

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
BOARD ACTION SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA #: 6:35 p.m.

AGENDA DATE: August 16, 2016

**SUBJECT:**

Public Hearing to Consider Approval of a Resolution Authorizing the Execution and Delivery of Certain Documents with the Stanislaus County Capital Improvements Financing Authority and Bank of the West and Authorizing Related Actions to Finance the Installation of a Heating, Ventilation and Air Conditioning System at the Stanislaus County Community Services Facility

**BOARD ACTION AS FOLLOWS:**

No. 2016-422

On motion of Supervisor O'Brien, Seconded by Supervisor DeMartini  
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Withrow, DeMartini, and Chairman Monteith

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1)  Approved as recommended

2)  Denied

3)  Approved as amended

4)  Other:

MOTION:

ATTEST: Elizabeth A. King  
ELIZABETH A. KING, Clerk of the Board of Supervisors

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
AGENDA ITEM**

DEPT: Chief Executive Office  
Urgent  Routine

BOARD AGENDA #: 6:35 p.m.

AGENDA DATE: August 16, 2016

CEO CONCURRENCE: *ph*

4/5 Vote Required: Yes  No

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**SUBJECT:**

Public Hearing to Consider Approval of a Resolution Authorizing the Execution and Delivery of Certain Documents with the Stanislaus County Capital Improvements Financing Authority and Bank of the West and Authorizing Related Actions to Finance the Installation of a Heating, Ventilation and Air Conditioning System at the Stanislaus County Community Services Facility

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**STAFF RECOMMENDATIONS:**

1. Conduct the scheduled Public Hearing on matters related to the financing of the installation of a Heating, Ventilation and Air Conditioning system at the Stanislaus County Community Services Facility.
2. Approve a Resolution authorizing the execution and delivery of certain documents and authorizing certain actions to finance the installation of a Heating, Ventilation and Air Conditioning system at the Stanislaus County Community Services Facility through a private placement financing with the Bank of the West, which documents include:
  - a) The form of the Site Lease between the County of Stanislaus and the Stanislaus County Capital Improvements Financing Authority;
  - b) The form of the Facilities Sublease by and between the Stanislaus County Capital Improvements Financing Authority and the County of Stanislaus relating to the Community Services Facility Heating, Ventilation and Air Conditioning Project; and
  - c) The form of Supplemental Agreement between the County of Stanislaus and Bank of the West.
3. Authorize the execution and delivery of certain documents and authorize certain actions in connection therewith in order to defease (pay off) the balance of indebtedness relating to Certificates of Participation (Capital Improvement Program) Series 2007 in accordance with the provisions of the 2007 Trust Agreement, which documents include:
  - a) The form of Termination Agreement by and among the Stanislaus County Capital Improvements Financing Authority and the County of Stanislaus and The Bank of New York Mellon Trust Company, N.A. relating to Certificates of Participation (Capital Improvement Program) Series 2007; and
  - b) The form of Escrow Agreement Authorization.
4. Authorize the Chairman of the Board to take all actions necessary to execute and deliver any and all documents deemed necessary and advisable to complete the defeasance of the 2007 financing and to finance the installation of a heating, ventilation and air conditioning system at the Stanislaus County Community Services Facility.

Public Hearing to Consider Approval of a Resolution Authorizing the Execution and Delivery of Certain Documents with the Stanislaus County Capital Improvements Financing Authority and Bank of the West and Authorizing Related Actions to Finance the Installation of a Heating, Ventilation and Air Conditioning System at the Stanislaus County Community Services Facility

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5. Authorize the Chief Operations Officer to negotiate and execute all necessary agreements and all other documents necessary to complete the defeasance of the 2007 financing and to commence the 2016 financing of the Community Services Facility Heating, Ventilation and Air Conditioning Project.

**DISCUSSION:**

A hearing of the Board of Supervisors is required to authorize the execution and delivery of documents with the Stanislaus County Capital Improvements Financing Authority and Bank of the West to finance the installation of a heating, ventilation and air conditioning system at the Stanislaus County Community Services Facility.

Community Services Facility Heating Ventilation and Air Conditioning Project

The Community Services Facility (CSF) was constructed in 1994 and is comprised of four pods. Current tenants include over 1,300 employees from the Community Services Agency (CSA), Department of Child Support Services (DCSS), Women, Infants and Children, Nutrition and Education Programs and the Alliance Worknet. On an average 1,200 customers are served per day by County employees at the CSF.

The existing heating ventilation and air conditioning (HVAC) units at the CSF consist of eleven large custom-built rooftop Direct Expansion (DX) air-cooled HVAC units. Each unit serves approximately 10% of the building area. The County has replaced numerous reciprocating compressors over the past years. On August 2008, the Board of Supervisors approved a plan to replace the HVAC units at the Community Services Facility. At the time, the system was nearing the end of its useful life and was struggling to handle the needed load for staff and customers. The project was placed on hold due to economic factors facing the County at that time.

Since 2008, the HVAC system has continued to significantly deteriorate and requires regular maintenance and repair, requiring full-time staff from the General Services Agency to ensure its continued operation. On October 20, 2015, the Board of Supervisors authorized the Project Manager to proceed with the project and develop a financing strategy.

On October 20, 2015, the Board of Supervisors authorized the Project Manager to issue a Request for Statement of Qualifications (RFSOQ) for the pre-qualification of design-build teams for the CSF HVAC project. Subsequently a Request for Proposals (RFP) was issued on May 6, 2016 to the pre-qualified Design Build Teams. Four proposals were received and the top three finalist proposals were invited to participate in an extensive best and final proposal process in strict accordance with the provisions of the Public Contracts Code. The recommended design-build team is Champion Industrial of Modesto, California, and the project is now ready to proceed contingent upon the approvals necessary to obtain the required financing.

As staff reported to this Board on October 20, 2015, the Departments within the Community Services Facility provide programs and services that are primarily federally funded. In order to fully claim the cost of the replacement, including any interest, the financing for the HVAC

## Public Hearing to Consider Approval of a Resolution Authorizing the Execution and Delivery of Certain Documents with the Stanislaus County Capital Improvements Financing Authority and Bank of the West and Authorizing Related Actions to Finance the Installation of a Heating, Ventilation and Air Conditioning System at the Stanislaus County Community Services Facility

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system replacement project must come from a bona fide third party such as a bank or a public bond offering. The issue of reimbursement of federal and state funding needed for this project has been fully resolved to the County's advantage.

### Community Services Facility Heating, Ventilation and Air Conditioning Financing

As approved by the Board of Supervisors on October 20, 2015, the County's team engaged KNN Public Finance, the County's financial advisor, to pursue a lease financing approach to finance the costs of the HVAC project with an expected term of 15 years. At that time, the updated engineering report preliminarily suggested a possible range between \$10 million and \$11.5 million for the total project cost of this effort.

On May 3, 2016, the Board of Supervisors approved matters related to the Project financing and implementation. The financing plan approval was recommended by the County's Debt Advisory Committee at its April 19, 2016 meeting. The DAC provides advice on the issuance and management of the County's debt. Members of the Committee include the Chief Executive Officer, Auditor-Controller, Treasurer-Tax Collector, County Counsel, Director of Planning and Community Development, and the Public Works Director.

The approved financing plan approach is described below:

- The County will use a lease financing approach to finance the costs of the HVAC project with an expected term of fifteen years and an expected par amount of approximately \$10 million.
- The County will pursue a Direct Purchase of the COP/lease financing by a commercial bank (i.e., a private placement) using the bank qualified method.
- The County will pledge a portion of the Community Services Facility as the leased asset for the HVAC Financing. In order to pledge a portion of the CSF as the leased asset, the 2007 Certificates of Participation, scheduled to be paid off in 2018, must be paid off /defeased early in the Summer of 2016.
- This action will further reduce the amount of County debt.

Pursuant to the Board's authority, the County team pursued a Direct Purchase approach of a Certificates of Participation (COP)/lease financing by a commercial bank, i.e., a private placement, utilizing a Bank Qualified method (which includes a County covenant not to issue more than \$10 million in tax-exempt financing in the calendar year in which the Bank Qualified financing occurs). Bank Qualification (BQ) is a designation given to a bond offering if the issuer is reasonably expected to issue no more than \$10 million of tax exempt securities in a calendar year. Designating securities as BQ widens the potential investor base by including commercial banks. Generally there is a pricing benefit (lower interest cost) if bonds can be designated BQ. BQ bonds can be sold either via a public sale or a direct purchase/private placement. The Direct Purchase involves lower overall costs of issuance, as no ratings, official statement or underwriter is required. Also, the Direct Purchase transaction will not require the funding of a debt service reserve fund.

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A Request for Proposals (RFP) was issued by the Placement Agent (Raymond James) to identify the best commercial bank to provide the financing using the bank qualified method. The RFP process was successful, several proposals were received and the County's team selected Bank of the West as the proposer that provided the proposal and terms most advantageous to meet the County's financing goals. Bank of the West is currently the County's bank as well.

Overview of Lease Financing Transaction

In order to obtain funds to finance the Project, the County will lease Pod C of the CSF and the improvements thereto to the Stanislaus County Capital Improvements Financing Authority pursuant to a Site Lease. The County will then sublease Pod C and its improvements from the Authority pursuant to a Facilities Sublease. In consideration of the assignment by the Authority of its rights to receive lease payments to be paid under the Sublease to Bank of the West pursuant to an Assignment Agreement, Bank of the West will provide to the County the funds to finance the CSF HVAC Project.

Accordingly, in order to carry out the lease financing transaction, it is necessary for the Board of Supervisors to authorize execution of the recommended Board of Supervisors Resolution attached as Exhibit A and the following documents in substantially the same form as presented in Exhibits B, C, and D:

- a) The form of the Site Lease between the County of Stanislaus and the Stanislaus County Capital Improvements Financing Authority, by which the County leases to the Authority Pod C of the Community Services Facility;
- b) The form of the Facilities Sublease by and between the Stanislaus County Capital Improvements Financing Authority and the County of Stanislaus relating to the Community Services Facility HVAC Project. This is the key operative document for this financing transaction pursuant to which the Authority leases back to the County the leased premises – Pod C; and
- c) The form of Supplemental Agreement between the County of Stanislaus and Bank of the West, which contains various representations, warranties and covenants by the County to induce Bank of the West to provide the funds to finance the CSF HVAC Project.

Separately, it is recommended that this Board, when sitting as the Stanislaus County Capital Improvements Financing Authority (CIFA), will authorize the execution of an Assignment Agreement between the Authority and Bank of the West, pursuant to which rights are assigned and Bank of the West pays the funds over to the County for the financing to finance the CSF HVAC project.

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Defeasance of Existing Financing on Same Site

It is recommended that the Community Services Facility, Pod C, be used as collateral for financing. This will allow for the facility to which the improvement is being made, to be used as the pledged asset (collateral) for this project's financing.

Pod C is currently being used as collateral for 2007(A) COP which is scheduled to be paid off in Fiscal Year 2017-2018. In 2007, the County authorized the execution and delivery of the County of Stanislaus \$40,540,000 refunding Certificates of Participation Series A of 2007 pursuant to a 2007 Trust Agreement by and among the County, the Stanislaus County Capital Improvements Financing Authority, and the Bank of New York Mellon Trust Company, N.A., as Trustee.

In order to use Pod C as collateral for the Community Services Facility HVAC Project, it is recommended the County defease the 2007(A) COP by the use of funds held by the Trustee for the 2017-2018 payment and accelerating the payment for Fiscal Year 2016-2017. The County will pay the entirety of the previously scheduled 2017 payments in August of 2016. The 2018 payment was prepaid as part of the COP and is already being held in an escrow account. The 2018 payment can be paid in 2016 without penalty. The County will then use Pod C as pledged asset to secure financing for the project, with an expected term of 15 years.

In order to accomplish this approach, it is necessary for the Board to authorize execution of the following two documents in substantially the same form as presented in Exhibits E and F:

- a) The form of Termination Agreement by and among the Stanislaus County Capital Improvements Financing Authority and the County of Stanislaus and The Bank of New York Mellon Trust Company, N.A. relating to Certificates of Participation (Capital Improvement Program) Series 2007; and
- b) The form of Escrow Agreement Authorization.

Notice of Public Hearing

As required by Government Code Section 6586.5, and as reflected in Exhibit G, the Clerk of the Board published notice of this public hearing in the Modesto Bee on August 5, 2016, which is more than five days in advance of this public hearing.

**POLICY ISSUE:**

Approval of the recommended actions will ensure the County is maintaining a major asset through its useful life, resulting in a workplace that is appropriate for the workplace.

**FISCAL IMPACT:**

The total Community Services Facility Heating, Ventilation and Air Conditioning Project cost is expected to be \$8.9 million which is significantly lower than the initial estimated cost range of between \$10 million and \$11.3 million for this project.

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The County has funds totaling \$1.3 million from the Child Support Transition to the State of California, which can be used to reduce the cost of the debt incurred to \$7.6 million. The annual anticipated debt cost for the net \$7.6 million is approximately \$613,000. In addition to the Project costs, the estimated financing costs of \$175,000 will be reimbursed through the financing. There is provision for pre-payment up to \$1.5 million with no penalty within the first 18 months should there be a savings in the final Project cost.

State and Federal reimbursement is the key factor in the County's ability to move forward with this much needed repair/replacement project. The Community Services Facility Departments can claim reimbursement for these costs given the fact they are capital expenditures.

The final financing plan was presented to the Debt Advisory Committee in the Summer of 2016. The Project budget, along with the financing plan, is now presented to the Board of Supervisors for approval.

<b>Cost of recommended action:</b>		\$ 9,075,000
<b>Source(s) of Funding:</b>		
Bank of the West Financing	7,775,000	
Committed Fund Balance (Child Support)	1,300,000	
<b>Funding Total:</b>	\$ 9,075,000	
<b>Net Cost to County General Fund</b>		\$ -

<b>Fiscal Year:</b>	2016-2017
<b>Budget Adjustment/Appropriations needed:</b>	No

**BOARD OF SUPERVISORS' PRIORITY:**

The recommended actions support the Board's priorities of A Healthy Community, Efficient Delivery of Public Services and Effective Partnerships by ensuring staff and Community members have a sound physical environment in which to conduct business.

**STAFFING IMPACT:**

This project will be delivered successfully by the County's Capital Projects Team.

**CONTACT PERSON:**

Patricia Hill Thomas, Project Manager. Telephone: (209) 525-6333

**ATTACHMENT(S):**

- A. Resolution of the Board of Supervisors of the County of Stanislaus Authorizing the Execution and Delivery of Certain Documents and Authorizing Certain Actions in Connection Therewith in Order to Finance Certain Capital Improvements at the Community Services Building.

Public Hearing to Consider Approval of a Resolution Authorizing the Execution and Delivery of Certain Documents with the Stanislaus County Capital Improvements Financing Authority and Bank of the West and Authorizing Related Actions to Finance the Installation of a Heating, Ventilation and Air Conditioning System at the Stanislaus County Community Services Facility

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- B. Form of Site Lease between the County of Stanislaus and the Stanislaus County Capital Improvements Financing Authority.
- C. Form of Facilities Sublease by and between the Stanislaus County Capital Improvements Financing Authority and the County of Stanislaus relating to the Community Services Facility HVAC Project.
- D. Form of Supplemental Agreement between the County of Stanislaus and Bank of the West.
- E. Form of Termination Agreement by and among the Stanislaus County Capital Improvements Financing Authority and the County of Stanislaus and The Bank of New York Mellon Trust Company, N.A. relating to Certificates of Participation (Capital Improvement Program) Series 2007.
- F. Form of Escrow Agreement Authorization.
- G. Proof of Publication of Notice of Public Hearing.



# Attachment A

RESOLUTION NO. 2016-422

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF  
THE COUNTY OF STANISLAUS AUTHORIZING THE  
EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS  
AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION  
THEREWITH IN ORDER TO FINANCE CERTAIN CAPITAL  
IMPROVEMENTS AT THE COMMUNITY SERVICES  
BUILDING**

WHEREAS, the Stanislaus County Capital Improvements Financing Authority is a joint powers authority organized and existing under the laws of the State of California (the "Authority") authorized to assist the County of Stanislaus (the "County") in financing capital improvements; and

WHEREAS, the Authority and the County desire to proceed with a transaction to enable the County to finance capital improvements to the heating, ventilation and air conditioning systems (the "Project") at the County's Community Services Building (the "Building");

WHEREAS, the Board of Supervisors of the County has held a duly noticed public hearing on the financing of the Project in accordance with Section 6586.5 of the Marks-Roos Local Bond Pooling Act of 1985, commencing with Section 6584 of the California Government Code (the "Act") and now desires to adopt this resolution approving the financing and making a finding of significant public benefit in accordance with the Act;

WHEREAS, to facilitate the financing of the Project the County and the Authority intend to enter into that certain Site Lease (the "Site Lease") and that certain Facilities Sublease (the "Sublease"), the forms of which have been presented to the Board of Supervisors at the meeting at which this Resolution has been adopted, pursuant to which Site Lease the Authority will agree to lease from the County a portion of the Building commonly referred to as Pod C (the "Leased Premises"), and pursuant to which Sublease the County will agree to sublease the Leased Premises from the Authority and to pay certain lease payments in connection therewith to the Authority; and

WHEREAS, the Authority and Bank of the West (the "Assignee") will enter into an Assignment Agreement by and between the Authority and the Assignee (the "Assignment Agreement"), the form of which has been presented to the Board of Supervisors at the meeting at which this Resolution has been adopted, pursuant to which the Authority will assign certain of its rights in the Site Lease and the Facilities Sublease to the Assignee, and the Assignee will, in consideration of such assignment, pay an amount equal to the principal components of the lease payments to be made by the County pursuant to the Sublease which will be applied by the County to pay the costs of the Project and the costs of issuance related to the transaction;

WHEREAS, the Board of Supervisors desires to consent to the terms of the Assignment Agreement;

WHEREAS, in connection with its providing the financing for the Project, the Assignee is requiring that the County enter into that certain Supplemental Agreement (the "Supplemental Agreement"), the form of which has been presented to the Board of Supervisors at the meeting at which this Resolution has been adopted;

WHEREAS, the Leased Premises are currently encumbered by certain lease agreements (the "Prior Leases") by and between the County and the Authority executed with respect to the County of Stanislaus Refunding Certificates of Participation Series A of 2007 (the "Prior Certificates");

WHEREAS, prior to or simultaneous with the execution and delivery of the Sublease, the Prior Certificates will be defeased by the County through the execution and delivery by the County and U.S. Bank National Association of an Escrow Agreement, the form of which has been presented to the Board of Supervisors at the meeting at which this Resolution has been adopted; and

WHEREAS, upon the defeasance of the Prior Certificates the Prior Leases will terminate, which termination will be evidenced by that certain Termination Agreement (the "Termination Agreement") by and among the County, the Authority and U.S. Bank National Association, as trustee for the Prior Certificates, the form of which has been presented to the Board of Supervisors at the meeting at which this Resolution has been adopted;

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing of the Project and the defeasance of the Prior Certificates authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the County is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing and defeasance for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Stanislaus that:

Section 1. Each of the foregoing recitals is true and correct. The Board of Supervisors finds and determines that using the powers of the Authority under the Act to assist in the financing of the Project will result in significant public benefits to the citizens of the County within the meaning of Section 6586(a) through (d), inclusive, of the Act, in that the financing will result in demonstrable savings in effective interest rate and in issuance costs to the County. The Board of Supervisors hereby approves the financing of the Project and the defeasance of the Prior Certificates as described in this Resolution.

Section 2. The forms of the Site Lease, the Sublease, the Assignment Agreement, the Escrow Agreement, the Supplemental Agreement and the Termination Agreement (together, the "Agreements") presented at this meeting are hereby approved. Each of the Chairman of the Board of Supervisors, the Chief Executive Officer of the County, the Treasurer-Tax Collector of the County or their designees (collectively, the "Authorized Officers"), acting alone, is hereby authorized for and in the name of the County to execute, and the Clerk of the Board of Supervisors is authorized to attest, the Agreements, in substantially the forms hereby approved, with such additions thereto and changes therein as the Authorized Officer or Authorized Officers executing the same deem to be necessary, including, but not limited to, additions and changes thereto as are required by the Assignee as a condition to its entering into and performing its obligations under the Assignment Agreement; provided, however, that the terms of the Sublease, as executed, shall comply with the limitations set forth in Section 3 below. Approval of such changes shall be conclusively evidenced by the execution and delivery thereof by any one of the Authorized Officers. Each of the Authorized Officers is further authorized to execute, acknowledge and deliver any and all documents required to consummate the transactions contemplated by the Agreements.

Section 3. The term of the Sublease shall end not later than September 1, 2032, except as otherwise provided therein regarding an extension of the term. Base Rental Payments (as defined in the Sublease) to be made by the County under the Sublease shall not exceed \$850,000 in any year and the principal component of Base Rental Payments shall not exceed \$8,000,000. The Board of Supervisors hereby finds and determines that the Base Rental Payments and the Additional Rental (as defined in the Sublease) to be paid by the County under the Facilities Sublease in each year will not exceed the contemporaneous consideration received by the County for its use and occupancy of the Leased Premises in such year.

Section 4. The County hereby consents to the assignment by the Authority to the Assignee of certain of the Authority's rights under the Site Lease and the Sublease, including the right to receive the Base Rental Payments and Additional Rental payments due to the Assignee under the Sublease, and hereby approves the form of the Assignment Agreement by and between the Authority and the Assignee. The consideration paid by the Assignee pursuant to the Assignment Agreement shall be in an amount equal to the principal components due under the Sublease and will be applied to finance the Project and to pay costs incurred by the County in connection with the execution and delivery of the Sublease and the defeasance of the Prior Certificates.


Section 5. Each of the Authorized Officers and the other officers of the County, acting alone, is hereby authorized to do any and all things and to execute and deliver any and all documents and agreements which they may deem necessary and advisable in order to consummate the financing of the Project and the defeasance of the Prior Certificates and otherwise effectuate the purposes of this Resolution. In the event the Chairman and Vice Chairman of the Board of Supervisors are unavailable or unable to execute and deliver any of the above referenced documents, any other member of the Board of Supervisors may validly execute and deliver such document. In the event that the Clerk of the Board of Supervisors is unavailable or unable to execute and deliver any of the above-referenced documents, any deputy clerk may validly execute and deliver such document.

Section 6. The Board of Supervisors hereby designates the Sublease as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended..

Section 6. All actions heretofore taken by any officer of the County with respect to the execution and delivery of the Sublease, the financing of the Project and the defeasance of the Prior Certificates are hereby approved, confirmed and ratified.

Section 7. This Resolution shall take effect from and after its date of adoption.

ADOPTED, SIGNED AND APPROVED this 16<sup>th</sup> day of August, 2016.

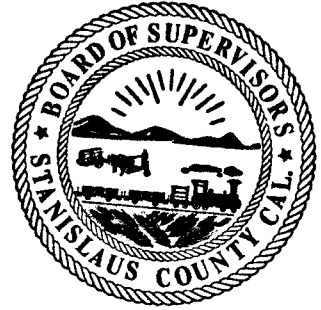


Chairman of the Board of Supervisors

ATTEST:



Clerk of the Board of Supervisors  
County of Stanislaus, California



STATE OF CALIFORNIA    )  
                                  ) ss.  
COUNTY OF STANISLAUS )

I, Elizabeth A. King, Clerk of the Board of Supervisors of Stanislaus County, California, hereby certify that the above and foregoing Resolution was duly and regularly adopted by the said Board at a regular meeting thereof held on the 16<sup>th</sup> day of August, 2016, and that it was so adopted by the following vote of said Board:

AYES:           SUPERVISORS   O'Brien, Chiesa, Withrow, DeMartini and  
  Chairman Monteith

NOES:           SUPERVISORS   None

ABSENT:        SUPERVISORS   None


IN WITNESS WHEREOF, I have hereunto set my hand and seal this 16th day of  
August, 2016.

  
\_\_\_\_\_  
Clerk of the Board of Supervisors of  
Stanislaus County, California

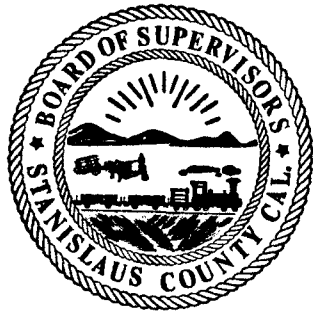
STATE OF CALIFORNIA    )  
                                  ) ss.  
COUNTY OF STANISLAUS )

I, Elizabeth A. King, Clerk of the Board of Supervisors of the County of Stanislaus, do hereby certify that the above and foregoing Resolution is a full, true and correct copy of Resolution No. 2016-422 of said Board, and that the same has not been amended or repealed as of the date hereof.

DATED: August 16, 2016.

  
\_\_\_\_\_  
Clerk of the Board of Supervisors of Stanislaus  
County, California

(SEAL)



# Attachment B



**RECORDING REQUEST BY:** )  
County of Stanislaus )  
**AND WHEN RECORDED MAIL TO:** )  
Stradling Yocca Carlson & Rauth )  
660 Newport Center Drive, Suite 1600 )  
Newport Beach, California 92660 )  
Attention: Robert J. Whalen, Esq. )

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[Space above for Recorder's use.]

This document is recorded for the benefit of the County of Stanislaus, and the recording is fee exempt under Section 27383 of the Government Code.

**SITE LEASE**

between

**COUNTY OF STANISLAUS**

and

**STANISLAUS COUNTY CAPITAL IMPROVEMENTS FINANCING AUTHORITY  
COUNTY OF STANISLAUS**

Dated as of August 1, 2016

**Relating to**

**Community Services Facility HVAC Project**

## SITE LEASE

This Site Lease is made and entered into as of August 1, 2016, by and between the COUNTY OF STANISLAUS, a political subdivision of the State of California (the "State") duly organized and existing under and by virtue of the laws of the State, as lessor (the "County"), and the STANISLAUS COUNTY CAPITAL IMPROVEMENTS FINANCING AUTHORITY, a joint powers authority duly organized and existing under the laws of the State, as lessee (the "Authority").

### W I T N E S S E T H :

WHEREAS, the County has entered into this Site Lease (the "Site Lease") with the Authority for the purpose of leasing the real property described in Exhibit A hereto and the improvements thereon (such real property and improvements are together referred to herein as the "Leased Premises"), to the Authority, as lessee hereunder; and

WHEREAS, the County intends to sublease the Leased Premises from the Authority, pursuant to the terms of that certain Facilities Sublease, dated the date hereof, between the Authority and the County (the "Sublease") in order to obtain funds to finance the Project as described in the Sublease; and

WHEREAS, the Leased Premises are commonly known as "Pod C" of the County's Community Services Center located on the real property described in Exhibit B hereto (the "CSF Site"); and

WHEREAS, by resolution of the Board of Supervisors of the County, the County has duly authorized the execution and delivery of this Site Lease;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other valuable consideration, it is hereby mutually agreed as follows:

SECTION 1. Definitions. Unless the context otherwise requires, the capitalized terms herein which are not defined herein shall have the meanings specified in the Sublease.

SECTION 2. Sublease of the Leased Premises; Substitution. The County hereby leases to the Authority and the Authority hereby leases from the County the Leased Premises, on the terms and conditions hereinafter set forth, subject to any easements, encumbrances and restrictions of record.

The County further grants, conveys and confirms to the Authority, for the use, benefit and enjoyment of the Authority and its successors in interest to the Leased Premises, and their respective employees, invitees, agents, independent contractors, patrons, customers, guests and members of the public visiting the Leased Premises, a right of entry which shall be irrevocable for the term of this Site Lease over, across and under the CSF Site to and from the Leased Premises for the purpose of: (a) ingress, egress, passage or access to and from the Leased Premises by pedestrian or vehicular traffic; (b) installation, maintenance and replacement of utility wires, cables, conduits and pipes; and (c) other purposes and uses necessary or desirable for access to and from and for operation and maintenance of the Leased Premises. The foregoing right of entry is expressly subject to the implementation and application of security measures by the County, in its sole discretion.

The County agrees to provide or cause to be provided to the Authority, at reasonable rates and charges payable by the Authority (and which rates and charges the County agrees to pay pursuant to the Sublease), its assigns or sublessees, adequate parking spaces and such utility services, including electricity, gas, water, sewer, garbage disposal, heating, air conditioning and telephone, as the County provides or causes to be provided to the remainder of the CSF Site.

The County reserves the right at any time to substitute other real property and improvements for all or a portion of the Leased Premises, upon compliance with the provisions of Section 15 of the Sublease (a "Substitution"). In the event of such Substitution, the parties hereto agree to execute the appropriate documents evidencing the termination of the Authority's right hereunder in the prior Leased Premises, or any portion thereof, and its acceptance of an interest in the new Leased Premises, such documents to include the replacement of Exhibits A and B hereto with new Exhibits A and B accurately describing the substitute real property and any improvements thereon. The Authority shall not be entitled to any offset, abatement or reduction in rental hereunder as a result of any Substitution.

SECTION 3. Term. The term of this Site Lease shall commence as of the date hereof and shall remain in effect until the earlier of August 1, 2031 or the date of expiration of the Sublease as provided for by Section 2 thereof, unless such term is sooner terminated as hereinafter provided, however, if the term of the Sublease is extended pursuant to Section 2 of the Sublease, the term of this Site Lease shall also be extended, except that the term of this Site Lease shall in no event extend beyond August 1, 2041.

SECTION 4. Rental. The Authority, or any assignee or successor in interest of the Authority under this Site Lease, shall pay upon execution and delivery of this Site Lease to the County as and for rental hereunder, the sum of \$7,775,000 by causing such amount to be deposited with the Assignee for the benefit of the County. As additional consideration for the leasing of the Leased Premises to it, the Authority shall execute and deliver the Sublease. The Authority hereby waives any right that it may have under the laws of the State of California to receive a rebate of any rent paid hereunder in full or in part in the event there is a substantial interference with the use and right of possession by the Authority or its sublessee of the Leased Premises or any portion thereof as a result of material damage, destruction or condemnation.

SECTION 5. Purpose. The Authority shall sublease back the Leased Premises to the County pursuant to the Sublease for the purposes described in the Sublease and for such purposes as may be incidental thereto.

SECTION 6. Representations, Warranties and Covenants. The County represents and warrants that it is the owner in fee of the Leased Premises. The Authority covenants that it shall not encumber the Leased Premises except for Permitted Encumbrances.

SECTION 7. Sale and Assignment by Authority. The County acknowledges and consents to the sale and assignment by the Authority of its right, title and interest in and to this Site Lease to the Bank of the West under the terms of the Assignment Agreement, dated as of the date hereof (the "Assignment Agreement"), by and between the Authority and the Bank of the West. Unless the County shall be in default under the Sublease, no other sale or assignment of any rights hereunder by the Authority shall be permitted without the consent of the County.

SECTION 8. Actions on Termination. The Authority agrees, upon the termination of this Site Lease, to quit and surrender the Leased Premises in the same good order and condition as they were in at the time the real property then constituting the Leased Premises became subject to this Site Lease, reasonable wear and tear excepted, and agrees that any permanent improvements and structures existing upon the real property comprising the Leased Premises at the time of the termination of this Site Lease shall remain thereon and all interest therein shall vest in the County free and clear of any interest of the Authority.

SECTION 9. Quiet Enjoyment. The Authority at all times during the term of this Site Lease shall peaceably and quietly have, hold and enjoy all of the Leased Premises, subject only to Permitted Encumbrances.

SECTION 10. 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 of this Site Lease, which default continues for 30 days following written notice to and demand for correction thereof by the County, the County may exercise any and all remedies granted by law which do not adversely affect the interests of the Assignee; provided that the County may not terminate this Site Lease and shall exercise only remedies providing for specific performance hereunder.

SECTION 11. Taxes. The County covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Leased Premises.

SECTION 12. Eminent Domain. In the event the whole or any part of the Leased Premises is taken by eminent domain proceedings, the interest of the Authority shall be recognized and is hereby determined to be the total amount of the unpaid Principal Components of the Base Rental Payments under the Sublease.

SECTION 13. Partial Invalidity. If any one or more of the terms, provisions, covenants or conditions of this Site Lease 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 terms, provisions, covenants and conditions of this Site Lease shall be affected thereby, and each provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 14. Applicable Law. This Site Lease shall be governed by and construed in accordance with the laws of the State.

SECTION 15. Representatives. Whenever under the provisions of this Site Lease the approval of the Authority or the County is required, or the Authority or the County is required to take some action at the request of the other, such approval or such request shall be given for the Authority by an authorized officer of the Authority and for the County by a County Representative and any party hereto shall be authorized to rely upon any such approval or request.

SECTION 16. Notices. All notices or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when delivered or mailed by certified mail, postage prepaid:

If to the County:

County of Stanislaus  
1010 10th Street, Suite 6800  
Modesto, California 95354  
Attention: Chief Executive Officer

If to the Authority:

Stanislaus County Capital Improvements Financing Authority  
1010 10th Street, Suite 6800  
Modesto, California 95354  
Attention: Chairman

The Authority and the County, by notice given hereunder, may designate different addresses to which subsequent notices or other communications will be sent.

SECTION 17. Captions. The captions or headings in this Site Lease are for convenience only and in no way define, limit or describe the scope or intent of any provision or section of this Site Lease.

SECTION 18. Execution in Counterparts. This Site Lease may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same instrument.

SECTION 19. Amendment. The terms of this Site Lease shall not be waived, altered, modified, supplemented or amended in any manner whatsoever, except by written instrument signed by the Authority and the County, with the prior written consent of the Assignee or its successors and assigns.

SECTION 20. Waste. The Authority agrees that at all times that it is in possession of the Leased Premises, it will not commit, suffer or permit any waste on the Leased Premises, and that it will not willfully or knowingly use or permit the use of the Leased Premises for any illegal purpose or act.

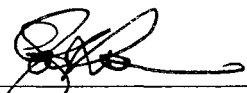
SECTION 21. Further Assurances and Corrective Instruments. The County and the Authority agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Premises leased or intended to be leased hereunder or for carrying out the expressed intention of this Site Lease and the Sublease.

SECTION 22. Waiver of Personal Liability. All liabilities under this Site Lease on the part of the Authority shall be solely liabilities of the Authority as a joint powers authority, and the County hereby releases each and every director and officer of the Authority of and from any personal or individual liability under this Site Lease. No director or officer of the Authority shall at any time or under any circumstances be individually or personally liable under this Site Lease to the County or to any other party whomsoever for anything done or omitted to be done by the Authority hereunder.

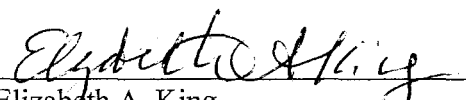
All liabilities under this Site Lease on the part of the County shall be solely liabilities of the County, and the Authority hereby releases each and every member of the Board of Supervisors, officer and employee of the County of and from any personal or individual liability under this Site Lease. No member of the Board of Supervisors, officer or employee of the County shall at any time or under any circumstances be individually or personally liable under this Site Lease to the Authority or to any other party whomsoever for anything done or omitted to be done by the County hereunder.

IN WITNESS WHEREOF, the parties have caused this Site Lease to be executed by their duly authorized officers on the date and year first above written.

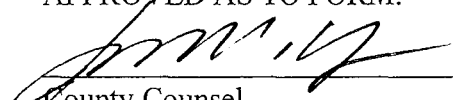
COUNTY OF STANISLAUS, as Lessor

By:   
Stan Risen  
Chief Executive Officer


ATTEST:

  
Elizabeth A. King  
Clerk of the Board of Supervisors

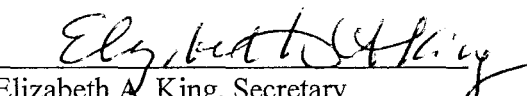
APPROVED AS TO FORM:

  
County Counsel

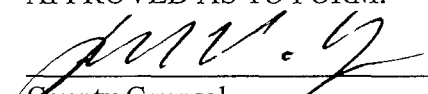
STANISLAUS COUNTY CAPITAL  
IMPROVEMENTS FINANCING AUTHORITY,  
as Lessee

By:   
Dick Monteith  
Chairman

ATTEST:

  
Elizabeth A. King, Secretary

APPROVED AS TO FORM:

  
County Counsel

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.  
)

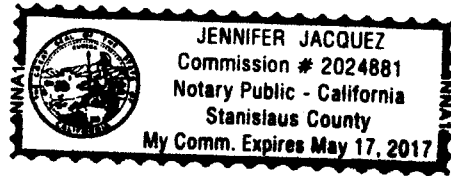
COUNTY OF STANISLAUS

On 8/23/14 before me, Jennifer Jaquez, Notary Public, personally appeared Stanley Edward Riser, 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

Jennifer Jaquez  
SIGNATURE OF NOTARY PUBLIC





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STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF STANISLAUS )

On 8/23/16 before me, Jennifer Jacquez, Notary Public, personally appeared Elizabeth Aileen King, 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.

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Jennifer Jacquez  
SIGNATURE OF NOTARY PUBLIC



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STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF STANISLAUS )

On 8/23/16 before me, Jennifer Jacquez, Notary Public, personally appeared Richard Jay Montelth, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is~~ is 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.

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STATE OF CALIFORNIA )

) ss.

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Jennifer Jaquez  
SIGNATURE OF NOTARY PUBLIC

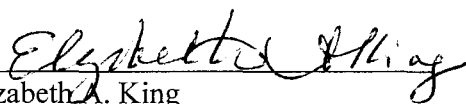


IN WITNESS WHEREOF, the parties have caused this Site Lease to be executed by their duly authorized officers on the date and year first above written.

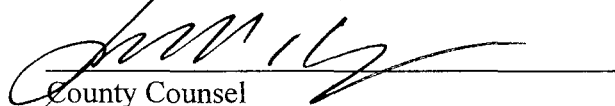
COUNTY OF STANISLAUS, as Lessor

By:   
Stan Risen  
Chief Executive Officer


ATTEST:

  
Elizabeth A. King  
Clerk of the Board of Supervisors


APPROVED AS TO FORM:

  
County Counsel

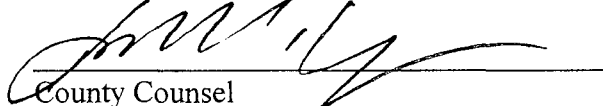
STANISLAUS COUNTY CAPITAL  
IMPROVEMENTS FINANCING AUTHORITY,  
as Lessee

By:   
Dick Monteith  
Chairman

ATTEST:

  
Elizabeth A. King, Secretary

APPROVED AS TO FORM:

  
County Counsel

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STATE OF CALIFORNIA

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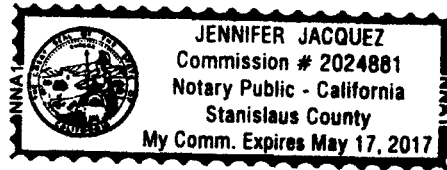
COUNTY OF STANISLAUS

On 8/23/14 before me, Jennifer Jacquetz, Notary Public, personally appeared Stanley Edward Risero, 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.

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Jennifer Jacquetz  
SIGNATURE OF NOTARY PUBLIC



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STATE OF CALIFORNIA

)  
) ss.

COUNTY OF STANISLAUS

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SIGNATURE OF NOTARY PUBLIC



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STATE OF CALIFORNIA

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COUNTY OF STANISLAUS

On 8/23/14 before me, Jennifer Jacquery, Notary Public, personally appeared Richard Jay Monteth, 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.

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WITNESS my hand and official seal

Jennifer Jacquery  
SIGNATURE OF NOTARY PUBLIC



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STATE OF CALIFORNIA

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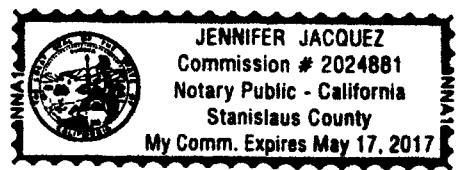
COUNTY OF STANISLAUS

On 8/23/16 before me, Jennifer Jacquez, Notary Public, personally appeared Elizabeth Arleen King, 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.

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WITNESS my hand and official seal

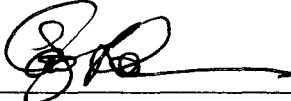
Jennifer Jacquez  
SIGNATURE OF NOTARY PUBLIC





IN WITNESS WHEREOF, the parties have caused this Site Lease to be executed by their duly authorized officers on the date and year first above written.

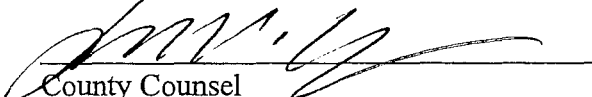
COUNTY OF STANISLAUS, as Lessor

By:   
Stan Risen  
Chief Executive Officer

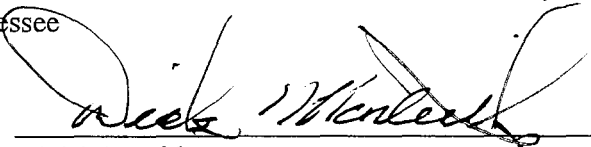
ATTEST:

  
Elizabeth A. King  
Clerk of the Board of Supervisors

APPROVED AS TO FORM:

  
County Counsel


STANISLAUS COUNTY CAPITAL  
IMPROVEMENTS FINANCING AUTHORITY,  
as Lessee

By:   
Dick Monteith  
Chairman

ATTEST:

  
Elizabeth A. King, Secretary

APPROVED AS TO FORM:

  
County Counsel

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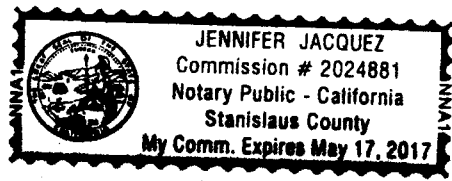
STATE OF CALIFORNIA )  
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COUNTY OF STANISLAUS )

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STATE OF CALIFORNIA

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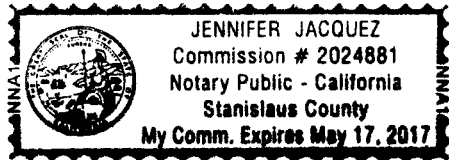
COUNTY OF STANISLAUS

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SIGNATURE OF NOTARY PUBLIC



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STATE OF CALIFORNIA

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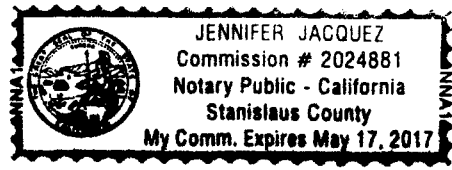
COUNTY OF STANISLAUS

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Jennifer Jacquez  
SIGNATURE OF NOTARY PUBLIC



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STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF STANISLAUS )

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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

Jennifer Jacquetz  
SIGNATURE OF NOTARY PUBLIC



**CERTIFICATE OF ACCEPTANCE**

This is to certify that the interest in real property conveyed under the foregoing to the Stanislaus County Capital Improvements Financing Authority (the "Authority"), a body corporate and politic, is hereby accepted by the undersigned officer or agent on behalf of the Board of the Authority, pursuant to authority conferred by resolution of the said Board adopted on August 16, 2016, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: August 23, 2016

STANISLAUS COUNTY CAPITAL  
IMPROVEMENTS FINANCING AUTHORITY  
as Lessee

By: \_\_\_\_\_

  
Dick Monteith  
Chairman

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STATE OF CALIFORNIA

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) ss.  
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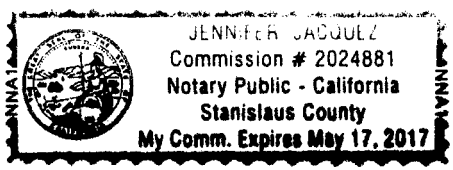
COUNTY OF STANISLAUS

On 8/23/14 before me, Jennifer Jasquez, Notary Public, personally appeared Richard Jay Montith 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

Jennifer Jasquez  
SIGNATURE OF NOTARY PUBLIC



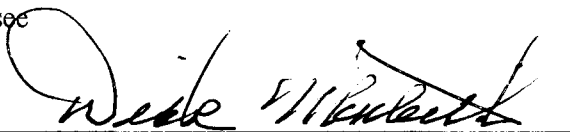
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Dated: August 23, 2016

STANISLAUS COUNTY CAPITAL  
IMPROVEMENTS FINANCING AUTHORITY,  
as Lessee

By:



Dick Monteith  
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 STANISLAUS

On 8/23/14 before me, Jennifer Jacquez, Notary Public, personally appeared Richard by Monteith, 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

Jennifer Jacquez  
SIGNATURE OF NOTARY PUBLIC



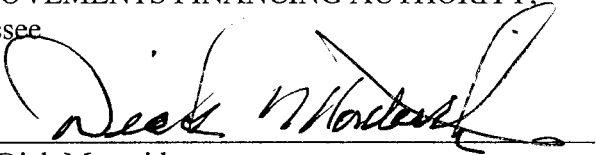
**CERTIFICATE OF ACCEPTANCE**

This is to certify that the interest in real property conveyed under the foregoing to the Stanislaus County Capital Improvements Financing Authority (the "Authority"), a body corporate and politic, is hereby accepted by the undersigned officer or agent on behalf of the Board of the Authority, pursuant to authority conferred by resolution of the said Board adopted on August 16, 2016, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: August 23, 2016

STANISLAUS COUNTY CAPITAL  
IMPROVEMENTS FINANCING AUTHORITY,  
as Lessee

By: \_\_\_\_\_



Dick Monteith  
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.  
)

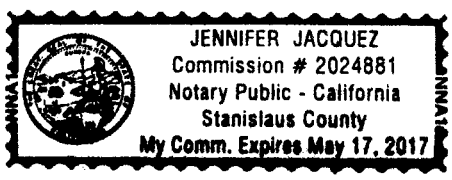
COUNTY OF STANISLAUS

On 8/23/14 before me, Jennifer Jacquez, Notary Public, personally appeared Richard Jay Montith, 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

Jennifer Jacquez  
SIGNATURE OF NOTARY PUBLIC



## EXHIBIT A

### LEGAL DESCRIPTION OF THE LEASED PREMISES

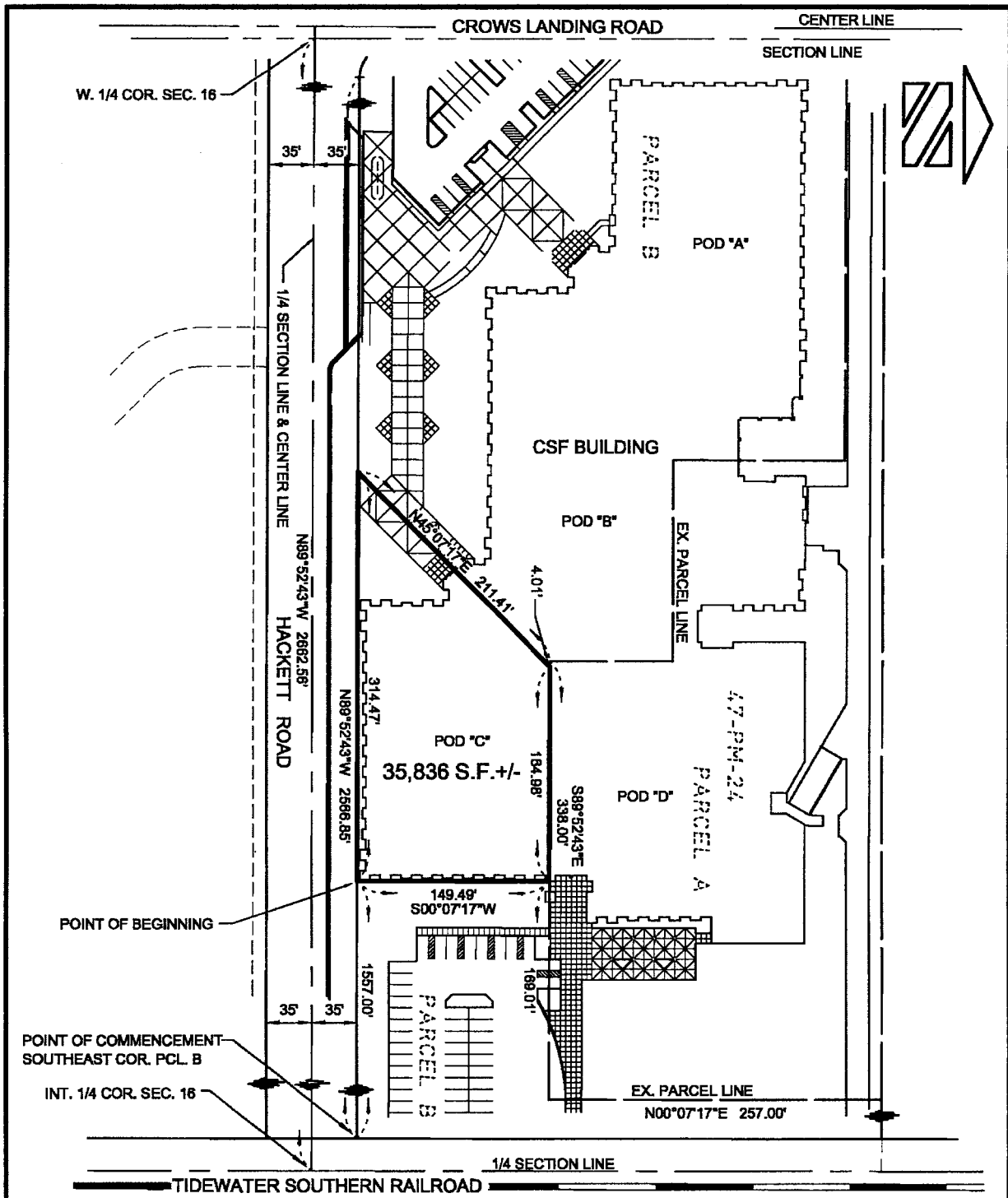
ALL that certain real property situated in the County of Stanislaus, State of California, lying within a portion of the Northwest Quarter of Sections 16, Township 4 South, Range 9 East, Mount Diablo Meridian, described as follows:

ALL that portion of Parcel "B" as shown on that map filed in the Office of the Recorder of the County of Stanislaus on June 1, 1995 in Book 47 pf Parcel Maps at Page 24, being more particularly described as follows:

#### **SITE AREA:**

COMMENCING at the Southeast corner of said Parcel "B", said corner also being the intersection point of the North right of way line of a 70.00 foot wide road known as Hackett Road with the West line of the 50.00 foot wide Tidewater Southern Railroad; thence North  $89^{\circ}52'43''$  West along the North line of said Hackett Road, also being the South line of said Parcel "B", a distance of 1557.00 feet to the POINT OF BEGINNING of this description; thence continuing along last said line North  $89^{\circ}52'43''$  West, a distance of 314.47 feet; thence North  $45^{\circ}07'17''$  East, a distance of 211.41 feet to a point on the South line of Parcel "A" of last said Parcel Map; thence South  $89^{\circ}52'43''$  East along last said South line, a distance of 164.98 feet; thence South  $00^{\circ}07'17''$  West, a distance of 149.49 feet to the point of beginning.

CONTAINING 35,836 square feet more or less.



DRAWN:	DLS
DATE:	7/21/16
SCALE:	1" = 100'
JOB #:	823P-16
DWG:	CSF-PODC_XB

**EXHIBIT "B"**  
**PLAT TO ACCOMPANY**  
**LEGAL DESCRIPTION**



**ASSOCIATED  
ENGINEERING  
GROUP**

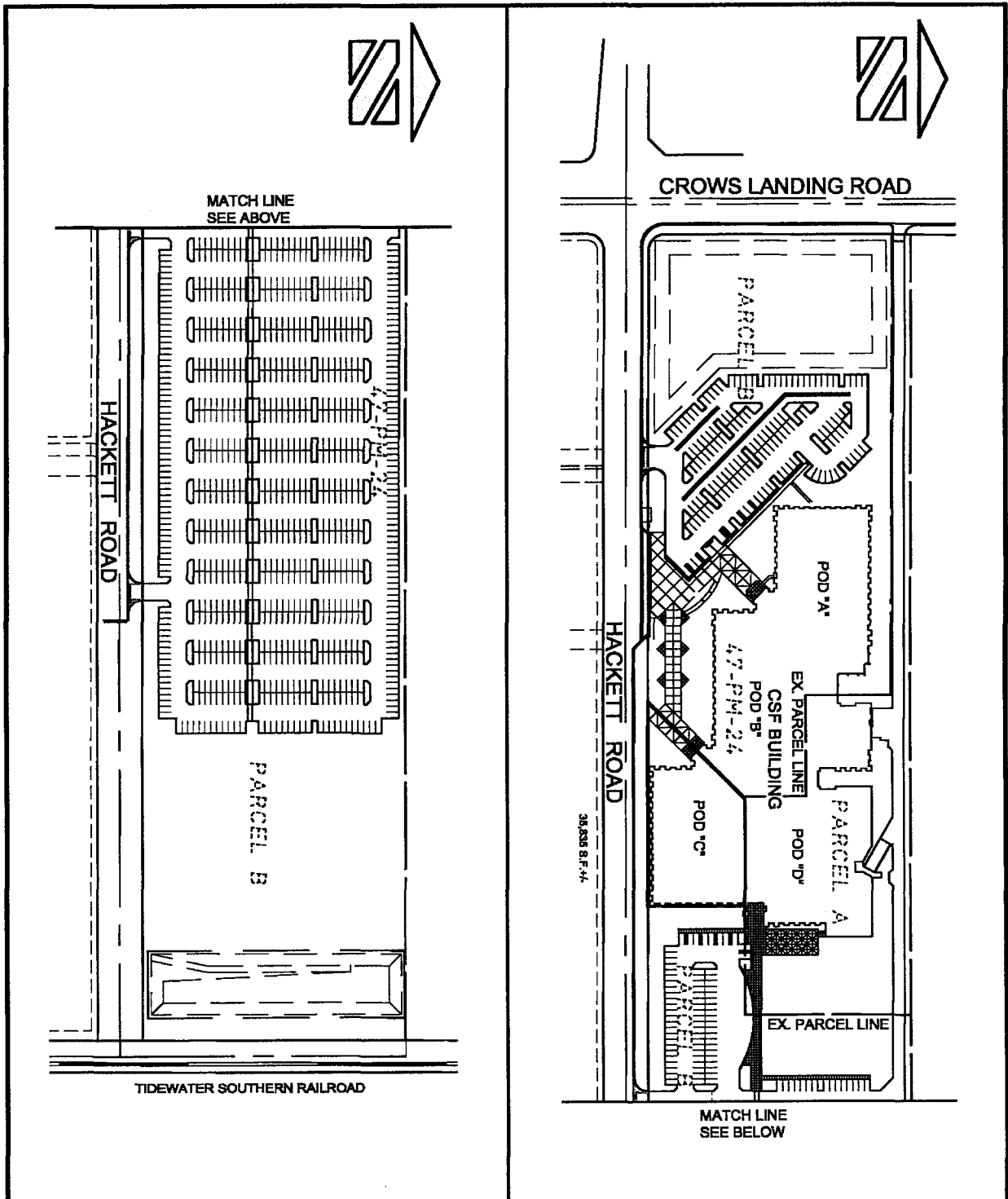
4206 TECHNOLOGY DRIVE, SUITE 4, MODESTO, CA 95356  
PHONE: (209) 545-3390 FAX: (209) 545-3875 www.assoceng.com

**EXHIBIT B**

**DESCRIPTION OF CSF SITE**

ALL that certain real property situated in the County of Stanislaus, State of California, lying within a portion of the Northwest Quarter of Sections 16, Township 4 South, Range 9 East, Mount Diablo Meridian, described as follows:

Parcel "B" as shown on that map filed in the Office of the Recorder of the County of Stanislaus on June 1, 1995 in Book 47 pf Parcel Maps at Page 24.



DRAWN: DLS
DATE: 7/21/16
SCALE: 1" = 200'
JOB #: 823P-16
DWG: CSF-PODC_XC

**EXHIBIT "C"**

**CSF BUILDING & PARKING DIAGRAM**



**ASSOCIATED  
ENGINEERING  
GROUP**

4206 TECHNOLOGY DRIVE, SUITE 4, MODESTO, CA 95356  
 PHONE: (209) 545-3390 FAX: (209) 545-3875 www.assoceng.com

# Attachment C



**RECORDING REQUESTED BY** )  
**AND WHEN RECORDED MAIL TO:** )  
 )  
Stradling Yocca Carlson & Rauth )  
660 Newport Center Drive, Suite 1600 )  
Newport Beach, California 92660 )  
Attn: Robert J. Whalen, Esq. )

---

[Space above for Recorder's use]

**FACILITIES SUBLEASE**

by and between

**STANISLAUS COUNTY CAPITAL IMPROVEMENTS FINANCING AUTHORITY,**  
as sublessor

and

**COUNTY OF STANISLAUS, CALIFORNIA,**  
as sublessee

Relating to

**COUNTY OF STANISLAUS**

Dated as of August 1, 2016

Related to

**Community Services Facility HVAC Project**

---

NO DOCUMENTARY TRANSFER TAX  
DUE. This Facilities Sublease is recorded for  
the benefit of the County of Stanislaus and the  
recording is fee-exempt under Section 27383  
of the California Government Code.

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## FACILITIES SUBLEASE

### (Community Services Facility HVAC Project)

This FACILITIES SUBLEASE, dated as of August 1, 2016 (this "Sublease"), is made by and between STANISLAUS COUNTY CAPITAL IMPROVEMENTS FINANCING AUTHORITY, a joint powers authority organized and existing under the laws of the State of California (the "Sublessor"), as sublessor, and the COUNTY OF STANISLAUS (the "Sublessee"), a political subdivision of the State of California duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "State"), as sublessee.

#### WITNESSETH:

WHEREAS, the Sublessor and the Sublessee have entered into a Site Lease (as defined herein), pursuant to which the Sublessee has leased to Sublessor certain real property, as more particularly described in Exhibit "A" hereto, located in the County of Stanislaus, California, together with the improvements located thereon, (collectively, the "Leased Premises");

WHEREAS, the Sublessor and the Sublessee have determined that it is necessary and desirable to sublease the Leased Premises pursuant to this Sublease in order to assist the County in financing the Project (as defined herein); and

WHEREAS, the Sublessor is simultaneously providing for the transfer of certain of its right, title and interest in and to this Sublease to Bank of the West pursuant to an Assignment Agreement, dated as of August 1, 2016 (the "Assignment Agreement") in order to obtain the funds to acquire and construct the Project;

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

#### **SECTION 1. DEFINITIONS; REPRESENTATIONS, WARRANTIES AND COVENANTS.**

**SECTION 1.1 Definitions.** Unless the context otherwise requires, the terms defined in this Section 1 shall, for all purposes of this Sublease, have the meanings as set forth below.

"Additional Rental" means the amounts specified as such in Section 3.1(b) hereof.

"Applicable Environmental Laws" means and shall include, but shall not be limited to, the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 USC Sections 9601 et seq.; the Resource Conservation and Recovery Act ("RCRA"), 42 USC Sections 6901 et seq.; the California Hazardous Waste Control Law ("HWCL"), California Health & Safety Code Sections 25100 et seq.; the Hazardous Substance Account Act ("HSAA"), California Health & Safety Code sections 25300 et seq.; the Porter-Cologne Water Quality Control Act (the "Porter-Cologne Act"), California Water Code Sections 1300 et seq.; the Air Resources Act, California Health & Safety Code Sections 3900 et seq.; the Safe Drinking Water & Toxic Enforcement Act, California Health & Safety Code Sections 25249.5 et seq.; and the regulations under each thereof; and any other local, state, and/or federal laws or regulations, whether currently in existence or hereafter enacted, that govern (1) the existence, cleanup, and/or remedy of contamination on property, (2) the protection of the environment from spilled, deposited, or otherwise emplaced

contamination, (3) the control of hazardous wastes, or (4) the use, generation, transport, treatment, removal, or recovery of Hazardous Substances, including building materials.

“Assignee” means Bank of the West, and any successor thereto who is a permitted assignee pursuant to Section 5 of the Assignment Agreement.

“Assignment Agreement” means the Assignment Agreement dated as of August 1, 2016 from the Sublessor to the Assignee.

“Base Rental” means the amounts specified as such in Section 3.1(a) hereof, as such amounts may be adjusted from time to time in accordance with the terms hereof, but does not include Additional Rental.

“Base Rental Payments” means the periodic payments of Base Rental to be paid by the Sublessee in accordance with Section 3.1(a) hereof, the amounts for which are set out in Exhibit “B” hereto.

“Bond Counsel” means Stradling Yocca Carlson & Rauth, a Professional Corporation, or any other attorney or firm of attorneys of nationally recognized standing in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions and acceptable to the County.

“Business Day” means a day other than a Saturday, Sunday or legal holiday or a day on which the Assignee is not open to the public to transact business.

“Closing Date” means August 31, 2016.

“County” means the County of Stanislaus, California.

“Default Rate” shall have the meaning set forth in the Supplemental Agreement.

“Excess Amounts” shall have the meaning set forth in Section 3.1(b)(iii).

“Fiscal Year” means the fiscal year of the Sublessee, which at the date of this Sublease is the period from July 1 to and including the following June 30.

“Hazardous Substance” any substance that shall, at any time, be listed as “hazardous” or “toxic” in any Applicable Environmental Law 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 Applicable Environmental Laws; 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.)

“Independent Counsel” means an attorney or firm of attorneys of recognized national standing in the field of municipal finance selected by the Sublessee.

“Interest Component” means the portion of any Base Rental payment attributable to interest as indicated in Exhibit “B” hereto.

“Leased Premises” means the real property described from time to time in Exhibit A hereto, together with all improvements located thereon, as such Exhibit A may be amended and supplemented from time to time in accordance with the provisions of this Sublease.

“Permitted Encumbrances” means as of any particular time: (1) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the Sublessee may, pursuant to Section 4.2 hereof, permit to remain unpaid; (2) the Assignment Agreement, as it may be amended from time to time; (3) this Sublease, as it may be amended from time to time; (4) the Site Lease, as it may be amended from time to time; (5) any right or claim of any mechanic, laborer, materialman, supplier or vendor filed or perfected in the manner prescribed by law after the Closing Date which is being contested by the Sublessee in accordance with Section 4.4 hereof; (6) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the Closing Date and which the Sublessee certifies in writing on the Closing Date will not materially impair the use of the Leased Premises for its intended purpose; (7) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the Closing Date, or existing on any real property substituted for the Leased Premises, to which the Assignee and the Sublessee consent in writing and which the Sublessee certifies will not materially impair the use of the Leased Premises or real property substituted for the Leased Premises, as the case may be for its intended purpose and will not, in and of itself, result in abatement of Rental Payments hereunder; and (8) any other encumbrances or subleases expressly permitted under this Sublease.

“Principal Component” means, the portion of any Base Rental payment attributable to principal as indicated in Exhibit “B” hereto.

“Project” means the acquisition and installation of a new heating, ventilation and air conditioning system for the County’s Community Services Center, and such other capital improvements as are designated by the County from time to time in a certificate of a Sublessee Representative delivered to the Sublessor and the Assignee.

“Rental Payments” means, collectively, the Base Rental and Additional Rental due hereunder.

“Site Lease” means the Site Lease, dated as of the date hereof and recorded concurrently herewith, by and between the Sublessee, as lessor, and the Sublessor, as lessee, as amended and supplemented from time to time.

“Bond Counsel” means Stradling Yocca Carlson & Rauth, a Professional Corporation, or any other attorney or firm of attorneys of nationally recognized standing in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions and acceptable to the County.

“Sublease” means this Facilities Sublease, including any amendments or supplements hereto.

“Sublease Term” means the term of this Sublease, as provided in Section 2 hereof.

“Sublease Year” means the period from the Closing Date to August 1, 2017, and thereafter the period from each August 2 to and including the following August 1, during the Sublease Term.

“Sublessee” means the County of Stanislaus, its successors or assigns.

“Sublessee Representative” means the County Executive Officer of the County, any Assistant County Executive Officer, any Deputy County Executive Officer, the Treasurer-Tax Collector of the County or such officials’ designee or other official designated by the Board of Supervisors of the County and authorized to act on behalf of the Sublessee under or with respect to this Sublease and all other agreements related hereto.

“Sublessee Resolution” means the resolution approving the execution of this Sublease, adopted by the Board of Supervisors of the County of Stanislaus on August 16, 2016.

“Sublessor” means Stanislaus County Capital Improvements Financing Authority, its successors and assigns.

“Sublessor Resolution” means the resolution approving the execution of this Sublease, adopted at a regular meeting of the Board of Directors of the Stanislaus County Capital Improvements Financing Authority on August 16, 2016.

“Supplemental Agreement” means that certain Supplemental Agreement, dated as of August 1, 2016, by and between the County and the Assignee, including any amendments or supplements thereto.

**SECTION 1.2 Representations, Warranties and Covenants of the Sublessee.** The Sublessee represents, warrants and covenants as follows:

(a) The Sublessee is a political subdivision of the State of California duly organized and operating pursuant to the Constitution and laws of the State of California and has all necessary power and authority to adopt the Sublessee Resolution and to enter into and perform its duties under the Site Lease, this Sublease and the Supplemental Agreement. The Sublessee Resolution has been adopted and has not been rescinded, and the Site Lease, this Sublease and the Supplemental Agreement constitute legal, valid and binding obligations of the Sublessee enforceable against the Sublessee in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors’ rights generally and by the application of equitable principles if equitable remedies are sought.

(b) The adoption of the Sublessee Resolution and the execution and delivery of the Site Lease, this Sublease and the Supplemental Agreement, and compliance with the provisions thereof, will not in any material respect conflict with, or constitute a breach of or default under, the Sublessee’s duties under the Site Lease, this Sublease, the Supplemental Agreement, the Sublessee Resolution or any law, administrative regulation, court decree, resolution, by-laws or other agreement to which the Sublessee is subject or by which it or any of its property is bound.

(c) Except as may be required under blue sky or other securities laws of any state, or with respect to any permits or approvals heretofore received which are in full force and effect, there is no consent, approval, authorization or other order of, or filing with, or certification by, any governmental authority, board, agency or commission or other regulatory authority having jurisdiction over the Sublessee, other than the approval and authorization of the Board of Supervisors, required for the adoption of the Sublessee Resolution and execution and delivery of the Site Lease, this Sublease and the Supplemental Agreement or the consummation by the Sublessee of

the other transactions contemplated by the Sublessee Resolution, the Site Lease, this Sublease or the Supplemental Agreement.

(d) There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or, to the knowledge of the Sublessee, threatened against the Sublessee to restrain or enjoin the delivery of the payments to be made pursuant to the Sublease, or in any way contesting or affecting the validity of the Site Lease, this Sublease, the Supplemental Agreement or the Sublessee Resolution, or contesting the powers of the Sublessee to enter into or perform its obligations under any of the foregoing, or which, if determined adversely to the Sublessee, would have a material adverse effect on the Sublessee's ability to perform its obligations under any of the foregoing.

(e) By official action of the Sublessee prior to the execution hereof, the Sublessee has duly adopted the Sublessee Resolution and has duly authorized and approved the execution and delivery of, and the performance by the Sublessee of the obligations on its part contained in, the Site Lease, this Sublease and the Supplemental Agreement and the consummation by it of all other transactions contemplated by the Site Lease this Sublease and the Supplemental Agreement.

(f) The Sublessee is not in breach of or in default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Sublessee is a party or is otherwise subject which breach or default would have a material and adverse impact on the Sublessee's ability to perform its obligations under the Site Lease, this Sublease and the Supplemental Agreement, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument.

(g) The Sublessee represents that it is not, and has not been at any time, in default as to principal or interest with respect to any indebtedness for borrowed money issued or guaranteed by it, or as to lease payments in connection with certificates of participation.

(h) The Leased Premises is integral for performing the Sublessee's governmental functions and during the term of this Sublease will be used by the Sublessee only for the purpose of performing one or more essential functions of the Sublessee.

(i) The Sublessee covenants that it will not take any action which would cause the Interest Components of the Base Rental Payments made by the Sublessee under the Sublease to be included in gross income for federal income tax purposes or subject to California personal income taxes (other than to the extent that the Interest Components of the Base Rental Payments made by the Sublessee under the Sublease will be included in gross income for federal income tax purposes as described in the opinion of Bond Counsel delivered in connection with the execution of this Sublease).

(j) No existing lien or encumbrance on the Leased Premises materially impairs the Sublessee's use of the Leased Premises.

(k) The Leased Premises is not located in a flood hazard area or flood zone and has never been subject to material damage from flooding.



(l) The insured value of the Leased Premises, based on replacement cost, is not less than the aggregate Principal Components of all of the Base Rental Payments.

(m) The Sublessee will transmit copies of all notices, orders, or statements received from any governmental entity concerning violations or asserted violations of Applicable Environmental Laws with respect to the Leased Premises and any operations conducted thereon or any conditions existing thereon to the Assignee, and the Sublessee will notify the Assignee in writing immediately of any release, discharge, spill, or deposit of any Hazardous Substances that has occurred or is occurring that in any way materially affects or threatens to materially affect the Leased Premises, or the people, structures, or other property thereon, provided that no such notifications shall create any liability or obligation on the part of the Assignee.

**SECTION 1.3** Sublessor Representations, Warranties and Covenants. The Sublessor represents, warrants and covenants as follows:

(a) The Sublessor is a California joint powers authority duly organized and validly existing pursuant to the laws of the State of California and has all necessary power and authority to adopt the Sublessor Resolution and enter into and perform its duties under the Site Lease, this Sublease and the Assignment Agreement, the Sublessor Resolution has been adopted and has not been rescinded, and the Site Lease, this Sublease and the Assignment Agreement constitute legal, valid and binding obligations of the Sublessor in accordance with their respective terms except as enforcement against the Sublessor may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought.

(b) The adoption of the Sublessor Resolution and the execution and delivery of the Site Lease, this Sublease and the Assignment Agreement and compliance with the provisions thereof, will not in any material respect conflict with, or constitute a breach of or default under, the Sublessor's duties, the Site Lease, this Sublease, the Assignment Agreement, the Sublessor Resolution or any law, administrative regulation, court decree, resolution, charter, by-laws or other agreement to which the Sublessor is subject or by which it or any of its property is bound.

(c) Except as may be required under blue sky or other securities laws of any state, or except with respect to any permits or approvals heretofore received which are in full force and effect, there is no consent, approval, authorization or other order of, or filing with, or certification by, any governmental authority, board, agency or commission or other regulatory authority having jurisdiction over the Sublessor, required for the adoption of the Sublessor Resolution and the execution and delivery of the Site Lease, this Sublease and the Assignment Agreement or the consummation by the Sublessor of the other transactions contemplated by the Sublessor Resolution, the Site Lease, this Sublease and the Assignment Agreement.

(d) There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or, to the knowledge of the Sublessor, threatened against the Sublessor to restrain or enjoin the execution and delivery of the Site Lease, this Sublease and the Assignment Agreement, or in any way contesting or affecting the validity of the Site Lease, this Sublease and the Assignment Agreement, the Sublessor Resolution or contesting the powers of the Sublessor to enter into or perform its obligations under any of the foregoing.

(e) By official action of the Sublessor prior to the execution hereof, the Sublessor has duly authorized and approved the execution and delivery of, and the performance by the Sublessor of the obligations on its part contained in the Site Lease, this Sublease and the Assignment Agreement and the consummation by it of all other transactions contemplated by the Sublessor Resolution, the Site Lease, this Sublease and the Assignment Agreement.

(f) The Sublessor is not in breach of or in default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Sublessor is a party or is otherwise subject which breach or default would have a material and adverse impact on the Sublessor's ability to perform its obligations under the Site Lease, this Sublease and the Assignment Agreement, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument.

(g) The Sublessor covenants that it will not take any action which would cause the Interest Components of the Base Rental Payments made by the Sublessee under this Sublease to be included in gross income for federal income tax purposes or subject to California personal income taxes (other than to the extent that the Interest Components of the Base Rental Payments made by the Sublessee under this Sublease will be included in gross income for federal income tax purposes as described in the opinion of Bond Counsel delivered in connection with the execution of this Sublease).

## **SECTION 2. SUBLEASE TERM; TRANSFER OF TITLE TO SUBLESSEE.**

The Sublessor hereby leases the Leased Premises to the Sublessee, and the Sublessee hereby leases the Leased Premises from the Sublessor and agrees to pay the Base Rental and the Additional Rental as provided herein for the use and occupancy of the Leased Premises, all on the terms and conditions set forth herein. The term of this Sublease shall begin on the Closing Date and end on the earliest of (a) August 1, 2031, (b) such earlier date as the Sublessee shall have paid all Principal Components of Base Rental and other amounts payable hereunder, or (c) the date of termination of this Sublease due to casualty or condemnation in accordance with the terms of Section 5 or 6 hereof; provided, however, that if, on August 1, 2031, all Interest Components, Principal Components and Additional Rental shall not have been fully paid by the Sublessee as a result of a default in payment or an abatement in payments in accordance with Section 3.5, then Sublessee may optionally prepay all such amounts on such date and this Sublease will terminate or, if no such election is made, then the term of this Sublease shall be extended and, subject to the abatement provisions in Section 3.5 hereof, the Sublessee shall continue to make Base Rental Payments on the first Business Day of each month in the amount of the Base Rental payment due on August 1, 2031 and to pay Additional Rental in accordance with Section 3.1(b) hereof until all such amounts are paid, except in no event shall the term of this Sublease be extended beyond August 1, 2041.

Upon the expiration of the term of this Sublease, all of the Sublessor's right, title and interest in the Leased Premises shall be transferred directly to the Sublessee, free and clear of any interest of the Sublessor, and the Sublessee shall take title to the Leased Premises.

### SECTION 3. RENT.

**SECTION 3.1 Rental Payments.** The Sublessee hereby agrees, subject to the terms hereof, to pay to the Sublessor and the Assignee, as applicable, the Base Rental and Additional Rental in the amounts, at the times and in the manner hereinafter set forth, such amounts constituting in the aggregate the rent payable under this Sublease.

(a) Base Rental. The Sublessee agrees to pay, from legally available funds, Base Rental in the amounts set forth in Exhibit "B" hereto, the Principal Components of which are attributable to principal payable to the Assignee and the Interest Components of which are attributable to interest payable to the Assignee as determined in accordance with the terms of such Exhibit. The Base Rental Payments payable by the Sublessee shall be due on the first Business Day of each calendar month during the Sublease Term. Base Rental payable the first Business Day of a month shall be in consideration of the use and occupancy of the Leased Premises during the prior month.

The obligation of the Sublessee to pay Base Rental shall commence on the Closing Date.

(b) Additional Rental. In addition to the Base Rental set forth herein, the Sublessee agrees to pay as Additional Rental all of the following:

(i) All taxes and assessments of any nature whatsoever levied upon the Leased Premises or upon any interest of the Sublessor therein or in this Sublease;

(ii) Insurance premiums, if any, on all insurance required under the provisions of Section 4.3 hereof;

(iii) Following an event of default under Section 12 hereof and so long as such event of default continues, in addition to paying the Base Rental set forth in Exhibit B, the Sublessee shall pay to the Assignee on the first Business Day of each month an amount equal to the difference between the Interest Component paid on such date and the amount determined by paying the Default Rate on the unpaid Principal Components (the "Excess Amounts"); and

(iv) Any other amount owing to the Assignee under the Supplemental Agreement.

Amounts constituting Additional Rental payable hereunder shall be paid by the Sublessee directly to the person or persons to whom such amounts shall be payable. The Sublessee shall pay all such amounts when due or at such later time as such amounts may be paid without penalty or, in any other case, within 60 days after notice in writing from the Assignee (as assignee of the Sublessor) or the Sublessor to the Sublessee stating the amount of Additional Rental then due and payable and the purpose thereof.

**SECTION 3.2 Consideration.** The payments of Base Rental and Additional Rental under this Sublease for each Fiscal Year or portion thereof during the Sublease Term shall constitute the total rental for such Fiscal Year or portion thereof and shall be paid by the Sublessee for and in consideration of the right of use and occupancy, and the continued quiet use and enjoyment, of the Leased Premises by the Sublessee for and during such Fiscal Year or portion thereof. The parties hereto have determined and agreed that such total annual rental is not in excess of the total annual fair

rental value of the Leased Premises. In making such determination, consideration has been given to the costs of acquisition and financing of the Leased Premises, the uses and purposes served by the Leased Premises, and the benefits therefrom that will accrue to the parties by reason of this Sublease and to the general public by reason of the Sublessee's use of the Leased Premises.

**SECTION 3.3**     **Budget.** The Sublessee hereby covenants to take such action as may be necessary to include all Base Rental and Additional Rental due hereunder in its annual budget and to make the necessary annual appropriations for all such Base Rental and Additional Rental, subject to Section 3.5 hereof. The obligation of the Sublessee to make Base Rental or Additional Rental Payments does not constitute an obligation of the Sublessee for which the Sublessee is obligated to levy or pledge any form of taxation or for which the Sublessee has levied or pledged any form of taxation. The obligation of the Sublessee to make Base Rental or Additional Rental payments does not constitute an indebtedness of the Sublessee, the State or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

**SECTION 3.4**     **Payment; Credit.** Base Rental and any Additional Rental owed to the Assignee shall be paid by the Sublessee to the Assignee (as assignee of the Sublessor) on the dates set forth in Section 3.1 hereof in lawful money of the United States of America, at the address specified by the Assignee pursuant to the Assignment Agreement. Except as provided in Section 3.5 hereof, any amount necessary to pay any Base Rental and any Additional Rental owed to the Assignee, or portion thereof which is not so paid, shall remain due and payable until received by the Assignee. Notwithstanding any dispute between the Sublessee and the Sublessor hereunder, the Sublessee shall make all Rental Payments when due and shall not withhold any Rental Payments pending the final resolution of such dispute or for any other reason whatsoever. The Sublessee's obligation to make Rental Payments in the amount on the terms and conditions specified hereunder shall be absolute and unconditional without any right of set-off or counterclaim, and without abatement, subject only to the provisions of Section 3.5 hereof.

**SECTION 3.5**     **Rental Abatement.** Except to the extent of amounts, if any, received in respect of rental interruption insurance, Rental Payments due hereunder shall be subject to abatement in accordance with this Section 3.5 during any period in which, by reason of material damage, destruction or condemnation of the Leased Premises or any portion thereof, or defects in title to the Leased Premises, there is substantial interference with the use and right of possession by the Sublessee of the Leased Premises or any portion thereof. The amount of rental abatement shall be such that the resulting Rental Payments in any Fiscal Year during which such interference continues, excluding any amounts received in respect of rental interruption insurance, do not exceed the fair rental value of the portions of the Leased Premises as to which such damage, destruction, condemnation or title defect does not substantially interfere with the use and right of possession of the Sublessee, as reasonably determined by the Sublessee and evidenced by a certificate of the Sublessee. Such abatement shall continue for the period commencing with the date of such damage, destruction, condemnation or discovery of such title defect and ending with the restoration of the Leased Premises or portion thereof to tenantable condition or correction of the title defect. In the event of any such damage, destruction, condemnation or title defect, this Sublease shall continue in full force and effect, except as set forth in Sections 5 and 6 hereof.

**SECTION 3.6**     **Triple Net Sublease.** This Sublease is intended to be a triple net lease. The Sublessee agrees that the rentals provided for herein shall be an absolute net return to the Sublessor free and clear of any expenses, charges or set-offs whatsoever.

**SECTION 3.7 Prepayment.** The Sublessee shall have the right to prepay the aggregate Principal Components of Base Rental payable hereunder in whole or in part:

(a) on any date following the date on which the Default Rate is applicable in an amount equal to 100% of the Principal Components to be prepaid, plus the proportionate amount of the Interest Components accrued to the date of prepayment, plus any Additional Rental due as of the prepayment date;

(b) on any date on or prior to March 1, 2018 up to \$1,500,000 in Principal Components may be prepaid from any portion of the Purchase Price not disbursed to complete the Project, in an amount equal to 100% of the Principal Components to be prepaid, plus the proportionate amount of the Interest Components accrued to the date of prepayment, plus any Additional Rental due as of the prepayment date;

(c) on any date prior to the date that is five years after the Closing Date in an amount equal to 101% of the Principal Components to be prepaid, plus the proportionate amount of the Interest Components accrued to the date of prepayment, plus any Additional Rental due as of the prepayment date;

(d) on any date on or after the date that is five years after the Closing Date in an amount equal to 100% of the Principal Components to be prepaid, plus the proportionate amount of the Interest Components accrued to the date of prepayment, plus any Additional Rental due as of the prepayment date; and

(e) on any date in the event of casualty, title defects or a taking of all or a portion of the Leased Premises pursuant to eminent domain to the extent required by Section 5 or 6 hereof, in an amount equal to 100% of the Principal Components to be prepaid, plus the proportionate amount of the Interest Components accrued to the date of prepayment, plus any Additional Rental due as of the prepayment date.

**SECTION 4. AFFIRMATIVE COVENANTS OF THE SUBLESSOR AND THE SUBLESSEE.**

The Sublessor and the Sublessee are entering into this Sublease in consideration of among other things, the following covenants:

**SECTION 4.1 Replacement, Maintenance and Repairs.** The Sublessee shall, at its own expense, during the Sublease Term maintain the Leased Premises, or cause the same to be maintained, in good order, condition and repair and shall repair or replace any portion of the Leased Premises which is destroyed or damaged to such an extent that there is substantial interference with the use and right of possession by the Sublessee of the Leased Premises or any portion thereof which would result in an abatement of Rental Payments or any portion thereof pursuant to Section 3.5 hereof; provided, however, that the Sublessee shall not be required to repair or replace any such portion of the Leased Premises pursuant to this Section 4.1 if insurance proceeds or other legally available funds shall be applied in an amount sufficient to prepay (i) the outstanding Principal Component of the Base Rental Payments (as specified in Exhibit B), or (ii) any portion of the outstanding Principal Component of the Base Rental Payments such that the fair rental value of the remaining Leased Premises is not less than the resulting Rental Payments due in any Sublease Year following such partial prepayment.

The Sublessee shall provide or cause to be provided all security service, custodial service, janitorial service and other services necessary for the proper upkeep and maintenance of the Leased Premises. It is understood and agreed that in consideration of the payment by the Sublessee of the Rental Payments herein provided for, the Sublessee is entitled to occupy the Leased Premises and no other party shall have any obligation to incur any expense of any kind or character in connection with the management, operation or maintenance of the Leased Premises during the Sublease Term. The Sublessor shall not be required at any time to make any improvements, alterations, changes, additions, repairs or replacements of any nature whatsoever in or to the Leased Premises. The Sublessee hereby expressly waives the right to make repairs or to perform maintenance of the Leased Premises at the expense of the Sublessor and (to the extent permitted by law) waives the benefit of Sections 1932, 1941 and 1942 of the Civil Code of the State relating thereto. The Sublessee shall keep the Leased Premises free and clear of all liens, charges and encumbrances other than Permitted Encumbrances, any liens on improvements, fixtures, equipment or personal property placed on the Leased Premises by the Sublessee in accordance with Section 8 hereof, and any liens of mechanics, materialmen, suppliers, vendors or other persons or entities for work or services performed or materials furnished in connection with the Leased Premises which are not due and payable or the amount, validity or application of which is being contested in accordance with Section 4.4 hereof.

**SECTION 4.2 Taxes, Other Governmental Charges and Utility Charges.** The Sublessor and the Sublessee contemplate that the Leased Premises will be used for a governmental or proprietary purpose of the Sublessee and, therefore, that the Leased Premises will be exempt from all taxes which might otherwise be assessed and levied with respect to the Leased Premises. Nevertheless, the Sublessee hereby agrees to pay during the Sublease Term, as the same respectively become due, all taxes (except for income or franchise taxes of the Sublessor), utility charges and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Leased Premises; provided however, that, with respect to any governmental charges that may lawfully be paid in installments over a period of years, the Sublessee shall be obligated to pay only such installments as are accrued during such time as this Sublease is in effect; provided, further, that the Sublessee may contest in good faith the validity or application of any tax, utility charge or governmental charge in any reasonable manner which does not, in the opinion of counsel, adversely affect the right, title and interest of the Sublessor in and to any portion of the Leased Premises or its rights or interests under this Sublease or subject any portion of the Leased Premises to loss or forfeiture. Any such taxes or charges shall constitute Additional Rental under Section 3.1(b) hereof and shall be payable directly to the entity assessing such taxes or charges.

**SECTION 4.3 Insurance.**

(a) Public Liability and Property Damage Insurance; Workers' Compensation Insurance.

(i) The Sublessee shall maintain or cause to be maintained, throughout the term of this Sublease, a standard comprehensive general liability insurance policy or policies in protection of the Sublessee, the Sublessor and their respective members, officers, agents and employees. 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 use or ownership of the Leased Premises. Said policy or policies shall provide coverage in the minimum liability limits of \$1,000,000 for personal injury or death of each person and \$3,000,000 for personal injury or deaths of two or more persons in a single accident or event, and in a minimum amount of \$500,000 for damage to property (subject to a deductible clause

of not to exceed \$100,000) resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$3,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried or required to be carried by the Sublessee, and may be maintained in whole or in part in the form of self-insurance by the Sublessee, provided that such self-insurance complies with the provisions of Section 4.3(b) hereof. The proceeds of such liability insurance shall be applied in accordance with Section 5.1 hereof.

(ii) The Sublessee shall maintain or cause to be maintained, throughout the term of this Sublease, workers' compensation insurance issued by a responsible carrier authorized under the laws of the State of California to insure employers against liability for compensation under the California Labor Code, or any act enacted as an amendment or supplement thereto or in lieu thereof, such workers' compensation insurance to cover all persons employed by the Sublessee in connection with the Leased Premises and to cover full liability for compensation under any such act; provided, however, that the Sublessee's obligations under this subsection may be satisfied by self-insurance, provided that such self-insurance complies with the provisions of Section 4.3(b) hereof.

(iii) The Sublessee shall maintain or cause to be maintained casualty insurance insuring structures constituting part of the Leased Premises against fire, lightning and all other risks covered by an extended coverage endorsement excluding earthquake and flood, to the full insurable value of such structures, subject to a \$100,000 loss deductible provision, unless some other deductible is acceptable to the Assignee. The Sublessee's obligations under this subsection may be satisfied by self-insurance, provided that such self-insurance complies with the provisions of Section 4.3(b) hereof. Any proceeds of the insurance shall be applied as set forth in Section 5.1(a).

(iv) The Sublessee shall maintain, or cause to be maintained, rental interruption insurance to cover the Assignee's loss, total or partial, of Base Rental Payments and Excess Amounts resulting from the loss, total or partial, of the use of any part of the Leased Premises as a result of any of the hazards required to be covered pursuant to subsection (iii) of this Section in an amount equal to lesser of (i) the amount sufficient at all times to pay an amount not less than the product of two times the maximum Base Rental payment scheduled to be paid in the current or any future period during the Sublease Term or (ii) such lesser amount as may be agreed to by the Assignee. Such rental interruption insurance shall be payable for a period adequate to cover the period of repair or reconstruction, but not to exceed two years. The Sublessee shall not be permitted to self-insure its obligation under this subsection. In the event Excess Amounts begin to accrue under Section 3.1(b) hereof, Sublessee shall have 30 days to increase the amount of the rental interruption insurance to cover the Excess Amounts.

(v) The insurance required by this subsection shall be provided by carriers rated at least "A" by Standard & Poor's Ratings Services (a "Qualified Insurer"), unless the Assignee shall approve an insurer with a lower rating. If an insurer's rating falls below "A" (or, with respect to an insurer approved by the Assignee with a rating lower than "A," falls below the rating such insurer had when approved by the Assignee), such insurer shall be replaced with a Qualified Insurer, unless the Assignee shall approve an insurer with a lower rating. All policies or certificates of insurance provided for in this Section 4.3(a) shall name the Sublessee as a named insured, and, with the exception of workers' compensation insurance, the Sublessor and the Assignee as additional insureds. All policies or certificates of insurance maintained under clauses (iii) and (iv) above shall name the Sublessee as loss payee, and the proceeds of such insurance shall be deposited with the Sublessee for application pursuant to Section 5 hereof. All policies of insurance naming the

Assignee as an additional insured shall provide for the Assignee to receive 30 days' prior notice of any cancellation or reduction in coverage. The Sublessee agrees to provide to Assignee by August 1 of each year certificates of insurance evidencing the insurance coverages required herein. The Sublessee covenants to maintain adequate cash reserves to pay the amount of any deductible it is required to pay. Notwithstanding the generality of the foregoing (with the exception of the rental interruption insurance required by clause (iv) above), the Sublessee shall not be required to maintain or cause to be maintained more insurance than is specifically referred to above.

(b) Self-Insurance. Insurance provided through a California joint powers authority of which the Sublessee is a member or with which the Sublessee contracts for insurance shall not be deemed to be self-insurance for purposes hereof. Any self-insurance maintained by the Sublessee pursuant to this Section shall comply with the following terms, except to the extent that the Assignee shall waive any of such terms:

(i) in the case of property insurance described in (iii) above, the self-insurance program shall be approved in writing by the Assignee and there shall be delivered in connection with such approval an opinion of County Counsel in form and substance satisfactory to the Assignee to the effect that the use of proceeds of self-insurance program for purposes allowed or required by this Sublease is authorized under the laws of the State and does not affect the validity or enforceability of the Sublease;

(ii) the self-insurance program shall be reviewed and analyzed by an independent insurance consultant ("Independent Insurance Consultant");

(iii) the self-insurance program shall include an actuarially sound claims reserve fund out of which each self-insured claim shall be paid, the adequacy of each such fund shall be evaluated on an annual basis by the Independent Insurance Consultant and any deficiencies in any self-insured claims reserve fund shall be remedied in accordance with the recommendations of the aforementioned Independent Insurance Consultant; and

(iv) in the event the self-insurance program shall be discontinued, the actuarial soundness of its claims reserve fund, as determined by the Independent Insurance Consultant, shall be maintained.

(c) Title Insurance. The Sublessee shall deliver to the Assignee, as soon as practicable after the Closing Date, (i) a copy of a CLTA Owner's policy of title insurance issued in an amount equal to the aggregate Principal Components of Base Rental outstanding by a title insurance company acceptable to the Assignee with respect to the Leased Premises, naming the Sublessee and the Assignee as insureds and showing fee title to the Leased Premises in the name of the Sublessee; and (ii) a copy of a CLTA Leasehold Owner's policy of title insurance issued by a title insurance company acceptable to the Assignee naming the Assignee and the Sublessee as insureds, and insuring the validity and priority of the Site Lease (and the interest of the Sublessor thereunder, as assigned to the Assignee) and this Sublease (and the interest of the Sublessor thereunder, as assigned to the Assignee).

**SECTION 4.4** Liens. The Sublessee shall promptly pay or cause to be paid all sums of money that may become due for any labor, services, materials, supplies or equipment alleged to have been furnished or to be furnished to or for, in, upon or about the Leased Premises and which may be secured by any mechanic's, materialman's or other lien against the Leased Premises, or the interest of



the Sublessor therein, and shall cause each such lien to be fully discharged and released; provided, however, that the Sublessee or the Sublessor (i) may contest any such claim or lien without payment thereof so long as such non-payment and contest stays execution or enforcement of the lien, but if such lien is reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not stayed, or if stayed and the stay thereafter expires, then and in any such event the Sublessee shall forthwith pay and discharge such judgment or lien, or (ii) delay payment without contest so long as and to the extent that such delay will not result in the imposition of any penalty or forfeiture.

**SECTION 4.5     Laws and Ordinances.**

(a)     General. The Sublessee agrees to observe and comply in all material respects with all rules, regulations and laws applicable to the Sublessee with respect to the Leased Premises and the operation thereof. The cost, if any, of such observance and compliance shall be borne by the Sublessee, and the Sublessor shall not be liable therefor.

(b)     Hazardous Materials. The Sublessee shall not use or permit the Leased Premises or any part thereof to be used to generate, manufacture, refine, treat, store, handle, transport or dispose of, transfer, produce or process Hazardous Materials, except, and only to the extent, if necessary to maintain the improvements on the Leased Premises, including, but not limited to, diesel storage tanks related to the operation of the generators on the Leased Premises, and done only in compliance with all Applicable Environmental Laws, and any state equivalent laws and regulations, nor shall it permit, as a result of any intentional or unintentional act or omission on its part or by any tenant, subtenant, licensee, guest, invitee, contractor, employee and agent, the storage, transportation, disposal or use of Hazardous Materials or the release or threat of release of Hazardous Materials on, from or beneath the Leased Premises or onto any other Leased Premises excluding, however, those Hazardous Materials in those amounts ordinarily found in the inventory of a political subdivision and those used in the underground storage tanks relating to the fueling facility and the generators, the use, storage, treatment, transportation and disposal of which shall be in compliance with all Applicable Environmental Laws. Upon the occurrence of any release or threat of release of Hazardous Materials, the Sublessee shall promptly commence and perform, or cause to be commenced and performed promptly, without cost to the Sublessor or the Assignee, all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials so released, on, from or beneath the Leased Premises or other property, in compliance with all Applicable Environmental Laws. Notwithstanding anything to the contrary contained herein, underground storage tanks are permitted so long as they comply with subsection (c).

(c)     The Sublessee shall conform to and carry out a reasonable program of maintenance and inspection of all underground storage tanks, and shall maintain, repair, and replace such tanks only in accordance with all Applicable Environmental Laws.

**SECTION 4.6     Tax Matters.** The Sublessee covenants to comply with each applicable requirement of Section 103 and Sections 141 through 150 of the Code. In furtherance of this covenant, the Sublessee agrees to comply with the Tax Certificate, as such Tax Certificate may be amended from time to time, as a source of guidance for compliance with such provisions. This covenant shall survive the payment or prepayment of all Base Rental hereunder.

**SECTION 4.7 Prohibition Against Encumbrance or Sale.** The Sublessee and the Sublessor will not create or suffer to be created any mortgage, pledge, lien, charge or encumbrance upon the Leased Premises, except Permitted Encumbrances. The Sublessee and the Sublessor will not sell, lease or otherwise dispose of or abandon the Leased Premises or any property essential to the proper operation of the Leased Premises, except as otherwise provided herein.

**SECTION 5. INSURANCE.**

**SECTION 5.1 Application of Insurance Proceeds.**

(a) General. Proceeds of insurance (other than rental interruption insurance) received by the Sublessee in respect of destruction of or damage to any portion of the Leased Premises by fire or other casualty or event shall be applied by the Sublessee to, the cost of repair or replacement of the Leased Premises or portion thereof, unless the Sublessee pays to the Assignee the amount necessary to prepay the Principal Components of Base Rental Payments in an aggregate principal amount equal to the Principal Component(s) of the Base Rental attributable to such damaged or destroyed portion of the Leased Premises and the Base Rental with respect to the remaining portion of the Leased Premises is sufficient to pay the Principal Components and Interest Components of the Base Rental Payments to remain outstanding after the date on which the Principal Component of Base Rental Payments to be prepaid are prepaid.

The proceeds of any insurance (other than rental interruption insurance), received by the Sublessee in respect of destruction of or damage to any portion of the Leased Premises by fire or other casualty or event, not applied to repairing or replacing such damaged or destroyed property, shall forthwith be applied to the prepayment of the Principal Component of Base Rental Payments outstanding. Any insurance proceeds in excess of the amount needed to either repair or replace a damaged or destroyed portion of the Leased Premises or to prepay the Principal Component of Base Rental Payments outstanding shall be remitted to the Sublessee.

The proceeds of rental interruption insurance shall be used to pay Base Rental Payments and Excess Amounts.

(b) If there is an abatement of Rental Payments pursuant to Section 3.5 hereof as a result of such casualty or event, and the Sublessee elects to apply such insurance proceeds and such other sums as are deposited by the Sublessee pursuant to such section to the prepayment of the Principal Components of Base Rental outstanding rather than replacing or repairing the destroyed or damaged portion of the Leased Premises, then this Sublease shall terminate with respect to the destroyed or damaged portion of the Leased Premises as of the date the amount of such insurance is applied to such prepayment.

**SECTION 5.2 Application of Title Insurance and Condemnation Proceeds.** Proceeds of any policy of title insurance or condemnation award received by the Sublessee in respect of the Leased Premises shall be applied and disbursed by the Sublessee as follows:

(a) If the Sublessee determines that the title defect or condemnation giving rise to such proceeds has not materially affected the use and occupancy of the Leased Premises and will not result in an abatement of Rental Payments payable by the Sublessee under the Sublease, such proceeds shall be remitted to the Sublessee.

(b) If the Sublessee determines that such title defect will result in an abatement of Rental Payments payable by the Sublessee under the Sublease or in the case of a condemnation will result in a termination of this Sublease or an abatement due to a partial condemnation, then the Sublessee shall apply such proceeds to the prepayment of the Principal Components of Base Rental Payments outstanding prior to the event causing the abatement.

## **SECTION 6. EMINENT DOMAIN.**

**SECTION 6.1 Total Condemnation.** If the Leased Premises, or so much thereof as to render the remainder of the Leased Premises unusable for the Sublessee's purposes under this Sublease, shall be taken under the power of eminent domain, then this Sublease shall terminate as of the day possession shall be so taken, or, if the Sublessee is the condemnor, then this Sublease shall terminate as of the date of entry of a judgment or interlocutory judgment regarding the subleasehold interest in the Leased Premises. Any award made in eminent domain proceedings for the taking shall be paid to the Sublessee for application in accordance with the provisions of Section 5.2 hereof.

**SECTION 6.2 Partial Condemnation.** If less than a substantial portion of the Leased Premises shall be taken under the power of eminent domain, and the remainder is useable for the Sublessee's purposes, then this Sublease shall continue in full force and effect as to the remaining portions of the Leased Premises subject only to such rental abatement as is required by Section 3.5 hereof. The Sublessee and the Sublessor hereby waive the benefit of any law to the contrary. Any award made in eminent domain proceedings for the taking shall be paid to the Sublessee for application in accordance with the provisions of Section 5.2 hereof.

## **SECTION 7. ASSIGNMENT AND SUBLEASE.**

The Sublessee shall not mortgage, pledge, assign or transfer any interest of the Sublessee in this Sublease by voluntary act or by operation of law, or otherwise; provided, however, that the Sublessee may sublease all or any portion of the Leased Premises, and may grant concessions to others involving the use of any portion of the Leased Premises, whether such concessions purport to convey a leasehold interest or a license to use a portion of the Leased Premises; provided that any sublease or concessions must at all times be subject and subordinate to this Sublease. The Sublessee shall at all times remain liable for the performance of the covenants and conditions on its part to be performed under this Sublease, notwithstanding any subletting or granting of concessions which may be made. Nothing herein contained shall be construed to relieve the Sublessee of its obligation to pay Base Rental and Additional Rental as provided in this Sublease or to relieve the Sublessee of any other obligations contained herein. In no event will the Sublessee sublease or permit the use of all or any part of the Leased Premises in violation of the covenants contained herein or in the Tax Certificate.

The Sublessor shall, concurrently with the execution hereof, assign all of its right, title and interest in and to this Sublease (except for its right to payment of its expenses under Section 3.1(b) hereof and its right to indemnification pursuant to Section 11 hereof), including without limitation its right to receive Rental Payments payable hereunder, to the Assignee pursuant to the Assignment Agreement, and the Sublessee hereby approves such assignment. The parties hereto further agree to execute any and all documents necessary and proper in connection therewith. By virtue of such assignment, the Assignee may enforce any right, remedy or claim conferred, given or granted to the Sublessor hereunder.

## **SECTION 8. ADDITIONS AND IMPROVEMENTS.**

The Sublessee shall have the right during the Sublease Term to make any additions or improvements to the Leased Premises, to attach fixtures, structures or signs, and to affix any personal property to the Leased Premises, so long as the fair rental value of the Leased Premises is not thereby reduced below the Rental Payments payable under this Sublease. Title to all fixtures, equipment or personal property placed by the Sublessee on the Leased Premises shall remain in the Sublessee. Title to any personal property, improvements or fixtures placed on the Leased Premises by any sublessee or licensee of the Sublessee shall be controlled by the sublease or license agreement between such sublessee or licensee and the Sublessee, which sublease or license agreement shall not be inconsistent with this Sublease.

## **SECTION 9. RIGHT OF ENTRY.**

Representatives of the Sublessor shall, subject to reasonable security precautions, have the right to enter upon the Leased Premises during reasonable business hours (and in emergencies at all times) (i) to inspect the same, (ii) for any purpose connected with the rights or obligations of the Sublessor under this Sublease, or (iii) for all other lawful purposes. The Sublessee hereby grants an easement to the Sublessor to enter upon any property of the Sublessee which is adjacent to the Leased Premises in order to enter upon the Leased Premises pursuant to this Section 9.

## **SECTION 10. QUIET ENJOYMENT.**

The Sublessor covenants and agrees that the Sublessee, upon keeping and performing the covenants and agreements herein contained, shall, at all times during the Sublease Term, peaceably and quietly have, hold, and enjoy the Leased Premises.

## **SECTION 11. INDEMNIFICATION AND HOLD HARMLESS AGREEMENT.**

The Sublessee shall, to the full extent permitted by law, indemnify, protect, hold harmless, save and keep harmless the Sublessor and its 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 (i) the entering into of this Sublease; (ii) any accident in connection with the operation, use, condition or possession of the Leased Premises 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 Sublessee or the Sublessor; (iii) the failure to comply with any Applicable Environmental Laws or the use, presence, storage, disposal or release of any Hazardous Substances on or about the Leased Premises; (iv) patent, trademark or copyright infringement; (v) strict liability in tort; and (vi) loss of the federal income tax exemption of the Interest Component of Base Rental due to the failure of the Sublessee to comply with the provisions of the Tax Certificate. The indemnification arising under this Section 11 shall continue in full force and effect notwithstanding the full payment of all obligations hereunder or the termination hereof for any reason. The Sublessee and the Sublessor mutually agree to promptly give notice to each other of any claim or liability hereby indemnified against following the learning thereof by such party. However, notwithstanding anything to the contrary in this Sublease, this Section 11 provides no indemnity for liability, obligations, losses, claims, or damages caused by the Sublessor's gross negligence or willful misconduct, and the Sublessee shall not indemnify the Sublessor for the same.

## SECTION 12. DEFAULT BY SUBLESSEE.

(a) Events of Default. The following shall be “events of default” under this Sublease and the terms “event of default” and “default” shall mean, whenever they are used in this Sublease, any one or more of the following events:

(i) the Sublessee shall fail to pay any Base Rental payment or Excess Amounts required to be paid pursuant to Section 3.1(a) hereof by the close of business on the day such payment is required pursuant to Section 3.1(a) hereof;

(ii) the Sublessee shall fail to pay any item of Additional Rental (other than Excess Amounts) as and when the same shall become due and payable pursuant to Section 3.1(b) hereof and shall fail to pay such Additional Rental within a period of 30 days after written notice thereof from the Sublessor to the Sublessee;

(iii) the Sublessee shall breach any other terms, covenants or conditions contained herein, and shall fail to remedy any such breach with all reasonable dispatch within a period of 30 days after written notice thereof from the Sublessor to the Sublessee, or, if such breach cannot be remedied within such 30-day period, shall fail to institute corrective action within such 30-day period and diligently pursue the same to completion;

(iv) The Sublessee shall fail to maintain insurance as required under Section 4.3;

(v) Any material statement, representation or warranty of the Sublessee pursuant to this Sublease or in connection with its execution shall have been false, incorrect or misleading in any material respect when made;

(vi) The Sublessee shall become insolvent or be unable to pay its debts and perform its obligations as the same become due, or the Sublessee shall be the subject of bankruptcy, insolvency or receivership proceedings under any applicable law; or

(vii) Any Event of Default as set forth in Section 6.01 of the Supplemental Agreement exists of which Sublessee has been given notice by the Assignee.

(b) Remedies on Default. The Sublessor shall have the right, at its option, or upon the direction of the Assignee without any further demand or notice, (1) to terminate this Sublease or to keep this Sublease in full force and effect, and in either event, to reenter the Leased Premises and eject all parties in possession therefrom, and relet the Leased Premises as the agent and for the account of the Sublessee upon such terms and conditions as the Sublessor may deem advisable, in which event the rents received on such re-letting shall be applied first to the expenses of reletting and collection, including expenses necessary for repair or restoration of the Leased Premises to its original condition (taking into account normal wear and tear), reasonable attorneys’ fees and any real estate commissions actually paid, and second to the payment of Base Rental and Additional Rental in accordance with this Sublease, and if a sufficient sum shall not be thus realized to pay such sums and other charges, then, if this Sublease shall not have been terminated, the Sublessee shall pay to the Sublessor any net deficiency existing on the date when Base Rental or Additional Rental is due hereunder; or (2) in lieu of the above, so long as the Sublessor does not terminate the Sublessee's right to possession, this Sublease shall continue in effect and the Sublessor shall have the right to

enforce all of its rights and remedies under this Sublease, including the right to recover Base Rental and Additional Rental payments as they become due under this Sublease pursuant to Section 1951.4 of the California Civil Code.

The Sublessee hereby waives and agrees to hold the Sublessor and its assignee harmless from any and all claims for damages caused, or which may be caused, by the Sublessor, or its assignee, lawfully entering and taking possession of the Leased Premises, other than damages caused by the negligence of the Sublessor, or its assignee. The Sublessee agrees that the terms of this Lease constitute full and sufficient notice of the right of the Sublessor, or its assignee, to re-enter the Leased Premises for purposes of terminating this Lease and, alternatively, to enter upon and re let the Leased Premises in the event of such reentry without effecting a surrender of this Lease.

In the event the Sublessor, or its assignee, elects to terminate this Lease, the Sublessee agrees to surrender immediately possession of the Leased Premises and to pay the Sublessor, or its assignee, all damages recoverable at law that the Sublessor, or its assignee, may incur by reason of default by the Sublessee, including, without limitation, any costs, loss or damage whatsoever arising out of, in connection with, or incident to any re-entry upon the Leased Premises by the Sublessor, or its duly authorized agents in accordance with such termination. In the event of a default, the Sublessee further agrees to reimburse the Sublessor, and its assignee, for any cost or expense, including attorneys' fees, incurred by the Sublessor or its assignee in connection with the exercise by the Sublessor, or its assignee, of the remedies hereunder.

(c) In addition to the other remedies set forth above, upon the occurrence of an event of default, the Sublessor is entitled to proceed to protect and enforce the rights vested in the Sublessor by this Sublease or by law. The provisions of this Sublease and the duties of the Sublessee and of its supervisors, officers or employees are enforceable by the Sublessor by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction. Without limiting the generality of the foregoing, the Sublessor shall have the right to bring the following actions:

(i) Accounting. By action or suit in equity to require the Sublessee and its supervisors, officers and employees and its assigns to account as the trustee of an express trust.

(ii) Injunction. By action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of the Sublessor.

(iii) Mandamus. By mandamus or other suit, action or proceeding at law or in equity to enforce the Sublessor's rights against the Sublessee (and its board, officers and employees) and to compel the Sublessee to perform and carry out its duties and obligations under the law and its covenants and agreements with the Sublessee as provided herein.

(d) The Sublessee acknowledges and agrees that the rights and remedies of this Section 12 are being assigned by the Sublessor to the Assignee pursuant to the Assignment Agreement and that all rights and remedies exercisable by the Sublessor hereunder shall, with the same force and effect, be exercised solely by the Assignee. In furtherance thereof, the Sublessor hereby irrevocably appoints the Assignee as the agent and attorney-in-fact of the Sublessor for the purposes of exercising any of the remedies hereunder.

Except as expressly waived herein, each and every remedy of the Sublessor hereunder or at law shall be available to any assignee of the rights of the Sublessor hereunder and is cumulative, and

the exercise of one remedy shall not impair the right of the Sublessor or its assignee to any or all other remedies. If any statute or rule validly shall limit the remedies given to the Sublessor or any assignee of the rights of the Sublessor hereunder, the Sublessor or its assignee nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law, except as otherwise expressly provided herein.

The Sublessor or any assignee of the rights of the Sublessor hereunder shall not exercise its remedies hereunder so as to cause the portion of Base Rental Payments designated as and comprising interest to be included in gross income for Federal income tax purposes or to be subject to State personal income taxes. Notwithstanding any other provision of this Sublease to the contrary, in no event shall the Sublessor or any assignee of the rights of the Sublessor hereunder have the right to accelerate the payment of any Base Rental hereunder.

### **SECTION 13. WAIVER.**

The waiver by the Sublessor of any breach by the Sublessee, and the waiver by the Sublessee of any breach by the Sublessor of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant or condition hereof.

### **SECTION 14. DISCLAIMER OF WARRANTIES.**

Neither the sublessor nor any person acting on its behalf has made or makes any warranty or representation as to the past, present or future condition of the leased premises not herein expressed, and the sublessee has entered into this sublease without representations or warranties with respect thereto on the part of the sublessor, its agents, representatives or employees.

### **SECTION 15. SUBSTITUTION AND RELEASE OF LEASED PREMISES.**

This Sublease and the Site Lease may be modified or amended at any time, with the prior written consent of the Assignee, (which consent shall not be unreasonably withheld, if such amendment is to correct any error in the description of the Leased Premises) or to release from this Sublease and the Site Lease any portion of the Leased Premises (which consent shall be at the Assignee's sole discretion), or to substitute other real property and improvements (the "Substituted Property") for the Leased Premises (which consent shall be at the Assignee's sole discretion); and provided, however, that the Sublessee shall have filed with the Sublessor and the Assignee all of the following:

(a) Executed copies of amendments to this Sublease and the Site Lease containing the amended legal description of the Leased Premises;

(b) Evidence that copies of the amendments to this Sublease, the Site Lease and the Assignment Agreement containing the amended legal description of the Leased Premises have been duly recorded in the official records of the County Recorder of the County of Stanislaus;

(c) A certificate of the Sublessee Representative that (i) the annual fair rental value of the property which will constitute the Leased Premises after such release or substitution will be at least equal to 100% of the maximum amount of Base Rental and Additional Rental due in the then current Sublease Year or in any subsequent Sublease Year (assuming for purposes of such calculation that the Additional Rental in each future Sublease Year will be equal to the Additional

Rental in the current Sublease Year), (ii) any substitute property has a useful life greater than the Sublease Term; (iii) any substitute property is integral for performing the Sublessee's governmental functions, (iv) there is no event that has occurred and is continuing that would give rise to an abatement of Rental Payments with respect to the Leased Premises, as constituted, after such release or substitution, and (v) no event of default under this Sublease has occurred and is continuing;

(d) A certificate of the Sublessee Representative setting forth the fair replacement value of the property which will constitute the Leased Premises after such release or substitution and evidencing that such fair replacement value is equal to or greater than the sum of the then unpaid Principal Components of Base Rental Payments as set forth in Exhibit "B" hereto;

(e) In the case of substitution of property for the then existing Leased Premises, a CLTA Owner's policy or policies and a CLTA Leasehold Owner's policy or policies, or a commitment or commitments for such policies or amendments or endorsements to existing policies resulting in title insurance with respect to the Leased Premises after such substitution satisfying the requirements of Section 4.3(c). Each such insurance instrument, when issued, shall insure such substituted property subject only to such exceptions as do not substantially interfere with the Sublessee's right to use and occupy such substituted property and as will not result in an abatement of Rental Payments payable by the Sublessee under this Sublease;

(f) An opinion of counsel stating that such amendment or modification (i) is authorized or permitted by the Constitution and laws of the State and by this Sublease; (ii) complies with the terms of the Constitution and laws of the State and of this Sublease; (iii) will, upon the execution and delivery thereof, be valid and binding upon the Sublessor and the Sublessee in accordance with its terms; and (iv) will not cause the Interest Components of the Base Rental Payments to be included in gross income for federal income tax purposes; and

(g) Such other or additional information and documents as the Assignee may reasonably require to evidence the value of the Leased Premises following such release of substitution including, without limitation, an insurance valuation or third party appraisal.

## **SECTION 16. NOTICES.**

All notices, requests, demands and other communications under this Sublease shall be in writing (unless otherwise specified herein) and shall be sufficiently given on the date of service if served personally upon the person to whom notice is to be given or on receipt if sent by telex or other telecommunication facility or courier or, if mailed by first-class mail, postage prepaid, and properly addressed as follows:

To the Sublessee:

Stanislaus County  
1010 10th Street, Suite 6800  
Modesto, CA 95354  
Attention: Treasurer-Tax Collector  
Phone: (209) 525-4463  
Fax: (209) 342-6203



To the Sublessor:

Stanislaus County Capital Improvements Financing Authority  
c/o County of Stanislaus  
1010 10th Street, Suite 6800  
Modesto, CA 95354  
Attention: President

To the Assignee:

Bank of the West  
180 Montgomery Street  
San Francisco, CA 94104  
Attention: Ted Neu  
Phone: (415) 765-4938  
Fax: (866) 235-9308

or to such other address or addresses as any such person shall have designated to the others by notice given in accordance with the provisions of this Section 16.

#### **SECTION 17. VALIDITY.**

If any one or more of the terms, provisions, promises, covenants or conditions of this Sublease shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, then each and all of the remaining terms, provisions, promises, covenants and conditions of this Sublease shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

If for any reason this Sublease shall be held by a court of competent jurisdiction to be void, voidable or unenforceable by the Sublessor or by the Sublessee, or if for any reason it is held by such a court that any of the covenants and agreements of the Sublessee hereunder, including the covenant to pay Base Rental and Additional Rental hereunder, is unenforceable for the full term hereof, then and in such event for and in consideration of the right of the Sublessee to possess, occupy and use the Leased Premises, which right in such event is hereby granted, this Sublease shall thereupon become and shall be deemed to be a lease from year to year under which the annual Base Rental Payments and Additional Rental Payments herein specified will be paid by the Sublessee.

#### **SECTION 18. LAW GOVERNING; VENUE.**

This Sublease is made in the State under the Constitution and laws of the State and is to be so construed. If any party to this Sublease initiates any legal or equitable action to enforce the terms of this Sublease, to declare the rights of the parties under this Sublease or which relates to this Sublease in any manner, each such party agrees that the place of making and for performance of this Sublease shall be the County of Stanislaus, State of California, and the proper venue for any such action is the Superior Court of the State of California, in and for the County of Stanislaus.

The Authority, to the fullest extent permitted by law, hereby waives its right to a trial by jury in any legal proceeding arising out of or relating to this Sublease, the Site Lease, the Assignment Agreement or the Supplemental Agreement, or the transactions contemplated hereby or thereby. The

Authority warrants and represents that such waiver has been intentionally, knowingly and voluntarily made, following consultation with its legal counsel. If the waiver of jury trial as set forth in this Section shall be declared void or unenforceable, the Authority agrees to refer the dispute to a judicial referee in accordance with the provisions of Section 638 et seq. of the California Code of Civil Procedure.

**SECTION 19. AMENDMENT.**

The Sublease may be amended in writing by agreement between the Sublessor and the Sublessee, with the consent in writing of the Assignee. The Site Lease may be amended in writing by agreement between the Sublessor and the Sublessee, with the consent in writing of the Assignee. Notwithstanding the foregoing, the Site Lease, this Sublease and the rights and obligations provided thereby may also be modified or amended at any time without the consent of the Assignee, upon the written agreement of the parties thereto, but only (1) for the purpose of curing any ambiguity or omission relating thereto, or of curing, correcting or supplementing any defective provision contained in the Site Lease or this Sublease, (2) to modify or amend the description of the Leased Premises pursuant to Section 15 of this Sublease or (3) for any other reason, provided that such modification or amendment does not materially adversely affect the interests of the Assignee; provided however, that the Sublessor and the Sublessee may rely in entering into any such amendment or modification thereof upon the opinion of counsel stating that the requirements of this sentence have been met with respect to such amendment or modification.

**SECTION 20. EXCESS PAYMENTS.**

Notwithstanding anything contained herein to the contrary, if for any reason, including but not limited to damage, destruction, condemnation, transfer, sale or disposition, the Sublessee or the Assignee receive payments, proceeds or awards with respect to the Leased Premises in excess of the amount necessary to pay or prepay all of the Outstanding Principal Components of Base Rental Payments, such excess shall represent the Sublessee's equity interest in the Leased Premises and shall all be paid to the Sublessee.

**SECTION 21. NO MERGER.**

If both the Sublessor's and the Sublessee's estate under this or any other lease relating to the Leased Premises or any portion thereof shall at any time or for any reason become vested in one owner, this Sublease and the estate created hereby shall not be destroyed or terminated by the doctrine of merger unless the Sublessee so elects as evidenced by recording a written declaration so stating, and, unless and until the Sublessee so elects, the Sublessee shall continue to have and enjoy all of its rights and privileges as to the separate estates.

**SECTION 22. FURTHER ASSURANCES AND CORRECTIVE INSTRUMENTS.**

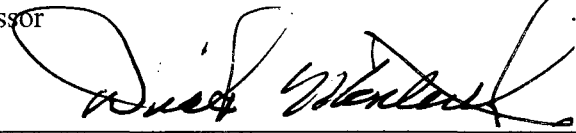
The Sublessee and the Sublessor agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Premises leased hereby or intended to be so leased or for carrying out the expressed intention of this Sublease.

**SECTION 23. EXECUTION IN COUNTERPARTS.**


This Sublease may be executed in several counterparts, each of which shall be deemed to be an original, and all of which together shall constitute but one and the same agreement.

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

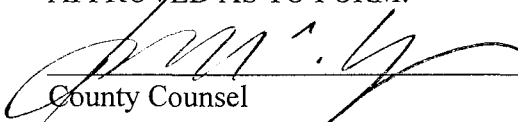
STANISLAUS COUNTY CAPITAL  
IMPROVEMENTS FINANCING AUTHORITY, as  
sublessor

By:   
Chairman

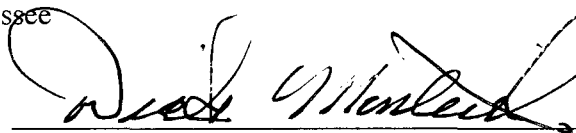
ATTEST:

  
Secretary


APPROVED AS TO FORM:

  
County Counsel

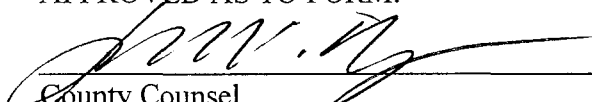
COUNTY OF STANISLAUS, CALIFORNIA, as  
sublessee

By:   
Chairman

ATTEST:

  
Clerk

APPROVED AS TO FORM:

  
County Counsel

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.

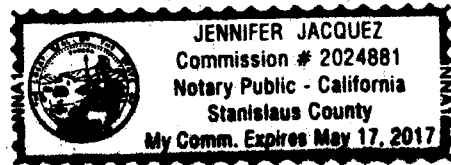
COUNTY OF STANISLAUS

On 8/23/14 before me, Jennifer Jacques, Notary Public, personally appeared Richard Jay Monteth, 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

Jennifer Jacques  
SIGNATURE OF NOTARY PUBLIC



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 STANISLAUS )

On 8/23/16 before me, Jennifer Jacquery, Notary Public, personally appeared Elizabeth Aileen King, 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.

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Jennifer Jacquery  
SIGNATURE OF NOTARY PUBLIC



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STATE OF CALIFORNIA

)  
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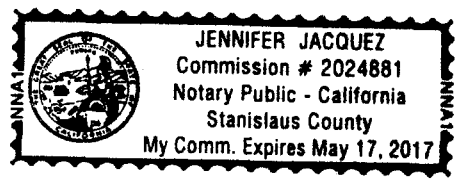
COUNTY OF STANISLAUS

On 8/23/16 before me, Jennifer Jacquez, Notary Public, personally appeared Richard Jay Monteith, 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.

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WITNESS my hand and official seal

Jennifer Jacquez  
SIGNATURE OF NOTARY PUBLIC



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STATE OF CALIFORNIA )  
 )  
 ) ss.  
COUNTY OF STANISLAUS )

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WITNESS my hand and official seal

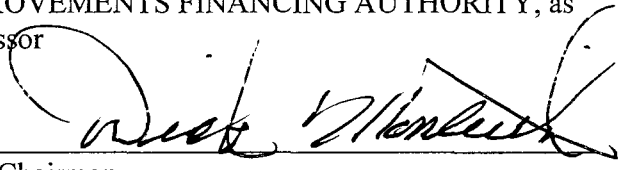
Jennifer Jacquet  
SIGNATURE OF NOTARY PUBLIC



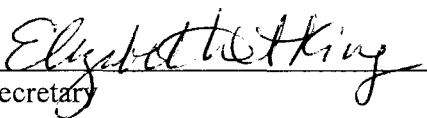


IN WITNESS WHEREOF, the parties hereto have executed this Sublease as of the date first above written.

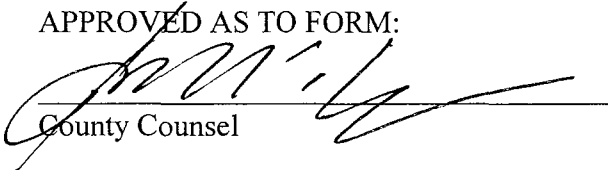
STANISLAUS COUNTY CAPITAL  
IMPROVEMENTS FINANCING AUTHORITY, as  
sublessor

By:   
Chairman

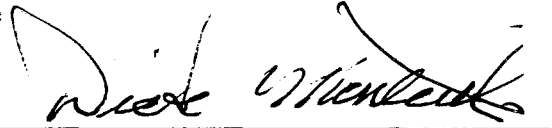
ATTEST:

  
Secretary


APPROVED AS TO FORM:

  
County Council

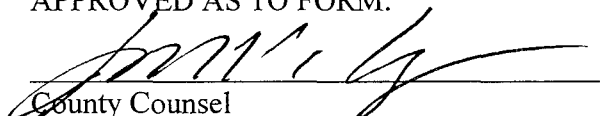
COUNTY OF STANISLAUS, CALIFORNIA, as  
sublessee

By:   
Chairman

ATTEST:

  
Clerk

APPROVED AS TO FORM:

  
County Council

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STATE OF CALIFORNIA

)  
) ss.  
)

COUNTY OF STANISLAUS

On 8/23/14 before me, Jennifer Jacquez, Notary Public, personally appeared Richard Jay Monteth, 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

Jennifer Jacquez  
SIGNATURE OF NOTARY PUBLIC



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STATE OF CALIFORNIA

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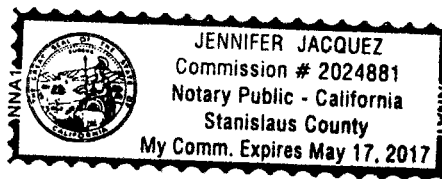
COUNTY OF STANISLAUS

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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

Jennifer Jacquez  
SIGNATURE OF NOTARY PUBLIC



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STATE OF CALIFORNIA

)  
) ss.  
)

COUNTY OF STANISLAUS

On 8/23/16 before me, Jennifer Jacquez, Notary Public, personally appeared Richard Jay Monteth, 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

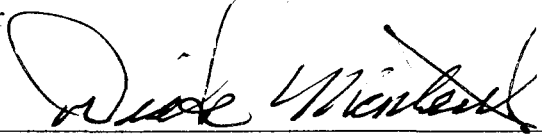
Jennifer Jacquez  
SIGNATURE OF NOTARY PUBLIC






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

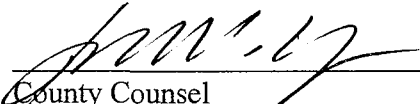
STANISLAUS COUNTY CAPITAL  
IMPROVEMENTS FINANCING AUTHORITY, as  
sublessor

By:   
Chairman

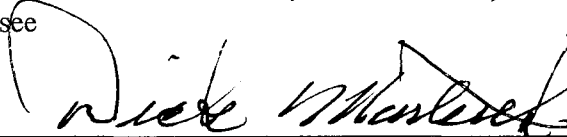
ATTEST:

  
Secretary

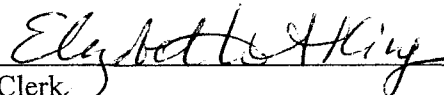
APPROVED AS TO FORM:

  
County Counsel

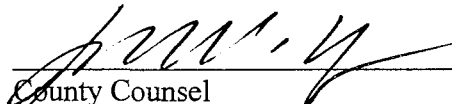
COUNTY OF STANISLAUS, CALIFORNIA, as  
sublessee

By:   
Chairman

ATTEST:

  
Clerk

APPROVED AS TO FORM:

  
County Counsel

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.

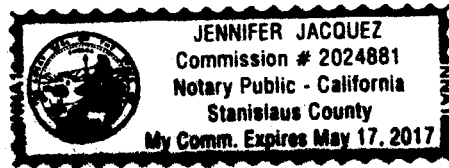
COUNTY OF STANISLAUS )

On 8/23/16 before me, Jennifer Jacquez, Notary Public, personally appeared Richard Jay Monteir, 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

Jennifer Jacquez  
SIGNATURE OF NOTARY PUBLIC



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STATE OF CALIFORNIA

)  
) ss.

COUNTY OF STANISLAUS

On 8/23/16 before me, Jennifer Jacquen, Notary Public, personally appeared Elizabeth Aileen O'Kirk, 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

Jennifer Jacquen  
SIGNATURE OF NOTARY PUBLIC





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STATE OF CALIFORNIA

)  
) ss.  
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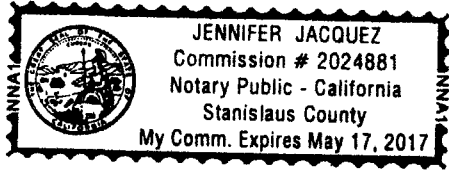
COUNTY OF STANISLAUS

On 8/23/16 before me, Jennifer Jacquero, Notary Public, personally appeared Richard Jay Monteith, 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

Jennifer Jacquero  
SIGNATURE OF NOTARY PUBLIC



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STATE OF CALIFORNIA

)  
) ss.  
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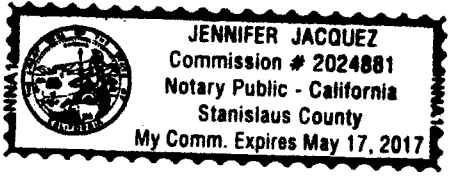
COUNTY OF STANISLAUS

On 8/23/16 before me, Jennifer Jacquen, Notary Public, personally appeared Elizabeth Aileen King, 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

Jennifer Jacquen  
SIGNATURE OF NOTARY PUBLIC



**CERTIFICATE OF ACCEPTANCE**

This is to certify that the interest in the Leased Premises conveyed under the foregoing to the County of Stanislaus, a political subdivision of the State of California, duly organized under the laws of the State of California, is hereby accepted by the undersigned officer or agent on behalf of the Board of Supervisors of the County of Stanislaus, pursuant to authority conferred by resolution of the Board of Supervisors adopted on August 16, 2016 and the grantee consents to recordation thereof by its duly authorized officer.

Dated: August 23, 2016

COUNTY OF STANISLAUS

By: \_\_\_\_\_

  
Chief 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

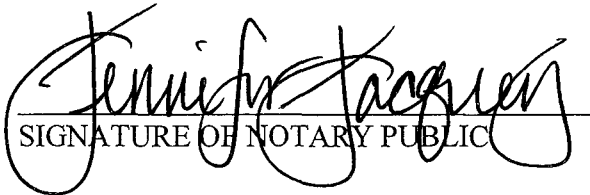
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) ss.  
)

COUNTY OF STANISLAUS

On 8/23/14 before me, Jennifer Jacquiz, Notary Public, personally appeared Stanley Edward Risen, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(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

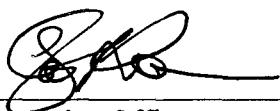
  
SIGNATURE OF NOTARY PUBLIC

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Dated: August 23, 2016

COUNTY OF STANISLAUS

By:   
\_\_\_\_\_  
Chief Executive Officer

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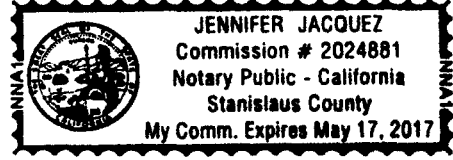
STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF STANISLAUS )

On 8/23/14 before me, Jennifer Jacquez, Notary Public, personally appeared Stanley Edward Risen, 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.

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WITNESS my hand and official seal

Jennifer Jacquez  
SIGNATURE OF NOTARY PUBLIC



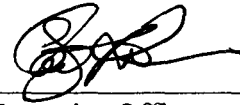
**CERTIFICATE OF ACCEPTANCE**

This is to certify that the interest in the Leased Premises conveyed under the foregoing to the County of Stanislaus, a political subdivision of the State of California, duly organized under the laws of the State of California, is hereby accepted by the undersigned officer or agent on behalf of the Board of Supervisors of the County of Stanislaus, pursuant to authority conferred by resolution of the Board of Supervisors adopted on August 16, 2016 and the grantee consents to recordation thereof by its duly authorized officer.

Dated: August 23, 2016

COUNTY OF STANISLAUS

By: \_\_\_\_\_



Chief Executive Officer

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STATE OF CALIFORNIA

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) ss.  
)

COUNTY OF STANISLAUS

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WITNESS my hand and official seal

Jennifer Jacquez  
SIGNATURE OF NOTARY PUBLIC





## EXHIBIT A

### DESCRIPTION OF THE LEASED PREMISES

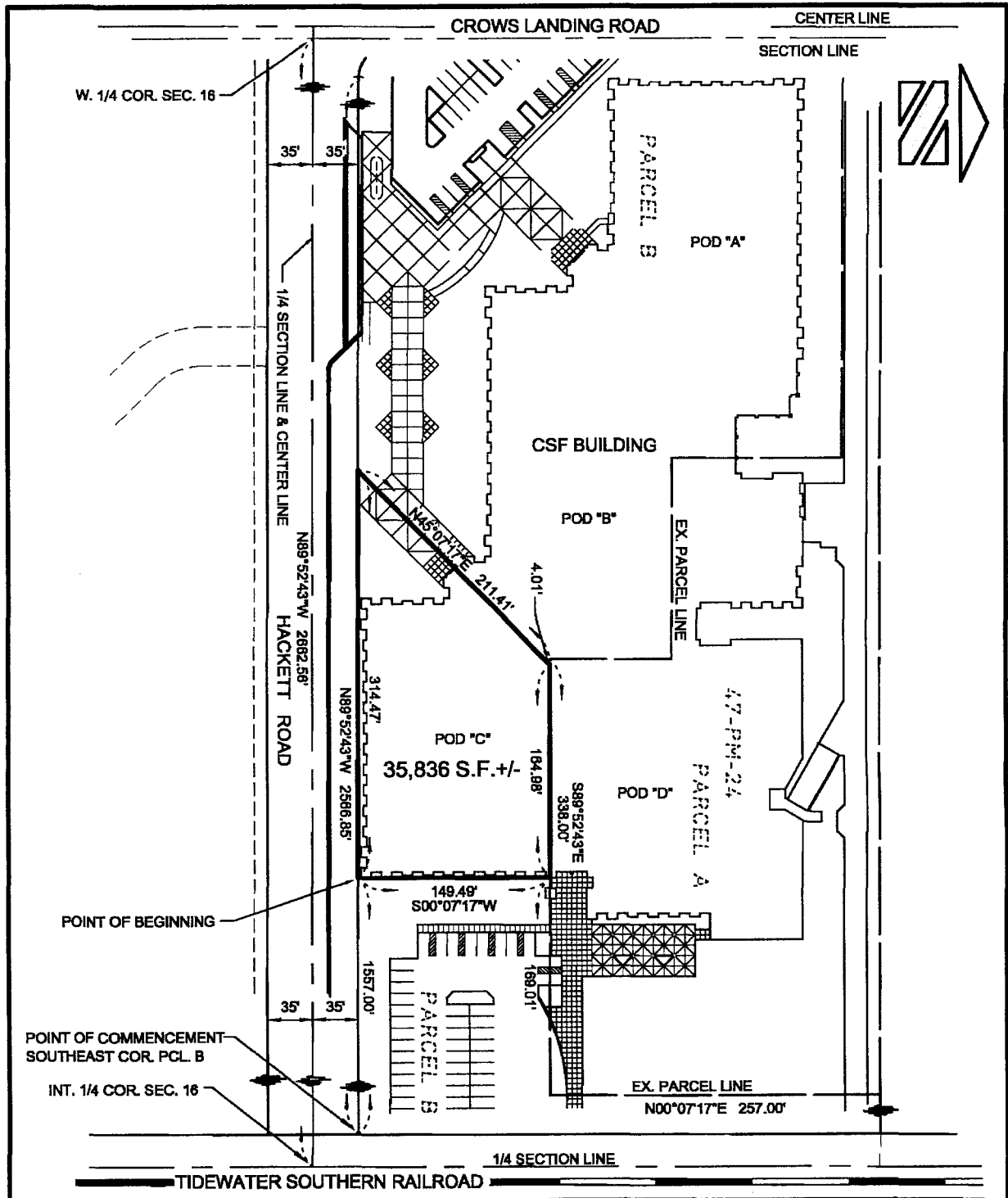
ALL that certain real property situated in the County of Stanislaus, State of California, lying within a portion of the Northwest Quarter of Sections 16, Township 4 South, Range 9 East, Mount Diablo Meridian, described as follows:

ALL that portion of Parcel "B" as shown on that map filed in the Office of the Recorder of the County of Stanislaus on June 1, 1995 in Book 47 pf Parcel Maps at Page 24, being more particularly described as follows:

#### **SITE AREA:**

COMMENCING at the Southeast corner of said Parcel "B", said corner also being the intersection point of the North right of way line of a 70.00 foot wide road known as Hackett Road with the West line of the 50.00 foot wide Tidewater Southern Railroad; thence North 89°52'43" West along the North line of said Hackett Road, also being the South line of said Parcel "B", a distance of 1557.00 feet to the POINT OF BEGINNING of this description; thence continuing along last said line North 89°52'43" West, a distance of 314.47 feet; thence North 45°07'17" East, a distance of 211.41 feet to a point on the South line of Parcel "A" of last said Parcel Map; thence South 89°52'43" East along last said South line, a distance of 164.98 feet; thence South 00°07'17" West, a distance of 149.49 feet to the point of beginning.

CONTAINING 35,836 square feet more or less.



DRAWN:	DLS
DATE:	7/21/16
SCALE:	1" = 100'
JOB #:	823P-16
DWG:	CSF-PODC_XB

**EXHIBIT "B"**  
**PLAT TO ACCOMPANY**  
**LEGAL DESCRIPTION**



**ASSOCIATED  
ENGINEERING  
GROUP**

4206 TECHNOLOGY DRIVE, SUITE 4, MODESTO, CA 95356  
 PHONE: (209) 545-3390 FAX: (209) 545-3875 www.assoceng.com

**EXHIBIT B**

**BASE RENTAL PAYMENTS**

The Base Rental Payments shall be comprised of the following Interest Components and Principal Components:

<i>Payment Date/Period Ending</i>	<i>Principal Component*</i>	<i>Interest Rate</i>	<i>Interest Component</i>	<i>Total Base Rental</i>	<i>Total Base Rental for Fiscal Year Ended June 30</i>
12/01/2016			\$ 44,023.78	\$ 44,023.78	
06/01/2017	\$ 385,000.00	2.240%	87,080.00	472,080.00	\$ 516,103.78
12/01/2017			82,768.00	82,768.00	
06/01/2018	455,000.00	2.240	82,768.00	537,768.00	620,536.00
12/01/2018			77,672.00	77,672.00	
06/01/2019	465,000.00	2.240	77,672.00	542,672.00	620,344.00
12/01/2019			72,464.00	72,464.00	
06/01/2020	475,000.00	2.240	72,464.00	547,464.00	619,928.00
12/01/2020			67,144.00	67,144.00	
06/01/2021	485,000.00	2.240	67,144.00	552,144.00	916,288.00
12/01/2021			61,712.00	61,712.00	
06/01/2022	500,000.00	2.240	61,712.00	561,712.00	623,424.00
12/01/2022			56,112.00	56,112.00	
06/01/2023	510,000.00	2.240	56,112.00	566,112.00	622,224.00
12/01/2023			50,400.00	50,400.00	
06/01/2024	520,000.00	2.240	50,400.00	570,400.00	620,800.00
12/01/2024			44,576.00	44,576.00	
06/01/2025	530,000.00	2.240	44,576.00	574,576.00	619,152.00
12/01/2025			38,640.00	38,640.00	
06/01/2026	545,000.00	2.240	38,640.00	583,640.00	622,280.00
12/01/2026			32,536.00	32,536.00	
06/01/2027	555,000.00	2.240	32,536.00	587,536.00	620,072.00
12/01/2027			26,320.00	26,320.00	
06/01/2028	570,000.00	2.240	26,320.00	596,320.00	622,640.00
12/01/2028			19,936.00	19,936.00	
06/01/2029	580,000.00	2.240	19,936.00	599,936.00	619,872.00
12/01/2029			13,440.00	13,440.00	
06/01/2030	595,000.00	2.240	13,440.00	608,440.00	621,880.00
12/01/2030			6,776.00	6,776.00	
06/01/2031	605,000.00	2.240	6,776.00	611,776.00	618,552.00
	<u>\$ 7,775,000.00</u>		<u>\$ 1,432,095.78</u>	<u>\$ 9,207,095.78</u>	<u>\$ 9,207,095.78</u>

\* Principal Components may be prepaid on any date in accordance with Section 3.7 of the Sublease.



# Attachment D

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**SUPPLEMENTAL AGREEMENT**

**dated as of August 1, 2016,**

**between**

**COUNTY OF STANISLAUS**

**and**

**BANK OF THE WEST**

**Relating to**  
**COUNTY OF STANISLAUS**  
**(Community Services Facility HVAC Project)**

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## **SUPPLEMENTAL AGREEMENT**

**THIS SUPPLEMENTAL AGREEMENT**, dated as of August 1, 2016 (as the same may be amended, restated, supplemented or otherwise modified from time to time, this “Supplemental Agreement”), between **COUNTY OF STANISLAUS**, a political subdivision of the State of California, duly organized and existing under the Constitution and laws of the State of California (the “County”) and **BANK OF THE WEST** (the “Bank”).

### **RECITALS**

WHEREAS, in order to finance the purchase and installation of a roof mounted heating, ventilation and air conditioning (“HVAC”) unit to the existing Community Services Facility (as more particularly defined in the Sublease, the “Project”); and

WHEREAS, in order to provide funds to finance the Project, the County will lease certain real property and the improvements thereto to the Stanislaus County Capital Improvements Financing Authority, a joint exercise of powers agency duly organized and existing under the laws of the State of California (as more particularly defined in the Sublease, the “Authority”) pursuant to a Site Lease, dated as of August 1, 2016 (as more particularly defined in the Sublease, the “Site Lease”), and the County will sublease such real property and improvements from the Authority pursuant to a Facilities Sublease (Community Services Facility HVAC Project), dated as of August 1, 2016 (as more particularly defined herein, the “Sublease”); and

WHEREAS, the County and the Authority have determined that it would be in the best interests of the County and the Authority to provide the funds to finance the Project in consideration of the assignment by the Authority of all rights to receive Base Rental and Additional Rental to be paid under the Sublease pursuant to an Assignment Agreement, dated as of August 1, 2016 (as more particularly defined in the Sublease, the “Assignment Agreement”); and

WHEREAS, in consideration of such assignment, the Bank has agreed to provide the funds to finance the Project, and as a condition to such funding, the Bank has required the County to enter into this Supplemental Agreement.

NOW, THEREFORE, to induce the Bank to provide the funds to finance the Project, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the County and the Bank hereby agree as follows:

## ARTICLE I

### DEFINITIONS

**Section 1.01. Certain Defined Terms.** Capitalized terms used herein but not otherwise defined shall have the meaning ascribed thereto in the Sublease. In addition to the terms defined in the recitals and elsewhere in this Supplemental Agreement and the Sublease, the following terms shall have the following meanings:

“Bank” means Bank of the West, and its successors and assigns.

“Base Rate” means a fluctuating rate per annum equal to the higher of (i) the Prime Rate and (ii) the Federal Funds Rate plus 0.5% per annum, calculated on the basis of a 360-day year and actual days elapsed.

“Closing Date” means August 31, 2016.

“Contract” means any indenture, contract, agreement (other than this Supplemental Agreement), other contractual restriction, lease, mortgage, instrument, guaranty, certificate of incorporation, charter or by-law.

“County Long-Term Borrowing General Fund Obligation” means any long-term obligations to third parties in respect of borrowed moneys payable from the general fund of the County, including without limitation lease payments in connection with certificates of participation and lease revenue bonds, but excluding equipment leases. The County Long-Term Borrowing General Fund Obligations outstanding as of the Closing Date are listed on Exhibit B hereto.

“County Long-Term Borrowing General Fund Obligation Issuing Document” means any Contract or resolution authorizing or evidencing the issuance or incurrence of any County Long-Term Borrowing General Fund Obligation.

“Default” means any event or condition which with notice, passage of time or any combination of the foregoing would constitute an Event of Default.

“Default Rate” means a fluctuating rate per annum equal to the Base Rate; provided that at no time shall the Default Rate exceed 12% per annum. The Default Rate shall be calculated on the basis of a 365/366-day year and actual days elapsed.

“Event of Insolvency” means, with respect to any Person, the occurrence of one or more of the following events:

(a) the issuance, under the laws of any state or under the laws of the United States of America, of an order of rehabilitation, liquidation or dissolution of such Person;

(b) the commencement by or against such Person of a case or other proceeding seeking liquidation, reorganization or other relief with respect to such Person or its debts under any bankruptcy, insolvency or other similar state or federal law now or

hereafter in effect, including, without limitation, the appointment of a trustee, receiver, liquidator, custodian or other similar official for such Person or any substantial part of its property or there shall be appointed or designated with respect to it, an entity such as an organization, board, commission, authority, agency or body to monitor, review, oversee, recommend or declare a financial emergency or similar state of financial distress with respect to it or there shall be declared or introduced or proposed for consideration by it or by any legislative or regulatory body with competent jurisdiction over it, the existence of a state of financial emergency or similar state of financial distress in respect of it;

(c) the making of an assignment for the benefit of creditors by such Person;

(d) the failure of such Person to generally pay its debts as they become due;

(e) a debt moratorium, debt adjustment, debt restructuring or comparable restriction with respect to the payment of any indebtedness of such Person is declared or imposed by such Person or by any governmental authority having jurisdiction over such Person;

(f) such Person shall admit in writing its inability to pay its debts when due;  
or

(g) the initiation of any actions to authorize any of the foregoing by or on behalf of such Person.

“Federal Funds Rate” means, for any day, the rate per annum equal to the weighted average (rounded upwards, if necessary to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Bank from three Federal funds brokers of recognized standing selected by it.

“Generally Accepted Accounting Principles” means generally accepted accounting principles in effect from time to time in the United States and applicable to entities such as the County.

“Lease Documents” means this Supplemental Agreement, the Site Lease, the Sublease, the Assignment Agreement and the Tax Certificate.

“Material Adverse Effect” means an event or occurrence which adversely affects in a material manner (a) the assets, liabilities, condition (financial or otherwise), business or operations of the County, (b) the ability of the County to carry out its business as of the date of this Supplemental Agreement or as proposed herein to be conducted or to meet or perform its obligations under this Supplemental Agreement or any of the other Lease Documents on a timely basis, (c) the validity or enforceability of this Supplemental Agreement or any other Lease Document, or (d) the rights or remedies of the Bank under this Supplemental Agreement or any other Lease Document.

“Material Litigation” has the meaning assigned to such term in Section 4.05(a) of this Supplemental Agreement.

“Person” means an individual, partnership, corporation (including a business trust), limited liability company, trust, unincorporated association, joint venture, governmental unit or other entity.

“Prime Rate” means an index for a variable interest rate which is quoted, published or announced by the Bank as its prime rate and as to which loans may be made by the Bank at, above or below such rate.

“Prior Certificates” means the \$40,540,000 original aggregate principal amount of County of Stanislaus Refunding Certificates of Participation, Series A of 2007.

“State” means the State of California.

“Taxable Date” means the date as of which the interest components of Base Rental is first includable in the gross income of the holders (including, without limitation, any previous holders) thereof as a result of any act or omission on the part of the County, including any use of the Project by the County or a third party, as determined pursuant to either (a) an opinion of Bond Counsel, or (b) a final decree or judgment of any federal court or a final action by the Internal Revenue Service that is delivered to the County.

“Transactions” means the execution and delivery of the Lease Documents, the providing of funds by the Bank to finance the Project, the execution and delivery by the County of this Supplemental Agreement and the other Lease Documents, the lease of the Leased Premises, the performance by the County of its obligations (including payment obligations) hereunder and thereunder.

**Section 1.02. Construction.** Unless the context of this Supplemental Agreement otherwise clearly requires, references to the plural include the singular, to the singular include the plural and to the part include the whole. The word “including” shall be deemed to mean “including but not limited to,” and “or” has the inclusive meaning represented by the phrase “and/or.” The words “hereof,” “herein,” “hereunder” and similar terms in this Supplemental Agreement refer to this Supplemental Agreement as a whole and not to any particular provision of this Supplemental Agreement. The Section headings contained in this Supplemental Agreement and the table of contents preceding this Supplemental Agreement are for reference purposes only and shall not control or affect the construction of this Supplemental Agreement or the interpretation thereof in any respect. Section, subsection and exhibit references are to this Supplemental Agreement unless otherwise specified. Each exhibit, schedule and annex attached hereto is incorporated by reference herein and is a constituent part of this Supplemental Agreement.

**Section 1.03. Incorporation of Certain Definitions by Reference.** Any capitalized term used herein and not otherwise defined herein shall have the meaning provided therefor in the Sublease.

**Section 1.04. Accounting Terms and Determinations.** Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared, in accordance with Generally Accepted Accounting Principles consistently applied. In the event of changes to Generally Accepted Accounting Principles which become effective after the Closing Date, the County and the Bank agree to negotiate in good faith appropriate revisions of this Supplemental Agreement so as to perpetuate the meaning and effect of such provisions as originally negotiated and agreed upon.

## **ARTICLE II THE FUNDING**

**Section 2.01. Funding.** Upon the terms and conditions set forth herein, subject to fulfillment of each of the conditions precedent set forth in Article III hereof, and upon the basis of the representations set forth herein, the Bank hereby agrees to provide funds to the Authority in an aggregate principal amount of \$7,775,000 (the "Funding Amount"), which amounts will be paid by the Authority to the County as an advance rental payment pursuant to the Site Lease in consideration of the assignment by the County to the Bank of all rights to receive Base Rental and Additional Rental to be paid under the Sublease.

**Section 2.02. Calculations.** Computations of any interest rates hereunder shall be made by the Bank on the basis of a 360-day year and actual days elapsed. Any change in the Base Rate or the Default Rate resulting from a change in the Prime Rate, the Federal Funds Rate or the Base Rate shall become effective as of the opening of business on the day on which such change in the Prime Rate, the Federal Funds Rate or the Base Rate shall become effective. Each determination by the Bank of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

## **ARTICLE III CONDITIONS PRECEDENT**

**Section 3.01. Closing Conditions.** The Bank has agreed to provide funds to finance the Project in reliance upon the representations, warranties and agreements of the County contained herein, and in reliance upon the representations, warranties and agreements of the County and the Authority to be contained in the documents and instruments to be delivered on the Closing Date and upon the performance by the County of its obligations hereunder as of the Closing Date. Accordingly, the Bank's obligations under this Supplemental Agreement to provide funds to finance the Project shall be conditioned upon the performance by the County of its obligations to be performed hereunder and under such documents and instruments on or prior to the Closing Date, and shall also be subject to the following additional conditions, including the delivery by the County of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Bank and its counsel; *provided that*, unless set forth in a separate section of this Supplemental Agreement or in a Lease Document other than this Supplemental Agreement, the County's obligation to satisfy any condition under this Section 3.01 shall exist only until the Closing Date and shall cease thereafter:

(a) The following Authority documents:

(i) A copy of the resolution of the Authority approving the execution and delivery of the Lease Documents to which the Authority is a party, approving the form of the Lease Documents to which it is not a party and the other matters contemplated hereby and thereby, certified by the Secretary of the Authority as being true and complete and in full force and effect on the Closing Date.

(ii) Certified copies of the Authority's joint exercise of powers agreement, notice of a joint powers agreement filed with the Secretary of State and roster of public agencies filing and acknowledgment from the Secretary of State.

(iii) A certificate by the Secretary of the Authority certifying the names and signatures of the persons authorized to sign, on behalf of the Authority, the Lease Documents to which it is a party and the other documents to be delivered by it hereunder or thereunder.

(b) The following County documents:

(i) A copy of the resolution of Board of Supervisors of the County approving the execution and delivery of the Lease Documents to which the County is a party, approving the form of the Lease Documents to which it is not a party and the other matters contemplated hereby and thereby, certified by the Clerk of the Board of Supervisors of the County as being true and complete and in full force and effect on the Closing Date.

(ii) A certificate by the Clerk of the Board of Supervisors of the County certifying the names and signatures of the persons authorized to sign, on behalf of the County, the Lease Documents to which it is a party and the other documents to be delivered by it hereunder or thereunder.

(c) The following financing documents:

(i) An executed original of each of the Lease Documents (including without limitation a Sublease that includes the terms set forth on Exhibit A hereto and a Tax Certificate that sets forth the elements establishing that the Sublease constitutes a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986) and evidence that the federal tax information Form 8038-G with respect to the Sublease has been prepared for filing and contains a designation of the Sublease as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986.

(ii) Recording instructions for the recordation of such of the Lease Documents as may be required by the Bank.

(iii) Certificates signed by an authorized representative of the County and the Authority, respectively, stating that on and as of the Closing Date, copies of each of the Lease Documents to which it is a party received by the Bank are true, correct and complete copies of such documents, such documents were duly issued, adopted or executed and delivered, have not been modified, amended or rescinded and are in full force and effect on and as of the Closing Date, and such other customary matters as the Bank may reasonably request.

(iv) A certificate signed by an authorized representative of the County, stating that on and as of the Closing Date (i) all requirements and preconditions to the execution and delivery of the Lease Documents shall have been satisfied; (ii) the County has complied with all agreements and covenants and satisfied all conditions stated in this Supplemental Agreement on its part to be performed or satisfied at or prior to the Closing Date; (iii) each representation and warranty on the part of the County contained in this Supplemental Agreement and the other Lease Documents is true and correct as though made on and as of such date; (iv) no Default or Event of Default has occurred and is continuing or would result from the execution or performance of this Supplemental Agreement or the other Lease Documents to which the County is a party; (v) the expected useful life of the HVAC is not less than the tenor of the Sublease; and (vi) and such other customary matters as the Bank may reasonably request.

(v) A certificate of the Authority, signed by an authorized representative of the Authority, stating that on and as of the Closing Date (i) the representations and warranties of the Authority contained in the Lease Documents to which the Authority is a party are true and correct on and as of the Closing Date as though made on and as of such date; (ii) no Default or Event of Default has occurred and is continuing, or would result from the Authority's execution and performance of any of the Lease Documents to which the Authority is a party; (iii) all conditions precedent to the execution and delivery of the Lease Documents to which the Authority is a party have been satisfied; and (iv) and such other customary matters as the Bank may reasonably request.

(vi) Evidence that the Leased Premises shall consist of real property and/or improvements constituting "Pod C" of the County's Community Services Facility located at 251 Hackett Road, Modesto, California, satisfactory to the Bank on the basis of essentiality, fair rental value and insurance coverage and the existence of any mortgage, pledge, lien, charge, encumbrance or claim thereon or with respect thereto.

(vii) Evidence that the fair rental value as of the Closing Date is sufficient to fully amortize Base Rental by May 1, 2031.

(viii) Certificates of insurance evidencing the satisfaction of the insurance requirements as set forth in Section 4.3 of the Sublease in form and substance satisfactory to the Bank; each policy (other than for worker's

compensation) required under Section 4.3 of the Sublease shall name the Bank as additional insured and loss payee.

(ix) Pro forma CLTA owner's and leasehold title insurance policies and a marked-up unconditional binder for such insurance from a title insurance company acceptable to the Bank in respect of the Leased Premises (the "Title Policy"), together with evidence satisfactory to the Bank that all premiums in respect of the Title Policy have been paid or provided for. The Title Policy shall (i) be in an aggregate amount at least equal to the initial principal components of Base Rental, (ii) be subject only to such liens and other exceptions as shall be approved by the Bank; (iii) name the Bank as an insured party thereunder; and (iv) contain such endorsements and affirmative insurance as the Bank may request.

(x) The most recent adopted budget of the County and the audited financial statements of the County for the fiscal years ended June 30, 2015, 2014 and 2013.

(xi) True and correct copies of any and all governmental approvals necessary for the County and the Authority to enter into this Supplemental Agreement and the County and the Authority to enter into the other Lease Documents to which it is a party and the transactions contemplated thereby and hereby and not otherwise covered by Section 3.01(a)(i) or Section 3.01(b)(i) hereof.

(xii) Evidence that no CUSIP number has been assigned to this financing and that this financing is not rated and that the Bank's right, title and interest in and to the Assignment Agreement shall be in a single denomination and shall not be divisible or transferable except to an investor which is a "qualified institutional buyer" as defined in Rule 144A(a)(1) promulgated under the Securities Act of 1933, as amended.

(xiii) Such other certifications as to matters of fact, due authorization, execution and delivery by the parties thereto of the Lease Documents, evidence of corporate authority, copies of governmental consents, permits, licenses and approvals, and other documents as shall be reasonably requested by the Bank, and the form and substance of any order or other official action granting any consent, permit, license or approval shall be satisfactory to the Bank.

(d) The following opinions, addressed to the Bank or on which the Bank is otherwise expressly authorized to rely:

(i) From counsel to the Authority, as to the due authorization, execution and delivery of each of the Lease Documents to which it is a party, their validity, binding effect and enforceability, and such other customary matters as the Bank may reasonably request.



(ii) From counsel to the County, as to the due authorization, execution and delivery of each of the Lease Documents to which it is a party, their validity, binding effect and enforceability, and such other customary matters as the Bank may reasonably request.

(iii) From Bond Counsel, in customary form, an approving opinion to the effect that the Lease Documents have been duly authorized and validly executed and delivered, that interest components of Base Rental will not be included in gross income of the holders thereof for federal or state tax purposes, and as to such other customary matters as the Bank may reasonably request.

(e) Evidence that the Prior Certificates have been defeased and the lease agreements related to the Prior Certificates have been terminated.

(f) Other conditions:

(i) Each representation and warranty contained in this Supplemental Agreement and the other Lease Documents is true and correct.

(ii) No Default or Event of Default has occurred and is continuing or would result from the execution or performance of this Supplemental Agreement or the other Lease Documents.

(iii) Since the most current date of the information, financial or otherwise, supplied by the County to the Bank, there has been no change in the assets, liabilities, financial position or results of operations of the County which might reasonably be anticipated to cause a Material Adverse Effect and the County has not incurred any obligations or liabilities which might reasonably be anticipated to cause a Material Adverse Effect.

(iv) The Bank shall be reasonably satisfied that the fee of the California Debt and Investment Advisory Commission shall have been paid by or on behalf of the County and that payment will be made promptly after demand therefor after the Closing Date of the Bank's fees and expenses (including outside counsel legal fees) incurred in connection with the Transactions.

(v) All other legal matters pertaining to the execution and delivery of each of the Lease Documents shall be reasonably satisfactory to the Bank and its counsel.

(vi) The Bank shall have completed all due diligence with respect to the County, the Leased Premises, the Authority and the Lease Documents in scope and determination satisfactory to the Bank.

(g) Such other instruments, documents and opinions as the Bank shall reasonably require to evidence and secure the obligations of the County hereunder and under the other Lease Documents and to comply with the provisions of this Supplemental

Agreement and the other Lease Documents and the requirements of any governmental authority to which the Bank, the County or the Authority are subject.

## ARTICLE IV

### REPRESENTATIONS AND WARRANTIES

All representations and warranties made herein to the Bank or incorporated hereby for the benefit of the Bank are made with the understanding that the Bank is relying upon the accuracy of such representations and warranties. Notwithstanding that the Bank may conduct its own investigation as to some or all of the matters covered by the representations and warranties in the Lease Documents, and any certificates, information, opinions or documents delivered in connection therewith, the Bank is entitled to rely on all representations and warranties as a material inducement to the Bank's extension of the credit evidenced by the Lease Documents. All representations and warranties made herein to the Bank or incorporated hereby for the benefit of the Bank shall survive the making of and shall not be waived by the execution and delivery of this Supplemental Agreement or the other Lease Documents.

**Section 4.01. Existence and Power.** The County is a political subdivision of the State duly organized, validly existing and in good standing under the Constitution and laws of the State and has the corporate power and authority to own its properties and to carry on its businesses as now being conducted and as currently contemplated to be conducted hereafter and is duly qualified to do business in each jurisdiction in which the character of the properties owned or leased by it or in which the transaction of any material portion of its business (as now conducted and as currently contemplated to be conducted) makes such qualification necessary.

#### **Section 4.02. Due Authorization.**

(a) The County has the corporate power, and has taken all necessary corporate action to authorize the Lease Documents, to execute, deliver and perform its obligations under this Supplemental Agreement and each of the other Lease Documents to which it is a party in accordance with their respective terms. The County has approved the form of the Lease Documents to which it is not a party.

(b) The County is duly authorized and licensed to own its property (real, personal or mixed) under the laws of all governmental authorities having the jurisdiction to license or regulate such property, and the County has obtained all requisite approvals of all such governmental authorities required to be obtained for such purposes. All authorizations and approvals necessary for the County to enter into this Supplemental Agreement and the other Lease Documents and to perform the transactions contemplated hereby and thereby and to conduct its business activities and own its property have been obtained and remain in full force and effect and are subject to no further administrative or judicial review. No other authorization or approval or other action by, and no notice to or filing with, any governmental authority is required for the due execution, delivery and performance by the County of this Supplemental Agreement or the due execution, delivery or performance by the County of the other Lease Documents.

**Section 4.03. Valid and Binding Obligations.** This Supplemental Agreement and each of the Lease Documents to which the County is a party has been duly executed and delivered by one or more duly authorized officers of the County and are legal, valid and binding obligations of the County enforceable in accordance with their respective terms, except as such enforceability may be limited by (a) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally, and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

**Section 4.04. Noncontravention; Compliance with Law.**

(a) The execution, delivery and performance of this Supplemental Agreement and each of the Lease Documents in accordance with their respective terms do not and will not (i) require any consent or approval of any creditor of the County, (ii) violate any applicable law, (iii) conflict in any material respect with, result in a material breach of or constitute a material default under any Contract to which the County is a party or by which it or any of its property may be bound or (iv) result in or require the creation or imposition of any lien upon or with respect to any property now owned or hereafter acquired by the County except such liens, if any, expressly created by any Lease Document.

(b) The County is in compliance with all applicable laws, except for noncompliance that, singly or in the aggregate, has not caused and could not reasonably be expected to cause a Material Adverse Effect or an adverse effect on the County's ability to perform its obligations hereunder and under the other Lease Documents.

**Section 4.05. Pending Litigation and Other Proceedings.**

(a) There are no actions, suits or proceedings pending nor are there any actions, suits or proceedings threatened against the County or any property of the County in any court or before any arbitrator of any kind or before or by any governmental or non governmental body, which, in any case, (i) directly or indirectly relates to the Leased Premises or the enforceability of this Supplemental Agreement or any of the other Lease Documents; (ii) involve claims equal to or in excess of \$5,000,000 or (iii) may have a Material Adverse Effect (any of the foregoing being herein referred to as "Material Litigation").

**Section 4.06. Financial Statements.** The balance sheet of the County as of June 30, 2015 and the related statement of revenues and expenses and changes in financial position for such Fiscal Year and the auditors' reports with respect thereto, copies of which have heretofore been furnished to the Bank pursuant to Section 5.01(a) hereof, are complete and correct and fairly present the financial condition, changes in financial position and results of operations of the County at such date and for such Fiscal Year, and were prepared in accordance with Generally Accepted Accounting Principles consistently applied. Since the period of such statements, there has been no change which would have a Material Adverse Effect.

**Section 4.07. Defaults.** No Event of Default and no Default has occurred and is continuing or exists.

**Section 4.08. Insurance.** The County maintains or causes to be maintained insurance of such type and in such amounts or in excess of such amounts as are required by Section 4.3 of the Sublease.

**Section 4.09. Accuracy of Information.** All information, reports and other papers and data furnished by the County to the Bank were, at the time the same were so furnished, complete and correct in all material respects and insofar as necessary to give the Bank a true and accurate knowledge of the subject matter and were provided in expectation of the Bank's reliance thereon in providing funds to finance the Project. No fact is known to the County which has had or, so far as the County can now reasonably foresee, may in the future have a Material Adverse Effect, which has not been set forth in the budget and financial statements previously furnished to the Bank or in other such information, reports, papers and data or otherwise disclosed in writing to the Bank prior to the Closing Date. Any financial, budget and other projections furnished to the Bank by the County or its agents were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of the conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the Closing Date, represent the County's best estimate of its future financial performance. No document furnished nor any representation, warranty or other written statement made to the Bank in connection with the negotiation, preparation or execution of this Supplemental Agreement or any of the other Lease Documents contains or will contain any untrue statement of a material fact or omits or will omit to state (as of the date made or furnished) any material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were or will be made, not misleading.

**Section 4.10. Environmental Matters.** The County has reviewed the effect of Applicable Environmental Laws on the business, operations and properties of the County, and has identified and evaluated associated liabilities and costs (including, without limitation, any capital or operating expenditures required for clean up or closure of properties presently or previously owned or operated, any capital or operating expenditures required to achieve or maintain compliance with environmental protection standards imposed by law or as a condition of any license, permit or contract, and related constraints on operating activities, including any periodic or permanent shutdown of any facility or reduction in the level of or change in the nature of operations conducted there at and any actual or potential liabilities to third parties, including employees, and any related costs and expenses). On the basis of this review, the County has reasonably concluded that it has not failed to comply with any Applicable Environmental Laws in a manner which may reasonably be expected to have a Material Adverse Effect.

**Section 4.11. Essentiality.** The Leased Premises are an essential asset of the County necessary to serve the needs of the residents of the County. The County believes that at all times while any Base Rental or Additional Rental or any obligation of the County hereunder remains unpaid, the Leased Premises will remain an essential asset of the County.

**Section 4.12. Tax-Exempt Status.** The County has not taken any action or omitted to take any action, and knows of no action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest components of Base Rental from gross income for Federal income tax purposes or the exemption of such interest components from State personal income taxes. The County has designated the Sublease as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986.

**Section 4.13. Sovereign Immunity.** The County does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations under this Supplemental Agreement or any of the other Lease Documents to which it is a party. To the extent the County has or hereafter may acquire under any applicable law any right to immunity from set-off or legal proceedings on the grounds of sovereignty, the County hereby waives, to the fullest extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to this Supplemental Agreement or the other Lease Documents to which it is a party.

**Section 4.14. Fair Rental Value; Use and Occupancy.** Base Rental and Additional Rental payable under the Sublease do not exceed the fair rental value of the Leased Premises for each period for which said rental is to be paid. In making such determination of fair rental value, consideration has been given to the uses and purposes which may be served by the Leased Premises and the benefits therefrom which will accrue to the County and the general public. The County currently has the use and occupancy of the Leased Premises and the County has the legal authority to pay Base Rental and Additional Rental pursuant to the Sublease for the use and occupancy of the Leased Premises.

**Section 4.15. Usury.** The terms of this Supplemental Agreement and the Lease Documents regarding the calculation and payment of interest and fees do not violate any applicable usury laws.

**Section 4.16. Title to Leased Premises.** The County has a valid and enforceable subleasehold interest in the Leased Premises, subject only to Permitted Encumbrances.

## ARTICLE V

### COVENANTS OF THE COUNTY

So long as any Base Rental or Additional Rental or any obligation of the County hereunder or under the Lease Documents remains unpaid or unperformed, the County shall comply with the following covenants hereunder and as additional covenants under the Sublease, unless waived in writing by the Bank:

**Section 5.01. Reporting Requirements.** The County shall keep proper books of record and account in which full, true and correct entries will be made of all dealings or transactions of or in relation to the business and affairs of the County in accordance with Generally Accepted Accounting Principles consistently applied, and will furnish to the Bank each of the following:

- (a) As soon as available, and in any event within 270 days after the close of each Fiscal Year of the County, the financial statements of the County which shall be

audited and reported on without qualification by independent certified public accountants reasonably acceptable to the Bank and shall be certified to the County by such accountants as (i) having been prepared in accordance with Generally Accepted Accounting Principles consistently applied and (ii) fairly presenting the financial condition of the County as at the end of such Fiscal Year and reflecting its operations during such Fiscal Year and (iii) showing all material liabilities, direct or contingent, and disclosing the existence of any off-balance sheet transactions, and shall include, without limitation, balance sheets, profit and loss statements and statements of cash flows, together with notes and supporting schedules, all on a consolidated and consolidating basis and in reasonable detail and including a copy of any management letter or audit report provided to the County by such auditors.

(b) As soon as available and in any event within 60 days after adoption, the annual operating budget of the County for such Fiscal Year.

(c) As soon as available and in any event within 45 days after the close of each fiscal quarter of the County, such information as of the close of such fiscal quarter as the Bank may from time to time reasonably request regarding the County's general fund in order to demonstrate the County's compliance with Section 5.03 hereof.

(d) As soon as available and in any event promptly after presentation to the Board of Supervisors, a copy of the County of Stanislaus Treasury Pool monthly investment report containing a statement as to the sufficiency of cash as at the end of such calendar month to meet the County's historical cash needs for the next six months.

(e) Such other information respecting the business, properties or the condition or operations, financial or otherwise, of the County and the Leased Premises as the Bank may from time to time reasonably request.

**Section 5.02. Notices.** The County shall provide to the Bank:

(a) Immediate notice by telephone, promptly confirmed in writing, of any event, action or failure to take any action which constitutes an Event of Default or Default.

(b) Prompt written notice of any Material Litigation.

(c) Prompt written notice of any event which has or is reasonably anticipated to have a Material Adverse Effect.

**Section 5.03. Liquidity Covenant.** The County shall maintain adequate liquidity to ensure the payment of scheduled County Long-Term Borrowing General Fund Obligation debt service payments as they come due.

**Section 5.04. Access to Leased Premises; Access to Books and Records.** The County shall permit the duly authorized representatives of the Bank, during the County's normal administrative business hours, to enter the Leased Premises or any parts thereof, to examine and copy the County's financial and corporate books, records and accounts and to discuss the affairs,

finances, business and accounts of the County with the County's officers, directors and employees.

## ARTICLE VI

### EVENTS OF DEFAULT

**Section 6.01. Events of Default.** The occurrence of any of the following events (whatever the reason for such event and whether voluntary, involuntary, or effected by operation of law) shall be an "Event of Default" hereunder and an additional Event of Default under the Sublease entitling the Bank to the rights and remedies available under the Sublease, unless waived in writing by the Bank:

(a) Failure of the County to comply with the requirements of Section 5.03 hereof or failure of the County to budget and appropriate as required by Section 3.3 of the Sublease;

(b) Default by the County in the payment of any amount when due in respect of any County Long-Term Borrowing General Fund Obligation and any such default shall remain unremedied for seven (7) days, or default by the County under any County Long-Term Borrowing General Fund Obligation Issuing Document, and continuance of such default beyond the period of grace, if any, allowed with respect thereto; or the occurrence of any act or omission by the County under any such County Long-Term Borrowing General Fund Obligation Issuing Document which results in such County Long-Term Borrowing General Fund Obligation becoming, or being capable of becoming, immediately due and payable or being terminated early or being subject to early termination;

(c) This Supplemental Agreement or any of the other Lease Documents or any material provision of this Supplemental Agreement or any of the other Lease Documents shall at any time, for any reason, cease to be the legal, valid and binding obligation of the County or the Authority or shall cease to be in full force and effect, or shall be declared to be unenforceable, invalid or void, or the validity or enforceability thereof shall be contested by the County or the Authority, or the County or the Authority shall renounce the same or deny that it has any further liability hereunder or thereunder, or any court of competent jurisdiction or other governmental authority with jurisdiction to rule on the validity of any provision of this Supplemental Agreement or any of the other Lease Documents shall find or rule that this Supplemental Agreement or any of the other Lease Documents are not valid or not binding on the County or the Authority;

(d) Dissolution or termination of existence of the County or the Authority;

(e) An Event of Insolvency shall occur with respect to the County or the Authority; or

(f) The long-term unenhanced ratings assigned to any County Long-Term Borrowing General Fund Obligation, or in the absence of any County Long-Term Borrowing General Fund Obligation the issuer credit ratings assigned to the County, shall

be withdrawn or suspended or otherwise unavailable for credit-related reasons or reduced below Baa3 by Moody's Investors Service, Inc., BBB- by Standard & Poor's Rating Service or BBB- by Fitch, Inc.; or

(g) The occurrence of a Taxable Date or a determination is made that the Sublease is no longer a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986.

## ARTICLE VII

### INDEMNIFICATION; COSTS, EXPENSES AND TAXES

**Section 7.01. Indemnification.** In addition to any and all other rights of reimbursement, indemnification, subrogation and other similar rights pursuant to this Supplemental Agreement, the other Lease Documents or under law or equity, the County hereby covenants and agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless the Bank and its officers, directors, employees, representatives and agents (each, an "Indemnitee") from and against any and all claims, causes of action, judgments, fines, penalties, damages, losses, liabilities, and expenses whatsoever (including reasonable attorneys' fees) which may be incurred by an Indemnitee or which may be claimed against an Indemnitee by any Person whatsoever by reason of or directly or indirectly in connection with any of the Transactions; provided that the County shall not be required to indemnify an Indemnitee for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of such Indemnitee as determined in a final, non-appealable judgment. Nothing under this Section 7.01 is intended to limit the County's payment of its obligations hereunder or under the other Lease Documents.

**Section 7.02. Costs, Expenses and Taxes.** The County shall pay to the Bank as Additional Rental under the Sublease, within thirty (30) days after demand: (a) the reasonable fees and out of pocket expenses for counsel to the Bank in connection with the execution and delivery of this Supplemental Agreement and the other Lease Documents; (b) if an Event of Default shall have occurred, all costs and expenses of the Bank in connection with the enforcement (whether by means of legal proceedings or otherwise) of any of its rights under this Supplemental Agreement, the other Lease Documents and such other documents which may be delivered in connection therewith; and (c) the reasonable fees and out of pocket expenses for counsel or other reasonably required consultants to the Bank in connection with advising the Bank as to its rights and responsibilities under this Supplemental Agreement and the other Lease Documents or in connection with responding to requests from the County for approvals, consents, amendments and waivers. In addition, if at any time any governmental authority shall require revenue or other documentary stamps or any other tax or fee in connection with the execution or delivery of this Supplemental Agreement or the other Lease Documents, then, if the County lawfully may pay for such stamps, taxes or fees, the County shall pay, when due and payable, for all such stamps, taxes and fees, including interest and penalties thereon, and the County agrees to save the Bank harmless from and against any and all liabilities with respect to or resulting from any delay or omission of the County in paying, such stamps, taxes and fees hereunder.



**Section 7.03. Late Payment.** Any Base Rental or Additional Rental payment which shall not be paid by the County when due and payable under the Sublease shall accrue interest until the same shall be paid at a rate equal to the Default Rate, and the County hereby agrees to pay such amounts to the Bank upon demand.

**Section 7.04. Survival.** The obligations of the County under this Article VII shall survive the payment in full of Base Rental and the termination of the Lease Documents.

## **ARTICLE VIII**

### **MISCELLANEOUS**

**Section 8.01. Amendments.** No amendment or waiver of any provision of this Supplemental Agreement nor consent to any departure by the parties hereto shall in any event be effective unless the same shall be in writing and signed by such parties, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

**Section 8.02. Severability.** The provisions of this Supplemental Agreement are intended to be severable. If any provision of this Supplemental Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

#### **Section 8.03. Governing Law; Consent To Jurisdiction; Waiver Of Jury Trial.**

(a) This Supplemental Agreement shall be governed by, and construed and interpreted in accordance with the laws of the State.

(b) Each of the parties hereto hereby submits to the exclusive jurisdiction of a court of record in the State located in the County of Stanislaus or in the United States District Court for the Eastern District of the State located in the County of Stanislaus for the purpose of any suit, action or other proceeding arising out of or relating to this Supplemental Agreement and the other Lease Documents and hereby waives any objection which it may have to the laying of venue of any such suit, action or proceeding in any of such courts and any claim that any such suit, action or proceeding has been brought in an inconvenient forum; service of process may be accomplished by registered mail, return receipt requested to each of the parties at the address listed for notice in Section 16 of the Sublease.

(c) The County, the Authority (pursuant to the Sublease) and the Bank each, to the fullest extent permitted by law, hereby waives its respective right to a trial by jury in any legal proceeding arising out of or relating to this Supplemental Agreement or any other Lease Document or the transactions contemplated hereby or thereby. The County, the Authority (pursuant to the Sublease) and the Bank each warrants and represents that such waiver has been intentionally, knowingly and voluntarily made, following consultation with its legal counsel. If the waiver of jury trial as set forth in this Section

shall be declared void or unenforceable, each of the County, the Authority (pursuant to the Sublease) and the Bank agrees to refer the dispute to a judicial referee in accordance with the provisions of Section 638 et seq. of the California Code of Civil Procedure.

**Section 8.04. No Advisory or Fiduciary Responsibility.** In connection with all aspects of the transactions contemplated by this Supplemental Agreement or the other Lease Documents (including in connection with any amendment, waiver or other modification hereof or of any other Lease Document), the County acknowledges and agrees that: (a) (i) the arranging, structuring and other services regarding this Supplemental Agreement provided by the Bank are arm's length commercial transactions between the County on the one hand, and the Bank on the other hand, (ii) the County has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the County is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated by this Supplemental Agreement or the other Lease Documents; (b)(i) the Bank is and has been acting solely as a principal and has not been, is not, and will not be acting as an advisor, agent or fiduciary for the County, or any other Person and (ii) the Bank does not have any obligation to the County with respect to the transactions contemplated by this Supplemental Agreement or the other Lease Documents, except those obligations expressly set forth herein; and (c) the Bank may be engaged in a broad range of transactions that involve interests that differ from those of the County, and the Bank does not have any obligation to disclose any of such interests to the County. To the fullest extent permitted by applicable laws, the County hereby waives and releases any claims that it may have against the Bank with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated by this Supplemental Agreement or the other Lease Documents.

**Section 8.05. Counterparts.** This Supplemental Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument.

**Section 8.06. Successors and Assigns.** This Supplemental Agreement is a continuing obligation and shall be binding upon the County, its permitted successors and assigns and shall inure to the benefit of the Bank and its permitted successors, transferees and assigns. The County may not assign or otherwise transfer or delegate any of its rights or obligations hereunder or under the other Lease Documents without the prior written consent of the Bank. The Bank may, in accordance with applicable law, from time to time and without the consent of the County or any other Person assign, sell or transfer in whole or in part, this Supplemental Agreement and any of its rights or interests hereunder and all or any part of its interest in the Lease Documents, subject to the limitations set forth in the Assignment Agreement. In addition, the Bank may at any time pledge or grant a security interest in all or any portion of its rights under the Lease Documents to secure obligations of the Bank, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release the Bank from any of its obligations hereunder or substitute any such pledgee or assignee for the Bank as a party hereto.

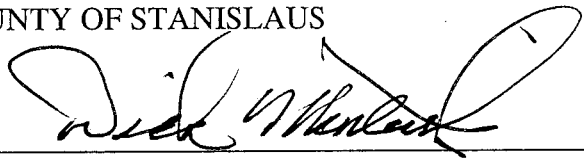
[Signatures begin on the following page.]

[Signature page of Supplemental Agreement]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Agreement to be duly executed and delivered as of the date first above written.


COUNTY OF STANISLAUS

BANK OF THE WEST

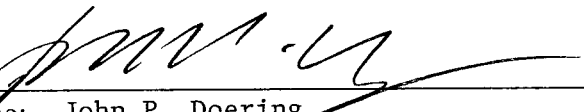
By:   
Name: Dick Monteith  
Title: Chairman of the Board of Supervisors

By: \_\_\_\_\_  
Name:  
Title:

ATTEST:

By:   
Name: Elizabeth King  
Title: Clerk of the Board of Supervisors

APPROVED AS TO FORM:

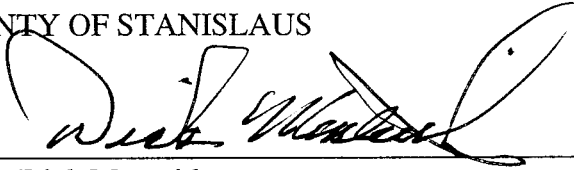
By:   
Name: John P. Doering  
Title: County Counsel

[Signature page of Supplemental Agreement]

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COUNTY OF STANISLAUS

BANK OF THE WEST

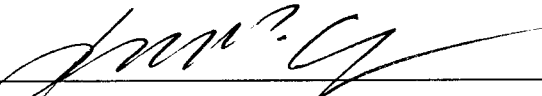
By:   
Name: Dick Monteith  
Title: Chairman of the Board of Supervisors

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

By:   
Name: Elizabeth King  
Title: Clerk of the Board of Supervisors

APPROVED AS TO FORM:

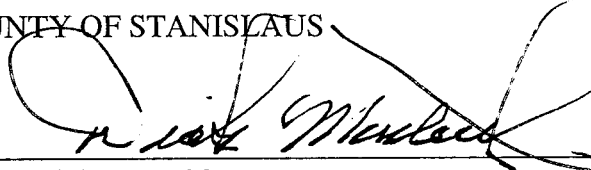
By:   
Name: John P. Doering  
Title: County Counsel

[Signature page of Supplemental Agreement]

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COUNTY OF STANISLAUS

BANK OF THE WEST

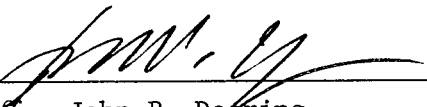
By:   
Name: Dick Monteith  
Title: Chairman of the Board of Supervisors

By: \_\_\_\_\_  
Name:  
Title:

ATTEST:

By:   
Name: Elizabeth King  
Title: Clerk of the Board of Supervisors

APPROVED AS TO FORM:

By:   
Name: John P. Doering  
Title: County Counsel

## Exhibit A

### Sublease Terms

1. (a) Closing Date: August 31, 2016
- (b) Funding Amount: \$7,775,000
- (c) Term: Amortization over 15 years, with the final Principal Payment Date on May 1, 2031
- (d) Interest Payment Dates: semi-annually each May 1 and November 1, commencing November 1, 2016.
- (e) Principal Payment Dates: annually each May 1, commencing May 1, 2017, in such amounts required to fully amortize Base Rental by May 1, 2031.
- (f) Interest Rate: 2.24% per annum, calculated on the basis of a 360-day year and actual days elapsed, except upon the occurrence and during the continuance of an Event of Default under the Sublease, in which case the Default Rate will apply, calculated on the basis of a 360-day year and actual days elapsed.
- (g) Prepayment: Only (i) mandatory prepayment, without prepayment premium, in accordance with Section 3.7(ii) of the Sublease from condemnation awards and insurance proceeds; (ii) optional prepayment prior to the fifth anniversary of the Closing Date, with a prepayment premium (expressed as a percentage of the principal components of Base Rental being prepaid) of 1%; (iii) optional prepayment, without prepayment premium, on or after the fifth anniversary of the Closing Date; (iv) optional prepayment, without prepayment premium, in accordance with Section 3.7(a) of the Sublease at any time interest is accruing at the Default Rate; and (v) optional prepayment, without prepayment premium, in accordance with Section 3.7(b) of the Sublease on any date on or prior to March 1, 2018 up to \$1,500,000 in principal components from any portion of the Funding Amount not disbursed to complete the Project. Any prepayment shall be made together with payment of any Additional Rental due and payable.
- (h) Events of Default under Sublease: Includes Events of Default under this Supplemental Agreement.
- (i) Tax Exemption: An opinion from Bond Counsel as to the exclusion of interest evidenced by the interest components of Base Rental from gross income of the holders thereof for federal income tax purposes and the exemption of such interest components from State personal income taxes.
- (j) Other Lease Terms: fair rental value sufficient to support payment of default interest; insurance requirements (including 24 months of rental interruption insurance) and repair and replacement of Leased Premises; maintenance and operation of Leased Premises; payment of taxes and removal of liens; further

assurances; no amendment of Site Lease or Sublease without Bank consent; no sale or other disposition of, or encumbrance of or lien on Leased Premises; budget and appropriation; environmental compliance; no abandonment of Leased Premises; Additional Rental includes all amounts (other than Base Rental) due and payable under this Supplemental Agreement; Excess Amounts payable on Interest Payment Dates; required title insurance shall be in form and substance satisfactory to the Bank; Authority agreement to waiver of trial provisions set forth in this Supplemental Agreement; no CUSIP number and in a single denomination; not rated.

- (k) Assignability/Transferability: Not divisible or transferable except to an investor which is a “qualified institutional buyer” as defined in Rule 144A(a)(1) promulgated under the Securities Act of 1933, as amended.

Exhibit B

County Long-Term Borrowing General Fund Obligations

\$19,540,000 original aggregate principal amount of County of Stanislaus (Series 2004A and 2004B Certificates of Participation Refinancing) direct placement lease financing with the Treasurer/Tax Collector of the County of Stanislaus

\$8,687,050 original aggregate principal amount of County of Stanislaus (Downtown Center Refinancing) direct placement lease financing with Bank of the West



# Attachment E

**RECORDING REQUESTED BY:** )  
COUNTY OF STANISLAUS )  
)  
**AND WHEN RECORDED MAIL TO:** )  
)  
Stradling Yocca Carlson & Rauth )  
660 Newport Center Drive, Suite 1600 )  
Newport Beach, California 92660 )  
Attention: Robert J. Whalen, Esq. )

---

[Space above for Recorder's use]

**TERMINATION AGREEMENT**

by and among the

**STANISLAUS COUNTY CAPITAL IMPROVEMENTS FINANCING AUTHORITY**

and the

**COUNTY OF STANISLAUS**

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**  
(successor-in-interest to BNY Western Trust Company),  
as Trustee

Relating to  
**Refunding Certificates of Participation**

**Series A of 2007**

Dated as of August 1, 2016

---

NO DOCUMENTARY TRANSFER TAX  
DUE. This Termination Agreement is  
recorded for the benefit of the County of  
Stanislaus and the recording is fee-exempt  
under Section 27383 of the California  
Government Code.

**TERMINATION AGREEMENT**  
**Refunding Certificates of Participation**  
**Series A of 2007**

THIS TERMINATION AGREEMENT (this "Agreement") dated as of August 1, 2016 and effective as of the date of recordation hereof, is by and among the STANISLAUS COUNTY CAPITAL IMPROVEMENTS FINANCING AUTHORITY, a joint exercise of powers agency organized and existing under the laws of the State of California (the "Authority"), the COUNTY OF STANISLAUS, a political subdivision of the State of California duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "County"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. (successor-in-interest to The Bank of New York Trust Company, N.A.), as Trustee (the "Trustee") with respect to the County of Stanislaus Refunding Certificates of Participation Series A of 2007 (the "2007 Certificates").

**RECITALS:**

A. WHEREAS, the County, as lessor, and the Authority, as lessee, entered into that certain Site Lease (the "Site Lease") dated as of February 1, 2007 and recorded February 15, 2007, as Document No. 2007-0020072 in the Official Records of Stanislaus County, California, pursuant to which the County leased certain property and improvements described therein (the "Site") to the Authority.

B. WHEREAS, the Authority, as lessor, and the County, as lessee, entered into that certain Lease Agreement (the "Lease") dated as of February 1, 2007 and recorded February 15, 2007, as Document No. 2007-0020075 in the Official Records of Stanislaus County, California, pursuant to which the Authority leased the Site to the County.

C. WHEREAS, pursuant to an Assignment Agreement (the "Assignment Agreement") dated as of February 1, 2007 and recorded February 15, 2007, as Document No. 2007-0020059 in the Official Records of Stanislaus County, California, by and among the Authority and the Trustee, the Authority assigned to the Trustee certain of its rights pursuant to the Lease.

D. WHEREAS, the County previously notified the Authority of its intention to exercise its option to secure the payment of all Lease Payments (as defined in the Lease) pursuant to the terms of Section 10.3 of the Lease.

E. WHEREAS, the County hereby certifies that it has caused to be delivered to the Trustee moneys sufficient to prepay all remaining Lease Payments on August 26, 2016 thereby causing a defeasance of the 2007 Certificates on August 26, 2016.

F. WHEREAS, the County and the Authority now desire to terminate and discharge the Site Lease and the Lease, and the Trustee and the Authority now desire to terminate and discharge the Assignment Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Termination of Site Lease. Effective as of the recordation of this Agreement, the County and the Authority hereby acknowledge and agree that the Site Lease shall be terminated and discharged, and shall be of no further force or effect and from and after the date of recordation hereof, the Authority shall have no further interest in the Site .

2. Termination of Lease. Effective as of the recordation of this Agreement, the County and the Authority hereby acknowledge and agree that the Lease shall be terminated and discharged, and shall be of no further force or effect and from and after the date of recordation hereof, the Authority shall have no further interest in the Site .

3. Termination of Assignment Agreement. Effective as of the recordation of this Agreement, the Authority and the Trustee hereby acknowledge and agree that the Assignment Agreement shall be terminated and discharged, and shall be of no further force or effect.

4. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall constitute one agreement. The signature and acknowledgment pages from each counterpart may be removed and attached to a single document in order to create one original instrument.

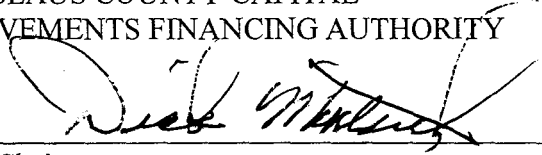
5. Governing Law. This Agreement shall be governed by the laws of the State of California.

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]*


IN WITNESS WHEREOF, this Termination Agreement has been executed by each party's respective duly authorized officers, as of the date first above written.

STANISLAUS COUNTY CAPITAL  
IMPROVEMENTS FINANCING AUTHORITY

By:

  
Chairman

ATTEST:

  
Secretary

APPROVED AS TO FORM:

  
County Counsel

*[SIGNATURES CONTINUED ON NEXT PAGE.]*

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.

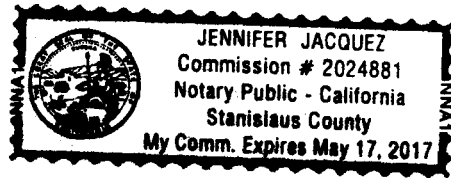
COUNTY OF STANISLAUS

On 8/23/16 before me, Jennifer Jacques, Notary Public, personally appeared Richard Jay Montcith, 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

Jennifer Jacques  
SIGNATURE OF NOTARY PUBLIC



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.  
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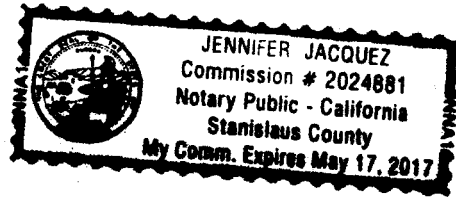
COUNTY OF STANISLAUS

On 8/23/16 before me, Jennifer Jacques, Notary Public, personally appeared Elizabeth Aileen King, 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.

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WITNESS my hand and official seal

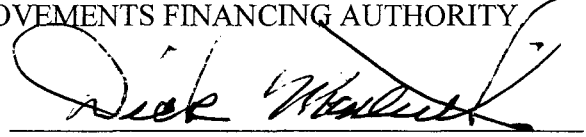
Jennifer Jacques  
SIGNATURE OF NOTARY PUBLIC



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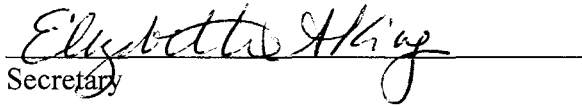
STANISLAUS COUNTY CAPITAL  
IMPROVEMENTS FINANCING AUTHORITY

By:



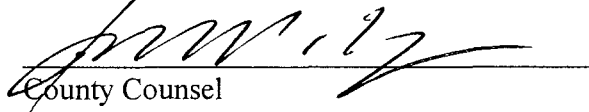
Chairman

ATTEST:



Secretary

APPROVED AS TO FORM:



County Counsel

*[SIGNATURES CONTINUED ON NEXT PAGE.]*



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STATE OF CALIFORNIA

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ss.

COUNTY OF STANISLAUS

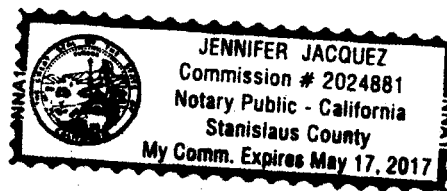
)

On 8/23/16 before me, Jennifer Jacques, Notary Public, personally appeared Richard Jay Monteith, 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

Jennifer Jacques  
SIGNATURE OF NOTARY PUBLIC



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STATE OF CALIFORNIA

)

) ss.

COUNTY OF STANISLAUS

)

On 8/23/16 before me, Jennifer Jacquez, Notary Public, personally appeared Elizabeth Aileen King, 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.

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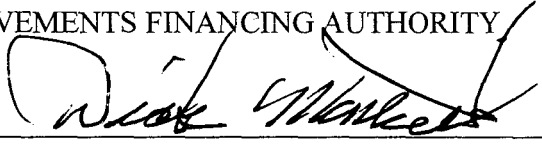


Jennifer Jacquez  
SIGNATURE OF NOTARY PUBLIC

IN WITNESS WHEREOF, this Termination Agreement has been executed by each party's respective duly authorized officers, as of the date first above written.

STANISLAUS COUNTY CAPITAL  
IMPROVEMENTS FINANCING AUTHORITY

By:



Chairman

ATTEST:

  
Secretary

APPROVED AS TO FORM:

  
County Counsel

*[SIGNATURES CONTINUED ON NEXT PAGE.]*

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STATE OF CALIFORNIA

)  
) ss.  
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COUNTY OF STANISLAUS

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Jennifer Jacquez  
SIGNATURE OF NOTARY PUBLIC



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STATE OF CALIFORNIA

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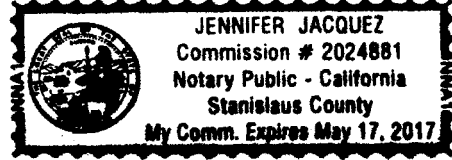
COUNTY OF STANISLAUS

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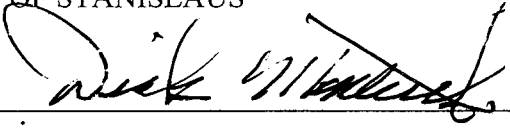
Jennifer Jacquez  
SIGNATURE OF NOTARY PUBLIC



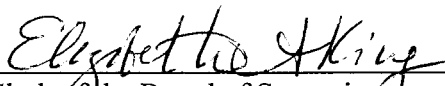
*[SIGNATURE PAGE CONTINUED.]*

COUNTY OF STANISLAUS

By:

  
Chairman

ATTEST:

  
Clerk of the Board of Supervisors

*[SIGNATURES CONTINUED ON NEXT PAGE.]*

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STATE OF CALIFORNIA

)  
) ss.

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WITNESS my hand and official seal

Jennifer Jacquez  
SIGNATURE OF NOTARY PUBLIC



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STATE OF CALIFORNIA

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) ss.

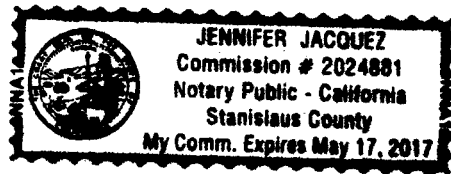
COUNTY OF STANISLAUS

On 8/23/14 before me, Jennifer Jaquez, Notary Public, personally appeared Elizabeth Aileen King, 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

Jennifer Jaquez  
SIGNATURE OF NOTARY PUBLIC

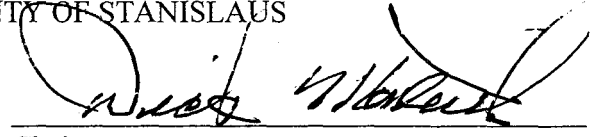




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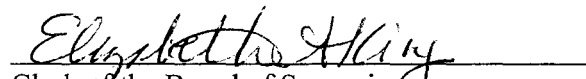
COUNTY OF STANISLAUS

By:



Chairman

ATTEST:

  
Clerk of the Board of Supervisors

*[SIGNATURES CONTINUED ON NEXT PAGE.]*

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STATE OF CALIFORNIA

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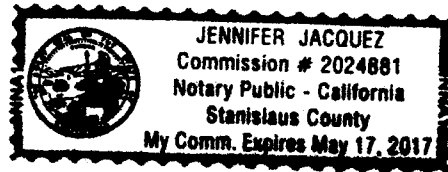
COUNTY OF STANISLAUS

On 8/23/16 before me, Jennifer Jacques, Notary Public, personally appeared Richard Jay Monteith, 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

Jennifer Jacques  
SIGNATURE OF NOTARY PUBLIC



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 STANISLAUS

On 8/23/14 before me, Jennifer Jaquez, Notary Public, personally appeared Elizabeth Aileen King, 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

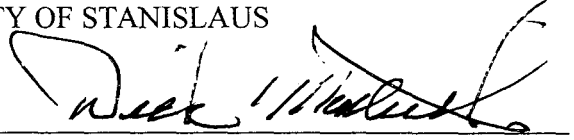
Jennifer Jaquez  
SIGNATURE OF NOTARY PUBLIC



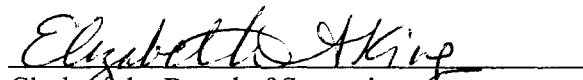
*[SIGNATURE PAGE CONTINUED.]*

COUNTY OF STANISLAUS

By:

  
Chairman

ATTEST:

  
Clerk of the Board of Supervisors

*[SIGNATURES CONTINUED ON NEXT PAGE.]*

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.  
)

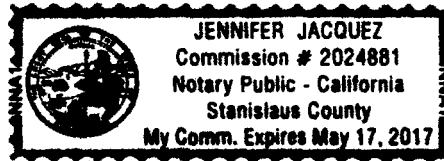
COUNTY OF STANISLAUS

On 8/23/14 before me, Jennifer Jaquez, Notary Public, personally appeared Richard Jay Montelgh, 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

Jennifer Jaquez  
SIGNATURE OF NOTARY PUBLIC



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 STANISLAUS

On 8/23/16 before me, Jennifer Jacques, Notary Public, personally appeared Elizabeth Aileen King, 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

Jennifer Jacques  
SIGNATURE OF NOTARY PUBLIC



*[SIGNATURE PAGE CONTINUED.]*

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

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**DESCRIPTION OF THE SITE**

REAL PROPERTY IN THE UNINCORPORATED AREA OF THE COUNTY OF STANISLAUS,  
STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS

PARCEL B, AS SHOWN ON THAT PARCEL MAP FILED JUNE 1, 1995 IN BOOK 47 OF  
PARCEL MAPS, PAGE 24, STANISLAUS COUNTY RECORDS.

APN: 086-015-016



# Attachment F

**ESCROW AGREEMENT**  
**COUNTY OF STANISLAUS**  
**REFUNDING CERTIFICATES OF PARTICIPATION**  
**SERIES A OF 2007**

THIS ESCROW AGREEMENT (the "Agreement"), made and entered into as of August 1, 2016, by and between the County of Stanislaus (the "County"), and The Bank of New York Mellon Trust Company, N.A. (the "Escrow Agent").

*WITNESSETH:*

WHEREAS, in 2007, the County authorized the execution and delivery of the County of Stanislaus \$40,540,000 Refunding Certificates of Participation Series A of 2007 (the "2007 Certificates") pursuant to a Trust Agreement, dated as of February 1, 2007, (the "2007 Trust Agreement") by and among the County, the Stanislaus County Capital Improvements Financing Authority (the "Authority") and The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Trustee"); and

WHEREAS, pursuant to a resolution of the Board of Supervisors of the County adopted on August 16, 2016 (the "Resolution") the County authorized the outstanding 2007 Certificates (the "Prior Certificates") to be defeased in accordance with the provisions of the 2007 Trust Agreement; and

WHEREAS, the 2007 Trust Agreement provides that amounts may be applied to defease the Prior Certificates by depositing with the Escrow Agent cash and securities in a special escrow fund as is being created hereunder (the "2007 Escrow Fund");

WHEREAS, the County has taken action to cause to be delivered to the Escrow Bank, for deposit in the 2007 Escrow Fund, moneys for the purchase of certain securities and investments consisting of direct noncallable obligations of the United States of America as listed on Schedule B attached hereto and made a part hereof (the "Investment Securities"), in an amount which, together with the cash deposit described herein and the income to accrue on such Investment Securities, has been calculated to be sufficient to pay the interest and principal on the Prior Certificates through and including May 1, 2017, and to prepay the Prior Certificates maturing on May 1, 2018 on May 1, 2017 at the prepayment price of 100% of the principal amount thereof (the "Prepayment Price")

NOW, THEREFORE, the County and the Escrow Agent hereby agree as follows:

Section 1. Establishment, Funding and Maintenance of Escrow Fund.

(a) The Escrow Bank agrees to establish and maintain the Escrow Fund until final payment of the Prior Certificates has been paid in full and to hold the securities, investments and moneys therein at all times as a special and separate escrow fund (wholly segregated from all other securities, investments or moneys on deposit with the Escrow Bank). The County shall deposit with the Escrow Bank \$3,483,212.21 of County funds and \$4,058,102.51 of amounts held under the 2007 Trust Agreement. All securities, investments and moneys in the Escrow Fund are hereby

irrevocably pledged, subject to the provisions of Section 2 hereof, to secure the payment of the Prior Certificates. The Escrow Bank shall purchase Investment Securities as described in Schedule B at a cost of \$7,541,304.00 and shall hold \$0.72 uninvested in cash.

(b) The Escrow Bank hereby acknowledges receipt of the verification report of Causey, Demgen & Moore, P.C., certified public accountants, dated August 26, 2016 relating to the Investment Securities (the "Verification Report") with respect to the County's defeasance of the Prior Certificates in the manner and to the extent provided by law and in Section 901 of the 2007 Trust Agreement.

Section 2. Investment of the Escrow Fund.

(a) The County and the Escrow Bank each shall take all remaining action, if any, necessary to have the Investment Securities issued and registered in the name of the Escrow Bank for the account of the Escrow Fund. Except as otherwise provided in this Section, the Escrow Bank shall not reinvest any cash portion of the Escrow Fund and shall hold such cash portion uninvested.

(b) Upon the written direction of the County, but subject to the conditions and limitations herein set forth, the Escrow Bank shall sell, transfer, request the redemption or otherwise dispose of some or all of the Investment Securities in the Escrow Fund and purchase with the proceeds derived from such sale, transfer, redemption or other disposition one or more noncallable, nonprepayable obligations constituting direct obligations issued by the United States Treasury or obligations which are unconditionally guaranteed as to full and timely payment by the United States of America (the "Substitute Investment Securities"). Such sale, transfer, redemption or other disposition of Investment Securities and purchase of Substitute Investment Securities shall be effected by the Escrow Bank upon the written direction of the County but only by a simultaneous transaction and only if (i) a nationally recognized firm of independent certified public accountants shall certify that (a) the Substitute Investment Securities, together with the Investment Securities which will continue to be held in the Escrow Fund, will mature in such principal amounts and earn interest in such amounts and, in each case, at such times so that sufficient moneys will be available from maturing principal and interest on such Investment Securities and Substitute Investment Securities held in the Escrow Fund, together with any uninvested moneys therein, to make all payments required by Section 3 hereof which have not previously been made, and (b) the amounts and dates of the anticipated payments by the Escrow Bank of the principal and interest on the Prior Certificates will not be diminished or postponed thereby, and (ii) the Escrow Bank shall receive an unqualified opinion of nationally recognized municipal bond attorneys to the effect that the proposed sale, transfer, redemption or other disposition and substitution of Investment Securities will not adversely affect the exclusion from gross income for federal income tax purposes of interest due with respect to the Prior Certificates.

(c) Upon the written direction of the County, but subject to the conditions and limitations herein set forth, the Escrow Bank will apply any moneys received from the maturing principal of or interest or other investment income on any Investment Securities and Substitute Investment Securities held in the Escrow Fund, or the proceeds from any sale, transfer, redemption or other disposition of Investment Securities pursuant to Section 2(b) not required for the purposes of said Section, as follows: to the extent such moneys will not be required at any time for the purpose of making a payment required by Section 3 hereof, as certified by a nationally recognized firm of independent certified public accountants, such moneys shall be transferred to the County upon the written direction of the County as received by the Escrow Bank, free and clear of any trust, lien,

pledge or assignment securing the Prior Certificates or otherwise existing hereunder or under the 2007 Trust Agreement.

If the Escrow Bank learns that the Department of the Treasury or the Bureau of Fiscal Service will not, for any reason, accept a subscription of state and local government series securities ("SLGS") that is to be submitted pursuant to this Agreement, the Escrow Bank shall promptly request alternative written investment instructions from the County with respect to funds which were to be invested in SLGS. The Escrow Bank shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Bank shall hold such funds uninvested and without liability for interest until receipt of further written instructions from the County. In the absence of investment instructions from the County, the Escrow Bank shall not be responsible for the investment of such funds or interest thereon. The Escrow Bank may conclusively rely upon the County's selection of an alternative investment as a determination of the alternative investment's legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

Section 3. Payment of the Prior Certificates. The County hereby requests and irrevocably instructs the Escrow Bank, and the Escrow Bank hereby agrees, to collect and deposit in the Escrow Fund the principal of and interest on the Investment Securities and Substitute Investment Securities held for the account of the Escrow Fund promptly as such principal and interest become due, and, subject to the provisions of Section 2 hereof, to pay such principal and interest, together with any other moneys and the principal of and interest on any other securities deposited in the Escrow Fund, to the 2007 Trustee for the payment of the Prior Certificates at the places and in the manner stipulated in the Prior Certificates and in the 2007 Trust Agreement. In accordance with Section 312 of the 2007 Trust Agreement, the County has instructed the 2007 Trustee to prepay the Prior Certificates maturing on May 1, 2018 on May 1, 2017 and a copy of such instructions is attached as Schedule D hereto. The County shall request and irrevocably instruct the 2007 Trustee, to (i) mail a notice of defeasance substantially in the form attached as Exhibit A of Schedule D hereto and (ii) mail a notice of prepayment in accordance with the 2007 Trust Agreement substantially in the form attached as Exhibit B to Schedule D hereto. Upon payment in full of the Prior Certificates, the Escrow Bank shall transfer any moneys or securities remaining in the Escrow Fund to the County and this Agreement shall terminate. The Escrow Fund cash flow is set forth in Schedule C attached hereto.

Section 4. Possible Deficiencies; Amounts in Excess of Required Cash Balance.

(a) If at any time the Escrow Bank has actual knowledge that the moneys in the Escrow Fund, including the anticipated proceeds of the Investment Securities and any Substitute Investment Securities, will not be sufficient to make all payments required by Section 3 hereof, the Escrow Bank shall notify the County in writing as soon as is reasonably practicable, of such fact, the amount of such deficiency and the reason therefor solely to the extent actually known to it; provided, however, the County shall have no liability for any deficiency and shall not be required to provide funds to eliminate any such deficiency.

(b) The Escrow Bank shall in no manner be responsible for any deficiency in the Escrow Fund.

Section 5. Fees and Costs.

(a) The County shall pay to the Escrow Bank from time to time reasonable compensation for all services rendered under this Agreement and shall reimburse the Escrow Bank for all out of pocket expenses (including reasonable legal fees and expenses) incurred hereunder.

(b) The fees of and the costs incurred by the Escrow Bank shall in no event be deducted or payable from, or constitute a lien against, the Escrow Fund.

Section 6. Merger or Consolidation. Any company into which the Escrow Bank may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under this Agreement, shall be the successor to such Escrow Bank without the execution or filing of any paper or any further act, notwithstanding anything herein to the contrary.

Section 7. Indemnity. To the maximum extent permitted by law, the County hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Bank and its respective successors, assigns, directors, officers, agents, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Bank at any time (whether or not also indemnified against the same by the County or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of this Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds and securities deposited therein, the purchase of the Investment Securities and any Substitute Investment Securities, the retention of the Investment Securities and any Substitute Investment Securities or the proceeds thereof and any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Agreement; provided, however, that the County shall not be required to indemnify the Escrow Bank against the Escrow Bank's own negligence or willful misconduct or the negligent or willful misconduct of the Escrow Bank's respective successors, assigns, agents and employees or the breach by the Escrow Bank of the terms of this Agreement. In no event shall the County or the Escrow Bank be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this section. The indemnities contained in this section shall survive the termination of this Agreement and the resignation or removal of the Escrow Bank.

Section 8. Responsibilities of the Escrow Bank. The Escrow Bank and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance of the moneys or securities deposited therein, the purchase of the Investment Securities and any Substitute Investment Securities, the retention of the Investment Securities and any Substitute Investment Securities or the proceeds thereof, the sufficiency of the Investment Securities and any Substitute Investment Securities to accomplish the defeasance of the Prior Certificates or any payment, transfer or other application of moneys or obligations by the Escrow Bank in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Bank made in

good faith in the conduct of its duties. The recitals of fact contained in the "Whereas" clauses herein shall be taken as the statements of the County and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representation as to the sufficiency of the Investment Securities and any Substitute Investment Securities to accomplish the defeasance of the Prior Certificates or to the validity of this Agreement as to the County and, except as otherwise provided herein, the Escrow Bank shall incur no liability with respect thereto. The Escrow Bank shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence, willful misconduct, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Agreement and no implied covenants or obligations shall be read against the Escrow Bank hereunder. The Escrow Bank may consult with counsel, who may or may not be counsel to the County, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection with respect to any action taken, suffered or omitted by it in good faith in accordance therewith. No provisions of this Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability by the performance or exercise of its rights or powers. Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the County.

The Escrow Bank may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Escrow Bank may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

Anything in this Agreement to the contrary notwithstanding, in no event shall the Escrow Bank be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Bank has been advised of the likelihood of such loss or damage and regardless of the form of action. The Escrow Bank shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Escrow Bank and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

The Escrow Bank shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Agreement and delivered using Electronic Means ("Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Bank, or another method or system specified by the Escrow Bank as available for use in connection with its services hereunder); provided, however, that the County shall provide to the Escrow Bank an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the County whenever a person is to be added or deleted from the listing. If the County elects to give the Escrow Bank Instructions using Electronic Means and the Escrow Bank in its discretion elects to act upon such Instructions, the Escrow Bank's understanding of such Instructions shall be deemed controlling. The

County understands and agrees that the Escrow Bank cannot determine the identity of the actual sender of such Instructions and that the Escrow Bank shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Bank have been sent by such Authorized Officer. The County shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Bank and that the County and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the County. The Escrow Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Bank's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The County agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Bank, including without limitation the risk of the Escrow Bank acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Bank and that there may be more secure methods of transmitting Instructions than the method(s) selected by the County; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Escrow Bank immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 9. Amendments. This Agreement is made for the benefit of the County and the owners from time to time of the Prior Certificates and it shall not be repealed, revoked, altered or amended without the written consent of all such owners, the Escrow Bank and the County; provided, however, that if the County and the Escrow Bank receive an opinion of nationally recognized bond attorneys to the effect that the exclusion from gross income for federal income tax purposes of the interest due with respect to the Prior Certificates will not be adversely affected thereby, they may, without the consent of, or notice to, such owners, amend this Agreement or enter into such agreements supplemental to this Agreement as shall not materially adversely affect the rights of such owners and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Agreement; (ii) to grant to, or confer upon, the Escrow Bank for the benefit of the owners of the Prior Certificates any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such owners or the Escrow Bank; (iii) to include under this Agreement additional funds, securities or properties (but only if the sufficiency of the Escrow Fund for the purpose herein set forth is verified by a nationally recognized firm of independent certified public accountants) and shall hold funds received by it uninvested. The Escrow Bank shall be entitled to rely conclusively upon an unqualified opinion of nationally recognized municipal bond attorneys with respect to compliance with this Section 9, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the owners of the Prior Certificates or that any instrument executed hereunder complies with the conditions and provisions of this Section 9.

Section 10. Resignation or Removal of Escrow Bank.

(a) The Escrow Bank may resign by giving not less than 30 days' notice in writing to the County, which notice shall be mailed to the owners of the Prior Certificates remaining unpaid. The Escrow Bank may be removed (1) by (i) filing with the County of an instrument or instruments executed by the owners of at least 51% in aggregate principal amount of the Prior Certificates then remaining unpaid, and (ii) the delivery of a copy of the instruments filed with the County to the Escrow Bank, or (2) by a court of competent jurisdiction for failure to act in

accordance with the provisions of this Agreement upon application by the County or the owners of 5% in aggregate principal amount of the Prior Certificates then remaining unpaid.

(b) If the position of Escrow Bank becomes vacant due to resignation or removal of the Escrow Bank or any other reason, a successor Escrow Bank may be appointed by the County. Notice of such appointment shall be mailed by first class mail, postage prepaid, to the registered owners of the Prior Certificates. Within one year after a vacancy, the owners of a majority in principal amount of the Prior Certificates then remaining unpaid may, by an instrument or instruments filed with the County, appoint a successor Escrow Bank who shall supersede any Escrow Bank theretofore appointed by the County. If no successor Escrow Bank is appointed by the County or the owners of such Prior Certificates then remaining unpaid, within 45 days after any such resignation or removal, the Escrow Bank may petition the appropriate court having jurisdiction for the appointment of a successor Escrow Bank. The responsibilities of the Escrow Bank under this Escrow Agreement will not be discharged until a new Escrow Bank is appointed and until the cash and investments held under this Escrow Agreement are transferred to the new Escrow Bank.

Section 11. Severability. If any section, paragraph, sentence, clause or provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Agreement.

Section 12. Execution of Counterparts. This Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

Section 13. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 14. Definitions. Any capitalized term used but not otherwise defined in this Agreement shall have the meaning assigned to such term in the Resolution.

Section 15. Assignment. This Agreement shall not be assigned by the Escrow Bank or any successor thereto without the prior written consent of the County provided, however, that an assignment made pursuant to Section 6 hereof shall not require prior written consent.


Section 16. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall be a legal holiday or a day on which banking institutions in which the principal office of the Escrow Bank is located are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement; and no interest shall accrue for the period from and after such nominal date.

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]*



IN WITNESS WHEREOF, the County of Stanislaus and The Bank of New York Mellon Trust Company, N.A. have caused this Agreement to be executed each on its behalf as of the day and year first above written.

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Escrow Bank

By:  \_\_\_\_\_  
Authorized Officer

COUNTY OF STANISLAUS

By: \_\_\_\_\_  
Assistant Executive Officer

IN WITNESS WHEREOF, the County of Stanislaus and The Bank of New York Mellon Trust Company, N.A. have caused this Agreement to be executed each on its behalf as of the day and year first above written.

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Escrow Bank

By: \_\_\_\_\_  
Authorized Officer

COUNTY OF STANISLAUS

By: *Patricia H. [Signature]*  
Assistant Executive Officer

**SCHEDULE A**  
**PRIOR CERTIFICATES**

<i>Maturity Date (May 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Prepayment Date</i>	<i>Prepayment Price</i>
2017	\$4,345,000	4.00%	N/A*	N/A
2018	2,930,000	4.00	5/1/2017	100%

\*Paid at Maturity

**SCHEDULE B**  
**INVESTMENT SECURITIES**

**United States Treasury Time Deposit Securities, State and Local Government Series**

<i>Type</i>	<i>Coupon</i>	<i>Maturity Date</i>	<i>Par Amount</i>	<i>Settlement Date</i>
Certificate	0.27%	11/1/2016	\$ 145,428	8/1/2016
Certificate	0.49	5/1/2017	7,395,876	8/1/2016

**SCHEDULE C**  
**ESCROW FUND CASH FLOW**

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
08/26/2016		0.72	0.72	0.72
11/01/2016	145,500.00	145,500.08	0.08	0.80
05/01/2017	7,420,500.00	7,420,499.20	-0.80	
	7,566,000.00	7,566,000.00	0.00	

**SCHEDULE D**  
**FORM OF INSTRUCTIONS AND**  
**REQUEST TO 2007 TRUSTEE**

August 26, 2016

The Bank of New York Mellon Trust Company, N.A., as 2007 Trustee

\$40,540,000  
COUNTY OF STANISLAUS  
REFUNDING CERTIFICATES OF PARTICIPATION  
SERIES A OF 2007

Ladies and Gentlemen:

As the trustee with respect to the above-captioned Certificates (the "Certificates"), under that certain Trust Agreement, dated as of February 1, 2007, by and among The Bank of New York Mellon Trust Company, N.A., the County of Stanislaus (the "County") and the Stanislaus County Capital Improvements Financing Authority (the "2007 Trust Agreement"), you are hereby notified of the irrevocable election of the County to exercise its option to purchase the interest of the Authority under Section 7.3 of the Lease Agreement (as defined in the 2007 Trust Agreement), to defease the outstanding Certificates maturing on May 1, 2017 and May 1, 2018 and to prepay the Certificates maturing on May 1, 2018 on May 1, 2017 at a price of 100% of the principal amount thereof.

The County has deposited cash with you in an amount sufficient, together with amounts held under the 2007 Trust Agreement to effect a defeasance of all of the Certificates outstanding. You are instructed to transfer, on the date hereof, \$7,541,304.72 held under the 2007 Trust Agreement to the Escrow Fund established under the Escrow Agreement, dated as of August 1, 2016, by and between you and the County. In accordance with Section 901 of the Trust Agreement all amounts remaining on deposit under the 2007 Trust Agreement after payment of any amounts due to the Trustee shall be paid to the County.

You are hereby irrevocably instructed to mail, as soon as practicable, a notice to the registered owners of the outstanding Certificates (in the form attached hereto as Exhibit A) that the deposit of investment securities and moneys has been made with you as Escrow Bank and you have received a verification report evidencing that the projected withdrawal from such escrow has been calculated to be adequate to pay the principal and interest due with respect to the outstanding Certificates to and including May 1, 2017 and to prepay on May 1, 2017 the Certificates maturing on May 1, 2018.

You are further irrevocably instructed to provide notice of prepayment of the Certificates maturing on May 1, 2018, substantially in the form attached hereto as Exhibit B in accordance with the provisions of Section 312 of the 2007 Trust Agreement.

COUNTY OF STANISLAUS

By: \_\_\_\_\_  
Its: Assistant Executive Officer

**EXHIBIT A**

**NOTICE OF DEFEASANCE  
COUNTY OF STANISLAUS  
REFUNDING CERTIFICATES OF PARTICIPATION  
SERIES A OF 2007**

Notice is hereby given to the owners of the outstanding County of Stanislaus Refunding Certificates of Participation maturing on May 1, 2017 and May 1, 2018 and described in Appendix A hereto (collectively, the "Prior Certificates") that:

(i) There has been deposited in an Escrow Fund with The Bank of New York Mellon Trust Company, N.A., as Escrow Bank, certain monies and investment securities as permitted by the Trust Agreement, dated as of February 1, 2007 (the "2007 Trust Agreement"), by and among The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), the County of Stanislaus (the "County") and the Stanislaus County Capital Improvements Financing Authority (the "Authority") pursuant to which the Prior Certificates were executed and delivered, for the purpose of defeasing the Prior Certificates. The Escrow Bank has received a verification report of an independent accounting firm evidencing that the principal of and the interest on the investment securities are projected, together with other moneys deposited with the Escrow Bank, to be sufficient (a) to pay to and including May 1, 2017 the interest and principal on the Prior Certificates scheduled to be paid, and (b) to prepay the Prior Certificates maturing on May 1, 2018 on May 1, 2017 at a prepayment price of 100%.

(ii) The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), has been irrevocably instructed by the County to prepay on May 1, 2017 the Prior Certificates maturing May 1, 2018 at a prepayment price of 100%.

(iii) The Prior Certificates are deemed to be paid in accordance with Section 901 of the 2007 Trust Agreement and all obligations of the County, the Authority and the Trustee under the Trust Agreement have ceased and terminated except for the obligation of the Trustee to pay the owners of the Prior Certificates from amounts on deposit in the Escrow Fund and as otherwise set forth in Section 901.

(iv) The Continuing Disclosure Agreement (the "Agreement") dated as of February 1, 2007 by and between the County and the Trustee has terminated by its terms with the defeasance of the Prior Certificates and the County will make no further filings under the Agreement.

Dated: August 26, 2016

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



**APPENDIX A**

**COUNTY OF STANISLAUS  
REFUNDING CERTIFICATES OF PARTICIPATION  
SERIES A OF 2007**

**PRIOR CERTIFICATES**

<i><b>Maturity Date (May 1)</b></i>	<i><b>Principal Amount</b></i>	<i><b>Interest Rate</b></i>	<i><b>CUSIP</b></i>
2017	\$4,345,000	4.00%	854450HW6
2018	2,930,000	4.00	854450HX4

**EXHIBIT B**

**NOTICE OF PREPAYMENT  
COUNTY OF STANISLAUS  
REFUNDING CERTIFICATES OF PARTICIPATION  
SERIES A OF 2007**

<i>Maturity Date (May 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Prepayment Price</i>	<i>CUSIP</i>
2018	\$2,930,000	4.00%	100%	854450HX4

**NOTICE IS HEREBY GIVEN** that on **May 1, 2017** (the “**Prepayment Date**”), the certificates of participation listed above (the “**Certificates**”) will be called for prepayment pursuant to Section 310 of the Trust Agreement, dated as of February 1, 2007 (the “**2007 Trust Agreement**”), by and among The Bank of New York Mellon Trust Company, N.A., as trustee (the “**Trustee**”), the County of Stanislaus (the “**County**”) and the Stanislaus County Capital Improvements Financing Authority (the “**Authority**”). The Certificates were issued on February 15, 2007 and dated as of such date and have been called for prepayment at a prepayment price equal to 100% of the principal amount of the Certificates plus accrued interest to the Prepayment Date, without premium.

The Certificates are due and payable at the office of the Trustee on the Prepayment Date. **INTEREST WILL CEASE TO ACCRUE AND BE PAYABLE ON THE CERTIFICATES FROM AND AFTER THE PREPAYMENT DATE.** The Certificates should be presented for prepayment to the office of the Trustee at the following address:

First Class/Registered/Certified  
**The Bank of New York Mellon**  
Global Corporate Trust  
P.O. Box 2320  
Dallas, Texas 75221-2320

Express Delivery Only  
**The Bank of New York Mellon**  
Global Corporate Trust  
2001 Bryan Street, 9th Floor  
Dallas, Texas 75201

By Hand Only  
**The Bank of New York Mellon**  
Global Corporate Trust  
Corporate Trust Window  
101 Barclay Street, 1st Floor East  
New York, New York 10286

A form W-9 must be submitted with the Certificates. Failure to provide a completed form W-9 will result in 31% backup withholding pursuant to the Interest and Dividend Tax Compliance Act of 1983. Under the Jobs and Growth Tax Relief Reconciliation Act of 2007, 28% will be withheld if the tax identification number is not properly certified. Holders of the Certificates who wish to avoid the application of these provisions should submit a complete Form W-9 when presenting their Certificates.

The CUSIP number has been assigned to the Certificates by Standard & Poor's Corporation and is included solely for the convenience of the owners of the Certificates. Neither the County, the Authority nor the Trustee shall be responsible for the selection or use of the CUSIP numbers nor is any representation made as to their correctness on the bonds or as indicated in any redemption notice.

Dated: \_\_\_\_\_, 2017

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

# Attachment G

**DECLARATION OF PUBLICATION  
(C.C.P. S2015.5)**

**COUNTY OF STANISLAUS  
STATE OF CALIFORNIA**

I am a citizen of the United States and a resident Of the County aforesaid; I am over the age of Eighteen years, and not a party to or interested In the above entitle matter. I am a printer and Principal clerk of the publisher of THE MODESTO BEE, printed in the City of MODESTO, County of STANISLAUS, State of California, daily, for which said newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of STANISLAUS, State of California, Under the date of February 25, 1951, Action No. 46453; that the notice of which the annexed is a printed copy, has been published in each issue there of on the following dates, to wit:

Aug 05, 2016

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I certify (or declare) under penalty of perjury That the foregoing is true and correct and that This declaration was executed at

MODESTO, California on

August 5th, 2016

(By Electronic Facsimile Signature)

*Cynthia A. Thomlison*

STANISLAUS COUNTY  
NOTICE OF PUBLIC HEARING  
NOTICE IS HEREBY GIVEN that, in accordance with Government Code Section 5586.5, the Board of Supervisors of the County of Stanislaus (the "County") will hold a public hearing at 6:35 p.m. on August 16, 2016 or as soon thereafter as the matter can be considered, in the Chambers of the Board of Supervisors of the County of Stanislaus, 1010 Tenth Street Place, Modesto, California, at which time it will consider public testimony concerning the possible execution, sale and delivery of a lease with the Stanislaus County Capital Improvements Financing Authority in order to finance the installation of a heating, ventilation and air conditioning system at the County's Community Services Facility located at 251 Hackett Road, Modesto, California.  
NOTICE IS FURTHER GIVEN that, at the said time and place, all persons will be given the opportunity to speak for or against the proposed action. For additional information, call Cynthia Thomlison in the Stanislaus County Chief Executive Office at (209) 525-6333. BY ORDER OF THE BOARD OF SUPERVISORS. DATED: August 2, 2016 ATTEST: Elizabeth A. King, Clerk of the Board of Supervisors of the County of Stanislaus, State of California. BY: Pam Villarreal, Assistant Clerk of the Board.  
Pub Dates Aug 5, 2016