeds have been paid.

(2) *Casualty Insurance.* A policy or policies of insurance against loss or damage to the Leased Property known as "all risk," including flood, but excluding earthquake, which shall be maintained at any time in an amount per occurrence at least equal to the greater of (i) the cumulative replacement values of the Leased Property or (ii) the aggregate unpaid principal components of the County's Share of the Base Rental Payments, and may be subject to such deductibles as the County deems adequate and prudent. The County may obtain such coverage as a joint insured with one or more other public agencies located within or outside the County. The County is under no obligation to provide insurance against loss or damage occasioned by the perils of earthquake.

(3) *Flood Coverage.* If at any time and for so long as the Leased Property is located in a 100-year flood area as shown on a Flood Insurance Rate Map published by the Federal Emergency Management Agency, the policy or policies of casualty insurance provided under this Section 6.03 shall include insurance against loss or damage to the Leased Property due to

flooding. If the County obtains an exception or waiver to the designation of the Leased Property as being within a 100-year flood area from the Federal Emergency Management Agency, the County shall not be required to provide flood insurance as set forth in this subsection (a)(3).

(4) *Rental Interruption Insurance.* The County shall procure and maintain, or cause to be procured and maintained, throughout the term of this Facility Lease, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the Leased Property as a result of any of the hazards covered in the insurance required by subsection (a)(2) of this Section 6.03, in an amount at least equal to the maximum Base Rental Payments coming due and payable during any future 24-month period. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the County. Such rental interruption or use and occupancy insurance shall not be self-insured.

(b) *Disposition of Net Proceeds of Insurance.* The County shall collect, adjust and receive all moneys which may become due and payable under any policies contemplated by subsections (a)(2) and (a)(3) of this Section, and, may compromise any and all claims thereunder. The net proceeds of the insurance required by subsection (a)(2) or subsection (a)(3) of this Section shall be applied as provided in Section 7.01 hereof. The net proceeds, if any, of the insurance policy described in subsection (a)(4) of this Section shall be payable to the Assignee and applied to the payment of the Base Rental Payments allocable to the insured improvements as the same become due and payable.

(c) *Form of Policies.* All insurance policies (or riders) required by this Section 6.03 shall be taken out and maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State of California, and shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to the insured parties at least 30 days before the cancellation or revision becomes effective. Each insurance policy or rider required by subsections (a)(1), (a)(2), (a)(3) and (a)(4) of this Section 6.03 shall name the County as the insured and loss payee and the Assignee as additional insured and shall include a lender's loss payable endorsement for the benefit of the Assignee. Prior to the Effective Date, the County will deposit with the Assignee policies (and riders and endorsements, if applicable) evidencing any such insurance procured by it, or a certificate or certificates of the respective insurers stating that such insurance is in full force and effect. Before the expiration of any such policy (or rider), the County will furnish to the Assignee evidence that the policy has been renewed or replaced by another policy conforming to the provisions of this Section 6.03 unless such insurance is no longer obtainable, in which event the County shall notify the Assignee of such fact.

Section 6.04. Advances. In the event the County shall fail to maintain the full insurance coverage required hereby or shall fail to keep the Leased Property in good repair and operating condition, the Authority may (but shall be under no obligation to) purchase the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by the Authority shall become Additional Payments, which amounts the County agrees to pay within 30 days of a written request therefor, together with interest thereon at the lesser of ten percent per annum or the maximum rate allowed by law.

Section 6.05. Title Insurance. The County covenants and agrees to deliver or cause to be delivered to the Assignee on the Effective Date a CLTA leasehold owner's policy or policies, or a commitment for such policy or policies, with respect to the Leased Property with liability in the aggregate amount equal to the County's Share of the principal component of all Base Rental Payments payable hereunder. Such policy or policies, when issued, shall name the Assignee as the insured and shall insure the leasehold estate of the County in the Leased Property subject only to Permitted Encumbrances.

ARTICLE VII

DAMAGE, DESTRUCTION, TITLE DEFECT AND CONDEMNATION

Section 7.01. Damage, Destruction, Title Defect and Condemnation; Use of Net Proceeds. If prior to the termination of the term hereof (a) the Leased Property or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty; or (b) title to, or the temporary use of, the Leased Property or any portion thereof or the estate of the County or the Authority in the Leased Property or any portion thereof is defective or shall be taken under the exercise of the power of eminent domain by any governmental body or by any person or firm or Authority acting under governmental authority, then the County and the Authority will cause the net proceeds of any insurance claim or condemnation award to be applied to the prompt repair, restoration, modification, improvement or replacement of the damaged, destroyed, defective or condemned portion of the Leased Property, and any balance of the net proceeds remaining after such work has been completed shall be paid to the County; *provided*, that the County, at its option and provided the proceeds of such insurance or condemnation award together with any other moneys then available for the purpose are at least sufficient to prepay the County's share of the aggregate annual amounts of principal and interest components of the Base Rental Payments due hereunder attributable to the portion of the Leased Property so destroyed, damaged, defective or condemned (determined by reference to the proportion which the annual fair rental value of the destroyed, damaged, defective or condemned portion thereof bears to the annual fair rental value of the Leased Property), may elect not to repair, reconstruct or replace the damaged, destroyed, defective or condemned portion of the Leased Property and thereupon shall cause said proceeds to be used for the prepayment of the County's Share of the aggregate principal components of Base Rental Payments hereunder as provided in Section 5.05 hereof in whole or in part on any date to the same extent and on the same terms on which Equipment Lease Rentals may be prepaid in accordance with Section 10.01(b) of the Equipment Lease. Notwithstanding any other provision herein, the County shall only prepay less than all of the County's Share of the principal component of the then-remaining Base Rental Payments if the annual fair rental value of the Leased Property after such damage, destruction, title defect or condemnation is at least equal to the County's Share of the aggregate annual amount of the principal and interest components of the Base Rental Payments not being prepaid.

In the event that the proceeds, if any, of said insurance or condemnation award are insufficient either to (i) repair, rebuild or replace the Leased Property so that the fair rental value of the Leased Property would be at least equal to the County's Share of the Base Rental Payments or (ii) to prepay in whole the County's Share of the aggregate principal components of Base Rental Payments, both as provided in the preceding paragraph, then the County may, in its

sole discretion, budget and appropriate an amount necessary to effect such repair, rebuilding or replacement or prepayment; *provided* that the failure of the County to so budget and/or appropriate shall not be a breach of or default under this Facility Lease.

ARTICLE VIII

DISCLAIMER OF WARRANTIES; VENDOR'S WARRANTIES; USE OF THE LEASED PROPERTY

Section 8.01. Disclaimer of Warranties. NEITHER THE ASSIGNEE NOR THE AUTHORITY MAKES ANY AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE LEASED PROPERTY, OR WARRANTY WITH RESPECT THERETO. THE COUNTY ACKNOWLEDGES THAT NEITHER THE ASSIGNEE NOR THE AUTHORITY IS A MANUFACTURER OF ANY PORTION OF THE LEASED PROPERTY OR A DEALER THEREIN, THAT THE COUNTY LEASES THE LEASED PROPERTY AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE COUNTY. In no event shall the Authority or the Assignee be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Facility Lease or the existence, furnishing, functioning or the County's use of the Leased Property as provided hereby.

Section 8.02. Use of the Leased Property; Improvements. The County will not use, operate or maintain the Leased Property improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated hereby. The County shall provide all permits and licenses, if any, necessary for the use of the Leased Property. In addition, the County agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each portion of the Leased Property) with all laws of the jurisdictions in which its operations involving any portion of the Leased Property may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Leased Property, including, without limitation, all anti-money laundering laws and regulations; *provided*, that the County may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the County adversely affect the estate of the Authority in and to the Leased Property or its interest or rights hereunder.

ARTICLE IX

ASSIGNMENT; INDEMNIFICATION; NON-LIABILITY

Section 9.01. Assignment by Authority. (a) The parties understand that certain of the rights of the Authority hereunder and under the Site Lease (that is, the Assigned Rights) will be assigned to the Assignee pursuant to the Assignment Agreement, and accordingly the County agrees to make all payments due hereunder to the Assignee, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach hereof or otherwise) that the County may from time to time have against the Authority. The County agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements,

which may be reasonably requested by the Authority or the Assignee to protect their interests in the Leased Property during the term hereof. Whenever in this Facility Lease any reference is made to the Authority and such reference concerns any Assigned Rights, such reference shall be deemed to refer to the Assignee.

(b) The Assigned Rights, and all proceeds therefrom, may be further assigned and reassigned by the Assignee at any time, in whole or in part to one or more assignees or sub-assignees by the Assignee, without the necessity of obtaining the consent of the County; *provided*, that any such assignment, transfer or conveyance (i) shall be made only to investors each of whom the transferor Assignee reasonably believes is a "*qualified institutional buyer*" as defined in Rule 144A(a)(1) promulgated under the Securities Act of 1933, as amended, or an "*accredited investor*" as defined in Sections 501(a)(1), (2), (3) and (7) of Regulation D promulgated under the Securities Act of 1933, as amended, and in either case is purchasing the Assigned Rights (or any interest therein) for its own account with no present intention to resell or distribute the Assigned Rights (or interest therein), subject to each investor's right at any time to dispose of the Assigned Rights or any interest therein as it determines to be in its best interests, (ii) shall not result in more than 35 owners of the Assigned Rights or the creation of any interest in the Assigned Rights in an aggregate principal component that is less than \$100,000 and (iii) shall not require the County to make Base Rental Payments, send notices or otherwise deal with respect to matters arising under this Facility Lease with or to more than one Lease Servicer (as such term is defined below), and any trust agreement, participation agreement or custodial agreement under which multiple ownership interests in the Assigned Rights are created shall provide the method by which the owners of such interests shall establish the rights and duties of a single entity, trustee, owner, servicer or other fiduciary or agent acting on behalf of all assignees (herein referred to as the "*Lease Servicer*") to act on their behalf with respect to the Assigned Rights, including with respect to the exercise of rights and remedies on behalf of such owners upon the occurrence of an Event of Default under Article X hereof. The Authority (including the initial Assignee pursuant to the Assignment Agreement) and the County hereby acknowledge and agree that the restrictions and limitations on transfer as provided in this Section 9.01 shall apply to the first and subsequent assignees and sub-assignees of any of the Assigned Rights (or any interest therein).

(c) No assignment, transfer or conveyance permitted by this Section 9.01 that changes the Lease Servicer or its payment instructions or mailing address shall be effective until the County shall have received a written notice of assignment that discloses the name, payment instructions and address of each such assignee; *provided*, that if such assignment is made to a bank or trust company as trustee or paying agent for owners of certificates of participation, trust certificates or partnership interests evidencing interests in the Assigned Rights, it shall thereafter be sufficient that the County receives notice of the name, payment instructions and address of such bank or trust company that acts as the Lease Servicer. During the term of this Facility Lease, the County shall keep, or cause to be kept, a complete and accurate record of all such assignments in form necessary to comply with Section 149 of the Code. The County shall retain all such notices as a register of all Assignees and shall make all payments to the Assignee or Lease Servicer designated in such register. The County shall not have the right to, and shall not, assert against the initial Assignee or any subsequent Assignee any claim, counterclaim or other right that the County may have against the Authority. If the Assignee notifies the County of its

intent to assign the Assigned Rights (or any interest therein) to a different Lease Servicer, the County agrees that it shall execute and deliver to the requesting Assignee a notice and acknowledgment of assignment in form reasonably required by such Assignee within five (5) Business Days after its receipt of such request.

Section 9.02. Assignment by County. This Facility Lease and the interest of the County in the Leased Property may not be assigned or encumbered by the County except as permitted by Section 2.04 hereof.

Section 9.03. Indemnification. The County shall, to the full extent then permitted by law, indemnify, protect, hold harmless, save and keep harmless the Authority and the Assignee and their respective directors, officers and employees from and against any and all liability, obligations, losses, claims and damages whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest arising out of or as the result of the execution and delivery of the Equipment Lease, the entering into of this Facility Lease, the use of the Leased Property and each portion thereof or any accident in connection with the operation, use, condition or possession of the Leased Property or any portion thereof resulting in damage to property or injury to or death to any person including, without limitation, any claim alleging latent and other defects, whether or not discoverable by the County or the Authority; any claim arising out of the use, presence, storage, disposal or release of any Hazardous Substances on or about the Leased Property; any claim for patent, trademark or copyright infringement; and any claim arising out of strict liability in tort. The indemnification arising under this Section 9.03 shall continue in full force and effect notwithstanding the full payment of all obligations hereunder or the termination hereof for any reason. The County, the Assignee and the Authority mutually agree to promptly give notice to each other of any claim or liability hereby indemnified against following the learning thereof by such party.

Section 9.04. Non-Liability of the Authority. The Authority shall not be obligated to pay any of the County's Share of Rental Payments under the Equipment Lease or any of the County's Share of Base Rental Payments under this Facility Lease, except from the County's Share of Base Rental Payments paid by the County pursuant to the terms of this Facility Lease and received by the Assignee pursuant to this Facility Lease. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof, nor the faith and credit of the Authority or any member is pledged to the payment of the County's Share of Rental Payments under the Equipment Lease or the County's Share of Base Rental Payments under this Facility Lease. The Authority shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Facility Lease or the Equipment Lease, except only to the extent amounts are received for the payment thereof from the County under this Facility Lease.

The County hereby acknowledges that the Authority's sole source of moneys to repay the County's Share of Equipment Lease Rentals under the Equipment Lease will be provided by the payments of the County's Share of Base Rental Payments made by the County to the Assignee pursuant to this Facility Lease, together with any excess Equipment Lease Proceeds under the Escrow Agreement.

Section 9.05. Waiver of Personal Liability. No member, officer, agent or employee of the Authority or any director, officer, agent or employee of the County shall be individually or personally liable for the payment of any of the County's Share of Base Rental Payments or any other sum hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of this Facility Lease; but nothing herein contained shall relieve any such member, director, officer, agent or employee from the performance of any official duty provided by law or by this Facility Lease.

ARTICLE X

DEFAULT

Section 10.01. Default. (a) The following events shall be "Events of Default" under this Facility Lease and the terms "Event of Default" and "Default" shall mean, whenever they are used in this Facility Lease, any one or more of the following events:

(1) The County shall fail to (i) pay the County's Share of any Base Rental Payment under this Facility Lease within 10 days after the Base Rental Payment Date when due as provided in Section 5.01(a) hereof, *provided*, that the failure to deposit any Base Rental Payments abated pursuant to Section 5.04 hereof shall not constitute an Event of Default or (ii) maintain insurance as required in Section 6.03 hereof;

(2) The County shall fail to pay any item of Additional Payments when the same shall become due and payable pursuant to Section 5.01(b) hereof;

(3) The County shall fail to observe and perform any covenant, condition or agreement contained in this Facility Lease on its part to be observed or performed, other than as referred to in subsection (a)(1) or (a)(2) in this Section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to the County by the Authority, unless the Authority shall agree in writing to an extension of such time prior to its expiration; *provided* that, if the failure stated in the notice cannot be corrected within the applicable period, the Authority will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the County within the applicable period and diligently pursued until the default is corrected;

(4) Any statement, representation or warranty made by the County in or pursuant to this Facility Lease or its execution, delivery or performance shall prove to have been false, incorrect, misleading, or breached in any material respect on the date when made; or

(5) Any default occurs under any other agreement for borrowing money, lease financing of property or otherwise receiving credit under which the County is an obligor, if such default (i) arises under any other agreement for borrowing money, lease financing of property or provision of credit (including, without limitation, the Equipment Lease) provided by the Assignee or any affiliate of the Assignee, or (ii) arises under any

obligation under which there is outstanding, owing or committed an aggregate amount in excess of \$100,000.00.

(b) Upon the happening of any of the Events of Default specified in Section 10.01(a) or (e) hereof, it shall be lawful for the Authority, subject to the terms of this Facility Lease, to exercise any and all remedies available or granted to it pursuant to law or hereunder.

(c) If the Authority does not elect to terminate this Facility Lease in the manner hereinafter provided for in subparagraph (d) hereof, the County agrees to and shall remain liable for the payment of the County's Share of all Base Rental Payments and the performance of all conditions herein contained and shall reimburse the Authority for any deficiency arising out of the re-leasing of the Leased Property or, in the event the Authority is unable to re-lease the Leased Property, then for the full amount of the County's Share of all Base Rental Payments to the end of the term of this Facility Lease, but the County's Share of such Base Rental Payments and/or deficiency shall be payable only at the same time and in the same manner as hereinabove provided for the payment of the County's Share of Base Rental Payments hereunder, notwithstanding such entry or re-entry by the Authority or any suit in unlawful detainer, or otherwise, brought by the Authority for the purpose of obtaining possession of the Leased Property or exercise of any other remedy by the Authority. The County hereby irrevocably appoints the Authority as the agent and attorney-in-fact of the County to obtain possession and re-lease the Leased Property in the event of default by the County in the performance of any covenants herein contained to be performed by the County and to remove all personal property whatsoever situated upon the Leased Property and to place such property in storage or other suitable place in the County of Riverside, for the account of and at the expense of the County, and the County hereby exempts and agrees to save harmless the Authority and the Assignee from any costs, loss or damage whatsoever arising or occasioned by any such possession and re-leasing of the Leased Property and the removal and storage of such property by the Authority or its duly authorized agents in accordance with the provisions herein contained. The County hereby waives any and all claims for damages caused or which may be caused by the Authority in re-entering and taking possession of the Leased Property as herein provided and all claims for damages that may result from the destruction of or injury to the Leased Property and all claims for damages to or loss of any property belonging to the County that may be in or upon the Leased Property. The County agrees that the terms of this Facility Lease constitute full and sufficient notice of the right of the Authority to re-lease the Leased Property in the event of such re-entry without effecting a surrender of this Facility Lease, and further agrees that no acts of the Authority in effecting such re-leasing shall constitute a surrender or termination of this Facility Lease irrespective of the term for which such re-leasing is made or the terms and conditions of such re-leasing, or otherwise, but that, on the contrary, in the event of such default by the County the right to terminate this Facility Lease shall vest in the Authority to be effected in the sole and exclusive manner hereinafter provided for in subparagraph (d) hereof. The County further waives the right to any rental obtained by the Authority in excess of the County's Share of Base Rental Payments and hereby conveys and releases such excess to the Authority as compensation to the Authority for its service in re-leasing the Leased Property.

(d) In any Event of Default hereunder, the Authority at its option may terminate this Facility Lease and re-lease all or any portion of the Leased Property. In the event of the

termination of this Facility Lease by the Authority at its option and in the manner hereinafter provided on account of default by the County (and notwithstanding any re-entry upon the Leased Property by the Authority in any manner whatsoever or the re-leasing of the Leased Property), the County nevertheless agrees to pay to the Authority all costs, loss or damages howsoever arising or occurring payable at the same time and in the same manner as is herein provided in the case of payment of the County's Share of Base Rental Payments. Any surplus received by the Authority from such re-leasing shall be the absolute property of the Authority and the County shall have no right thereto, nor shall the County be entitled to apply any surplus as a credit in the event of a subsequent deficiency in the rentals received by the Authority from the Leased Property. Neither notice to pay rent or to deliver up possession of the Leased Property given pursuant to law nor any proceeding taken by the Authority shall of itself operate to terminate this Facility Lease, and shall be or become effective by operation of law, or otherwise, unless and until the Authority shall have given written notice to the County of the election on the part of the Authority to terminate this Facility Lease. The County covenants and agrees that no surrender of the Leased Property or of the remainder of the term hereof or any termination of this Facility Lease shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Authority by such written notice.

(e) In addition to any Event of Default resulting from breach by the County of any agreement, condition, covenant or term hereof, if the County's interest herein or any part thereof be assigned, sublet or transferred without the written consent of the Authority (except as otherwise permitted by Section 2.04 hereof), either voluntarily or by operation of law; or the County or any Assignee shall file any petition or institute any proceedings under any act or acts, state or federal, dealing with or relating to the subject of bankruptcy or insolvency or under any amendment of such act or acts, either as a bankrupt or as an insolvent or as a debtor or in any similar capacity, wherein or whereby the County asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of its debts or obligations, or offers to its creditors to effect a composition or extension of time to pay its debts, or asks, seeks or prays for a reorganization or to effect a plan of reorganization or for a readjustment of its debts or for any other similar relief, or if the County shall make a general or any assignment for the benefit of its creditors; or the County shall abandon or vacate the Leased Property or any portion thereof (except as permitted by Section 2.04 hereof); then in each and every such case the County shall be deemed to be in default hereunder.

(f) The Authority expressly waives the right to receive any amount from the County pursuant to Section 1951.2(a)(3) of the California Civil Code.

(g) Neither the County nor the Authority shall be in default in the performance of any of its obligations hereunder (except for the obligation to pay the County's Share of Base Rental Payments pursuant to Section 5.01 hereof) unless and until it shall have failed to perform such obligation within 30 days after notice by the County or the Authority, as the case may be, to the other party properly specifying wherein it has failed to perform such obligation.

(h) Such rights and remedies as are given to the Authority under this Section 10.01 will be assigned by the Authority to the Assignee, to which assignment the County hereby consents. Such rights and remedies shall be exercised solely by the Assignee.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Notices. All written notices to be given hereunder shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by facsimile transmission or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, (b) 48 hours after deposit in the United States of America first class mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Authority, the County and the Assignee 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 Authority:

Riverside County Infrastructure Financing Authority
4080 Lemon Street, 4th Floor
Riverside, CA 92501-3651
Attention: Chair

If to the County:

County of Riverside
4080 Lemon Street, 4th Floor
Riverside, CA 92501-3651
Attention: County Finance Director

If to the Assignee:

Banc of America Public Capital Corp
11333 McCormick Road
Hunt Valley II
M/C MD5-032-07-05
Hunt Valley, Maryland 21031
Attention: Contract Administration

Section 11.02. Binding Effect. This Facility Lease shall inure to the benefit of and shall be binding upon the Authority and the County and their respective successors and assigns.

Section 11.03. Third Party Beneficiary. The Assignee is hereby designated a third party beneficiary hereunder for the purpose of enforcing any of the rights hereunder assigned to the Assignee under the Assignment Agreement.

Section 11.04. Net Lease. It is the purpose and intent of the Authority and the County that the County's Share of Base Rental Payments hereunder shall be absolutely net to the Authority so that this Facility Lease shall yield to the Authority the County's Share of Base Rental

Payments, free of any charges, assessments or impositions of any kind charged, assessed or imposed on or against the Leased Property, and without counterclaim, deduction, defense, deferment or set-off by the County except as herein specifically otherwise provided. The Authority shall not be expected or required to pay any such charge, assessment or imposition, or be under any obligation or liability hereunder except as herein expressly set forth, and all costs, expenses and obligations of any kind relating to the maintenance and operation of the Leased Property which may arise or become due during the term of this Facility Lease shall be paid by the County.

Section 11.05. Amendments. This Facility Lease may be amended in writing as may be mutually agreed by the Authority and the County, except for Substitution or Removal for which the Assignee's consent is not required as provided in Section 2.06 hereof.

Section 11.06. Partial Invalidity. If any one or more of the agreements, conditions, covenants or terms hereof shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining agreements, conditions, covenants or terms hereof shall be affected thereby, and each provision of this Facility Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 11.07. California Law. This Facility Lease shall be governed by and construed and interpreted in accordance with the laws of the State of California.

Section 11.08. Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision hereof.

Section 11.09. Execution. This Facility Lease may be executed and entered into in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

[This space intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed and entered into this Facility Lease by their officers thereunto duly authorized as of the day and year first written above.

RIVERSIDE COUNTY INFRASTRUCTURE
FINANCING AUTHORITY

By: _____
Chairman

COUNTY OF RIVERSIDE, CALIFORNIA

By: _____
County Executive Officer

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) SS
COUNTY OF RIVERSIDE)

On _____, 2016, before me, _____, Notary Public, personally appeared, _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) SS
COUNTY OF RIVERSIDE)

On _____, 2016, before me, _____, Notary Public, personally appeared, _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

EXHIBIT A

DESCRIPTION OF THE LEASED PROPERTY

All that certain real property, situated in the County of Riverside, State of California, described as follows:

Parcel 1:

Parcel 2:

Parcel 3:

EXHIBIT B

BASE RENTAL PAYMENTS SCHEDULE

EXHIBIT C

FORM OF REMOVAL REQUEST

Re: Request for Removal of Parcel or Parcels of Leased Property under Section 2.06(b) of that certain Facility Lease dated as of August __, 2016 (the "*Facility Lease*"), between Riverside County Infrastructure Financing Authority, as lessor, and County of Riverside, California, as lessee

In accordance with Section 2.06(b) of the Facility Lease (described above), the undersigned hereby certifies that he or she is an Authorized County Representative of the County of Riverside, California (the "*County*") within the meaning and for purposes of the Facility Lease and, on behalf of the County, hereby (a) delivers this Removal Request to the Riverside County Infrastructure Financing Authority and Banc of America Public Capital Corp, as assignee of the Assigned Rights; (b) requests the Removal of the Parcel or Parcels of the Leased Property (with the effect provided in Section 2.06 of the Facility Lease) described under Part II below; and (c) proposes that such Removal become effective on _____, 20__, which is not less than 15 Business Days after the date of delivery of this Removal Request. Capitalized terms used, but not defined, in this Removal Request shall have the same meaning as when such terms are used in the Facility Lease.

PART I: Additional Accepted Equipment since Effective Date or last Removal Date, as applicable:

FACILITY AT WHICH ADDITIONAL ACCEPTED EQUIPMENT IS LOCATED	ADDRESS	ALLOCATED ACCEPTED EQUIPMENT COSTS	ACCEPTANCE DATE

PART II: Removal Requested for the following Parcel or Parcels of Leased Property:

PARCEL NUMBER (as shown on <i>Exhibit A</i> to the Facility Lease)	DESCRIPTION OF FACILITY LOCATED ON PARCEL	ADDRESS

The undersigned Authorized County Representative hereby represents and certifies for and on behalf of the County as follows:

(ii) The Additional Accepted Equipment described under Part I above has been delivered to the County and installed at the Facility described above, operates for its intended purpose as a separate and independent functional unit, has been acquired and installed by the Vendor, is operating in a manner consistent with the manufacturer's intended use, is substantially available for the County's beneficial use and enjoyment and has been inspected and accepted by the County for all purposes of the Equipment Lease.

(ii) The Allocated Accepted Equipment Costs described for each Facility under Part I above consists of all Equipment Costs, including Mobilization Costs, allocable in the reasonable judgment of the County to the related Additional Accepted Equipment.

(iii) The Acceptance Date for each of the Additional Accepted Equipment is shown in Part I above.

(iv) The annual fair rental value of the Leased Property after the Removal requested hereby, in each year during the remaining term of the Facility Lease, is at least equal to the County's Share (based on the decreased Balance Percentage as described below) of the maximum annual Base Rental Payments payable under the Facility Lease, as determined by the County on the basis of commercially reasonable evidence of the annual fair rental value of the Leased Property after such Removal.

(v) The annual fair rental value of all of the Accepted Equipment as of the date of this Removal Request, in each year during the remaining term of the Equipment Lease, is at least equal to the County's Share (based on the increased Accepted Equipment Percentage as described below) of the maximum annual Equipment Lease Rentals, as determined by the County on the basis of commercially reasonable evidence of the annual fair rental value of all of the Accepted Equipment as of the date of this Removal Request.

(vi) No mortgage, deed of trust, security interest, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property after giving effect to such Removal currently exists, other than Permitted Encumbrances.

(vii) The Leased Property after giving effect to the Removal is insured in accordance with the Facility Lease.

(viii) No Event of Default under Article X of the Facility Lease, and no event which with notice or lapse of time, or both, would become an Event of Default, under the Facility Lease has occurred and is continuing at the date hereof.

(ix) The Leased Property after giving effect to the Removal is essential to the proper, efficient and economic operation of the County and serves an essential governmental function of the County.

(x) After giving effect to the Removal hereby requested on the Removal Date, the County hereby acknowledges and agrees that the Accepted Equipment Percentage shall be increased to ____% and the Balance Percentage shall be decreased to ____%, for a total of 100.00%.

NOTICE: If Removal is hereby requested for the last Parcel or Parcels of Leased Property, Section 2.06(b) of the Facility Lease provides that, notwithstanding anything in the Facility Lease to the contrary, the County is not entitled to submit a Removal Request, and no proposed Removal shall take place, that would result in a Removal of the last Parcel or Parcels of Leased Property unless the annual fair rental value of all of the Accepted Equipment as of the date of this Removal Request is at least equal to 100% of the maximum annual Equipment Lease Rentals in any year during the remaining term of the Equipment Lease after giving effect to such Removal, as determined by the County on the basis of commercially reasonable evidence of the annual fair rental value of all of the Accepted Equipment as of the applicable Proposed Removal Notice Date.

Dated: _____

COUNTY OF RIVERSIDE, CALIFORNIA

By: _____
Name: _____
Authorized County Representative

EXHIBIT D

FORM OF PARTIAL TERMINATION OF [SITE LEASE] [FACILITY LEASE]