

Date: August 28, 2017 (Monday)

Time: 6:30 p.m.

Place: City Council Chambers
350 North Valencia Blvd.
Woodlake, CA 93286

In compliance with the Americans with Disabilities Act and the California Ralph M. Brown Act, if you need special assistance to participate in this meeting, including auxiliary aids, translation requests, or other accommodations, or to be able to access this agenda and documents in the agenda packet, please contact City Hall at 559-564-8055 at least 3 days prior to the meeting.

The full agenda including staff reports and supporting materials are available at City Hall.

I. CALL TO ORDER & WELCOME

II. PLEDGE OF ALLEGIANCE

III. PUBLIC COMMENTS

This portion of the meeting is reserved for persons wishing to address the Authority on items within its jurisdiction but not on this agenda. NOTE: Prior to action by the Authority on any item on this agenda, the public may comment on that item. Unscheduled comments may be limited to 3 minutes.

All items on the Consent Agenda are considered to be routine and non-controversial by City staff and will be approved by one motion if no member of the Authority or public wishes to comment or ask questions. Items pulled from the Calendar will be considered separately.

IV. CONSENT CALENDAR –ACTION AND INFORMATION ITEMS

Request Approval of the Consent Calendar Action Items (IV. A)

A. None

V. ACTION/DISCUSSION ITEMS

A. Action: Adoption of Resolution: Authorize Lease/Leaseback Financing and the Execution and Delivery of Certificates of Participation to Finance the Community Center Project and Approving Related Documents and Actions (Pages 1-104)

VI. OTHER BUSINESS

- A. Information: Items from Staff
- B. Information: Items from Authority Members
- C. Request from Authority Members for Future Agenda Items

VII. CLOSED SESSION

NOTICE TO THE PUBLIC

As provided in the Ralph M. Brown Act, Government Code sections 54950 et seq., the Governing Board may meet in closed session with members of its staff and its attorneys. These sessions are not open to the public and may not be attended by members of the public. The matters the Council will meet on in closed session are identified below or are those matters appropriately identified in open session as requiring immediate attention and arising after the posting of the agenda. Any public reports of action taken in the closed session will be made in accordance with Government Code sections 54957.1

“Documents: If distributed to the Council less than 72 hours before a regular meeting, any public records which are subject to public inspection and pertain to an open-session item on the regular meeting agenda shall be available at the following address at the time they are distributed to a majority of the Council: 350 North Valencia Boulevard, Woodlake, California 93286. Public records distributed to the Council at a public meeting will be available to the public at such meeting if they were prepared by the City.

Exemptions and details in Government Code§ 54957.5 (a) shall apply.

VIII. ADJOURN

The next scheduled Woodlake Public Finance Authority meeting will be held at City Council Chambers located at 350 North Valencia Boulevard, Woodlake, CA 93286.

Public Finance Authority:

Rudy Mendoza - Mayor

Frances Ortiz - Vice Mayor

Louie Lopez - Councilmember

Greg Gonzalez Jr. - Councilmember

Jose L. Martinez - Councilmember

Woodlake Public Financing Authority

AGENDA ITEM V-A

August 28, 2017

Prepared by Jason Waters City Staff

SUBJECT:

Action: Adoption of Resolution: Authorize Lease/Leaseback Financing and the Execution and Delivery of Certificates of Participation to Finance the Community Center Project and Approving Related Documents and Actions

BACKGROUND:

At the April 27, 2015 City Council Meeting, Council authorized staff to enter into an agreement with the Woodlake Lions Club which allowed the City to acquire property that would allow the City to build the Woodlake Plaza and the Woodlake Community Center. Staff received authorization from Council to apply for a USDA loan to build the Community Center at the August 10, 2015 City Council Meeting. Council authorized Staff to put the project out to bid on May 22, 2017. Council awarded the construction of the Community Center to Klassen Corporation at the August 21, 2017 City Council meeting.

DISCUSSION:

As part of the next steps for the Community Center Project, the City, working together with the Woodlake Public Financing Authority and Woodlake Housing Authority, need to authorize the financing related to the Community Center. The attached documents and resolutions provide information and grant the City the authority to finance the project by causing the execution and delivery of certificates of participation in the principal amount of \$3,000,000 with an interest rate of 2.875%.

The City will issue a series of Certificates of Participation, in the maximum principal amount of \$3,000,000, under the Trust Agreement. The Certificates represent interests that the purchaser (USDA) has in installment payments to be paid by the City under the Installment Sale Agreement (described below). The Finance Director will make the payments of principal and interest due on the Certificates to USDA.

RECOMMENDATIONS:

Staff recommends that Council Authorize the Execution of the Resolutions.

FISCAL IMPACT:

The agreement obligates the City to make semi-annual installment payments which will be used to pay principal and interest due on the Certificates until final maturity.

ATTACHMENTS:

1. Site and Facilities Lease
2. Lease Agreement
3. Trust Agreement
4. Assignment Agreement
5. Resolution: Authorize Lease/Leaseback Financing and the Execution and Delivery of Certificates of Participation to Finance the Community Center Project and Approving Related Documents and Actions

RESOLUTION NO. _____

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE WOODLAKE
PUBLIC FINANCING AUTHORITY AUTHORIZING A
LEASE/LEASEBACK FINANCING AND THE EXECUTION AND
DELIVERY OF CERTIFICATES OF PARTICIPATION TO FINANCE
COMMUNITY CENTER PROJECT AND APPROVING RELATED
DOCUMENTS AND ACTIONS**

RESOLVED, by the Board of Directors (the “Board”) of the Woodlake Public Financing Authority (the “Authority”) that:

WHEREAS, the City of Woodlake (the “City”), proposes to finance the acquisition, construction and improvement of a new community center to be located at 169 North Magnolia Street (the “Project”);

WHEREAS, the City, working together with the Authority, is proposing to proceed with a lease/leaseback financing in order to provide permanent financing for the Project, and it is in the public interest and for the public benefit that the Authority enter into a lease/leaseback financing with the City, and certain other financing documents, in connection therewith; and;

WHEREAS, the documents below specified have been filed with the Secretary of the Authority, and the Board, with the aid of its staff, have reviewed such documents;

NOW, THEREFORE, it is hereby **ORDERED AND DETERMINED**, as follows:

Section 1. Findings and Determinations. The Board hereby finds and determines that the execution and delivery of the Certificates and the transactions related thereto will result in significant public benefits to its members within the contemplation of Government Code Section 6586.

Section 2. The Board hereby authorizes the execution and delivery of Lease Revenue Certificates of Participation, Series 2017, in an aggregate principal amount not to exceed \$3,000,000 (the “Certificates”) pursuant to the Trust Agreement, as hereinafter defined.

Section 3. The below-enumerated documents, in the forms on file with the Secretary, are hereby approved, and the Chairman, Vice Chairman, Executive Director, Treasurer or an authorized representative of such officials (each an “Authorized Official”) are hereby authorized and directed to execute those documents, with such changes, insertions and omissions as may be approved by an Authorized Official, upon consultation with bond counsel, and the Secretary is hereby authorized and directed to attest to such official’s signature:

(a) the Site and Facilities Lease by and between the City, as lessor, and the Authority, as lessee, relating to the lease of the Project by the City to the Authority; and

(b) the Lease Agreement (the “Lease Agreement”) by and between the Authority, as lessor, and the City, as lessee, relating to the sublease of the Project by the Authority to the City; and

(c) the Trust Agreement by and among the Authority, the City and the City Finance Director, as trust administrator (the "Trust Administrator"), relating to the financing, and the execution and delivery of the Certificates; and

(d) the Assignment Agreement by and between the Authority and the Trust Administrator, relating to the assignment by the Authority of its rights to receive payments under the Lease Agreement to the Trust Administrator.

Section 4. Each Authorized Official and all other appropriate officials of the Authority are hereby authorized and directed to execute such other agreements, documents and certificates, and to do any and all things and take any and all actions, as may be necessary to effect the purposes of this resolution and the financing herein authorized. All actions previously taken by an Authorized Official in furtherance of the financing authorized by this resolution are hereby ratified and confirmed. Whenever in this resolution any officer of the Authority is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer or subsequently ratified by such officer as the person to act on his or her behalf if such officer is absent or unavailable.

Section 5. This Resolution shall take effect from and after the date of its passage and adoption.

* * * * *

I hereby certify that the foregoing resolution was duly adopted at a regular meeting of the Woodlake Public Financing Authority, duly held on the 28th day of August, 2017, by the following vote:

AYES, and in favor of, Directors:

NOES, Directors:

ABSENT, Directors:

Secretary

TO BE RECORDED AND WHEN RECORDED
PLEASE RETURN TO:

Jones Hall, A Professional Law Corporation
475 Sansome Street, Suite 1700
San Francisco, California 94111
Attention: Scott R. Ferguson, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX
PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE.
THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383
OF THE CALIFORNIA GOVERNMENT CODE.

SITE AND FACILITIES LEASE

Dated as of _____ 1, 2017

by and between

**CITY OF WOODLAKE,
as lessor**

and

**WOODLAKE PUBLIC FINANCING AUTHORITY,
as lessee**

Relating to

**\$3,000,000
City of Woodlake
Lease Revenue Certificates of Participation
Series 2017**

SITE AND FACILITIES LEASE

THIS SITE AND FACILITIES LEASE (this "Site and Facilities Lease"), dated as of _____ 1, 2017, is by and between the WOODLAKE PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority duly organized and existing under the laws of the State of California (the "Authority"), and the CITY OF WOODLAKE, a municipal corporation and general law city organized and existing under the laws of the State of California (the "City");

WITNESSETH:

WHEREAS, the City wishes to finance the acquisition, construction and improvement of certain facilities and improvements to be owned and operated by the City, consisting generally of a new community center to be located at 169 North Magnolia Street, Woodlake, California, and related publicly owned improvements (the "Project"); and

WHEREAS, the Authority was formed for the purposes of, among other things, assisting the City in financing the acquisition, construction and improvement of public capital improvements, such as the Project; and

WHEREAS, in order to finance the Project, the City wishes to enter into this Site and Facilities Lease, under which it will lease the site on which the Project is located, consisting of the real property as set forth in Exhibit A hereto (the "Site and Facilities") to the Authority, and to simultaneously enter into a Lease Agreement, dated as of _____ 1, 2017, and recorded concurrently herewith, between the Authority, as lessor, and the City, as lessee (the "Lease Agreement"), under which the City will lease the Site and Facilities from the Authority in return for semiannual payments (the "Lease Payments"); and

WHEREAS, the Authority will assign and transfer certain of its rights under the Lease Agreement to the Finance Director of the City, as trust administrator (the "Trust Administrator"), under an Assignment Agreement dated as of _____ 1, 2017, and recorded concurrently herewith, between the Authority and the Trust Administrator; and

WHEREAS, in consideration of such assignment and the execution of a Trust Agreement dated as of _____ 1, 2017, by and among the Trust Administrator, the Authority and the City, the Trust Administrator will execute and deliver the \$3,000,000 aggregate principal amount of Lease Revenue Certificates of Participation, Series 2017 (the "Certificates"), each evidencing a direct, undivided fractional interest in the Lease Payments to be paid by the City under the Lease Agreement;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

SECTION 1. *Site and Facilities Lease.* The City hereby leases the Site and Facilities to the Authority, and the Authority hereby leases the Site and Facilities from the City, on the terms and conditions hereinafter set forth.

SECTION 2. *Term; Possession.* The term of this Site and Facilities Lease shall commence on the date of its recordation. This Site and Facilities Lease shall end, and the right of the Authority hereunder to possession of the Site and Facilities shall thereupon cease, on November 1, 2056, or such earlier or later date on which the Lease Payments (as such term is defined in the Lease Agreement) are paid in full or provisions made for such payment, as provided in the Lease Agreement.

SECTION 3. *Rental.* The Authority shall pay to the City, as and for rental of the Site and Facilities hereunder, the sum of \$3,000,000, which shall become due and payable upon the execution and delivery hereof, and which shall be paid by the Authority from proceeds of the Certificates executed and delivered pursuant to the Trust Agreement. The City shall deposit such amount in the Project Fund to be held and administered by the Trust Administrator for the sole purpose of acquiring and constructing the Project. The Authority and the City hereby find and determine that the amount of such rental does not exceed the fair market value of the leasehold interest in the Site and Facilities which is conveyed hereunder by the City to the Authority. No other amounts of rental shall be due and payable by the Authority for the use and occupancy of the Site and Facilities under this Site and Facilities Lease.

SECTION 4. *Purposes Hereof.* The Authority shall use the Site and Facilities for the sole purpose of leasing the Site and Facilities back to the City pursuant to the Lease Agreement.

SECTION 5. *Assignments and Subleases.* Unless the City is in default under the Lease Agreement, the Authority may not assign its rights under this Site and Facilities Lease or sublet all or any portion of the Site and Facilities, except as provided in the Lease Agreement, without the prior written consent of the City.

SECTION 6. *Right of Entry.* The City reserves the right for any of its duly authorized representatives to enter upon the Site and Facilities, or any portion thereof, at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

SECTION 7. *Termination.* The Authority agrees, upon the termination of this Site and Facilities Lease, to quit and surrender the Site and Facilities in the same good order and condition as the Site and Facilities was in at the time of commencement of the term hereof, reasonable wear and tear excepted, and agrees that all buildings, improvements and structures then existing upon the Site and Facilities shall remain thereon and title thereto shall vest thereupon in the City for no additional consideration. The City shall have no right to terminate this Site and Facilities Lease as a remedy for default by the Authority of any obligation of the Authority hereunder.

SECTION 8. *Default.* If the Authority is in default in the performance of any obligation on its part to be performed under the terms of this Site and Facilities Lease, and such default continues for 30 days following notice and demand for correction thereof to the Authority, the City may exercise any and all remedies granted by law, except that no merger of this Site and Facilities Lease and of the Lease Agreement shall be deemed to occur as a result thereof; *provided, however,* that so long as the Lease Agreement, as amended and supplemented, remains in effect, the lease payments payable by the City under the Lease Agreement shall continue to be paid to the Trust Administrator.

SECTION 9. *Quiet Enjoyment.* The Authority at all times during the term of this Site and Facilities Lease shall peaceably and quietly have, hold and enjoy all of the Site and Facilities,

subject to the provisions of the Lease Agreement and subject only to Permitted Encumbrances (as such term is defined in the Lease Agreement).

SECTION 10. Waiver of Personal Liability. All liabilities under this Site and Facilities Lease on the part of the Authority are solely liabilities of the Authority, and the City hereby releases each and every member and officer of the Authority of and from any personal or individual liability under this Site and Facilities Lease. No member or officer of the Authority or its governing board shall at any time or under any circumstances be individually or personally liable under this Site and Facilities Lease for anything done or omitted to be done by the Authority hereunder.

SECTION 11. Taxes. The City 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 Site and Facilities and any improvements thereon.

SECTION 12. Eminent Domain. If the whole or any part of the Site and Facilities or any improvements thereon are taken by eminent domain proceedings, the interest of the Authority shall be recognized and is hereby determined to be the amount of the then-unpaid principal components of the lease payments payable under the Lease Agreement and the balance of the award, if any, shall be paid to the City.

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

SECTION 14. Notices. Any notice, request, complaint, demand or other communication under this Site and Facilities Lease shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopier or other form of telecommunication, at its number set forth below.

Notice shall be effective either (a) upon transmission by telecopier or other form of telecommunication, (b) 48 hours after deposit in the United States of America first class mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt.

The City and the Authority may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the City:	City of Woodlake 350 North Valencia Blvd. Woodlake, CA 93286 Fax: 559-564-8776 Attn: Finance Director
If to the Authority:	Treasurer Woodlake Public Financing Authority 350 North Valencia Blvd. Woodlake, CA 93286
If to the Trust Administrator:	Finance Director City of Woodlake

350 North Valencia Blvd.
Woodlake, CA 93286
Fax: 559-564-8776

SECTION 15. *Governing Law.* This Site and Facilities Lease shall be construed in accordance with and governed by the Constitution and laws of the State of California.

SECTION 16. *Binding Effect.* This Site and Facilities Lease shall inure to the benefit of and shall be binding upon the Authority, the City and their respective successors and assigns, subject, however, to the limitations contained herein.

SECTION 17. *Severability of Invalid Provisions.* If any one or more of the provisions contained in this Site and Facilities Lease is for any reason held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Site and Facilities Lease and such invalidity, illegality or unenforceability shall not affect any other provision of this Site and Facilities Lease, and this Site and Facilities Lease shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority and the City each hereby declares that it would have entered into this Site and Facilities Lease and each and every other Section, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Site and Facilities Lease may be held illegal, invalid or unenforceable.

SECTION 18. *Section Headings.* All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Site and Facilities Lease.

SECTION 19. *Execution in Counterparts.* This Site and Facilities 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 lease. It is also agreed that separate counterparts of this Site and Facilities Lease may be separately executed by the Authority and the City, all with the same force and effect as though the same counterpart had been executed by both the Authority and the City.

SECTION 20. *Amendment of Site and Facilities Lease.* The Authority and the City may at any time amend or modify any of the provisions of this Site and Facilities Lease, but only as may be required pursuant to an amendment of the Lease Agreement or with the prior written consent of the Trust Administrator.

SECTION 21. *Third Party Beneficiary.* The Trust Administrator shall be and is hereby made a third-party beneficiary hereunder with all rights of a third party beneficiary.

* * * * *

IN WITNESS WHEREOF, the City and the Authority have caused this Site and Facilities Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

CITY OF WOODLAKE, as *Lessor*

Attest

By _____
City Clerk

By _____
City Administrator

WOODLAKE PUBLIC FINANCING
AUTHORITY, as *Lessee*

Attest

By _____
Secretary

By _____
Executive Director

EXHIBIT A

DESCRIPTION OF THE SITE AND FACILITIES

The land referred to herein is situated in the State of California, County of Tulare, City of Woodlake, and described as follows:

TO BE RECORDED AND WHEN RECORDED
PLEASE RETURN TO:

Jones Hall, A Professional Law Corporation
475 Sansome Street, Suite 1700
San Francisco, California 94111
Attention: Scott Ferguson, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX
PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE.
THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383
OF THE CALIFORNIA GOVERNMENT CODE.

LEASE AGREEMENT

Dated as of _____ , 2017

by and between

**WOODLAKE PUBLIC FINANCING AUTHORITY,
as lessor**

and

**CITY OF WOODLAKE,
as lessee**

Relating to

**\$3,000,000
City of Woodlake
Lease Revenue Certificates of Participation
Series 2017**

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LEASE AGREEMENT

This Lease Agreement (this "Lease"), dated as of _____ 1, 2017, is by and between the CITY OF WOODLAKE, a municipal corporation and general law city organized and existing under the laws of the State of California (the "City"), and the WOODLAKE PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority duly organized and existing under the laws of the State of California (the "Authority");

WITNESSETH:

WHEREAS, the City wishes to finance the acquisition, construction and improvement of certain facilities and improvements to be owned and operated by the City, consisting generally of a new community center to be located at 169 North Magnolia Street, Woodlake, California, and related publicly owned improvements (the "Project"); and

WHEREAS, the Authority was formed for the purposes of, among other things, assisting the City in financing the acquisition, construction and improvement of public capital improvements, such as the Project; and

WHEREAS, in order to finance the Project, the City wishes to enter into a Site and Facilities Lease dated as of _____ 1, 2017 (the "Site and Facilities Lease"), and recorded concurrently herewith, between the City, as lessor, and the Authority, as lessee, under which it will lease the site on which the Project is located, consisting of the real property as described in Exhibit A hereto (the "Site and Facilities") to the Authority, and to simultaneously enter into this Lease, under which the City will lease the Site and Facilities from the Authority in return for semiannual payments (the "Lease Payments"); and

WHEREAS, the Authority will assign and transfer certain of its rights under this Lease to the Finance Director of the City, as trust administrator (the "Trust Administrator"), under an Assignment Agreement dated as of _____ 1, 2017, and recorded concurrently herewith, between the Authority and the Trust Administrator; and

WHEREAS, in consideration of such assignment and the execution of a Trust Agreement dated as of _____ 1, 2017, by and among the Trust Administrator, the Authority and the City, the Trust Administrator will execute and deliver the \$3,000,000 aggregate principal amount of Lease Revenue Certificates of Participation, Series 2017 (the "Certificates"), each evidencing a direct, undivided fractional interest in the Lease Payments to be paid by the City under this Lease;

NOW, THEREFORE, for and in consideration of the premises and the material covenants hereinafter contained, the parties hereto hereby formally covenant, agree and bind themselves as follows:

ARTICLE I

Definitions

SECTION 1.1. Definitions. Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms in this Lease shall have the respective meanings specified in Section 1.01 of the Trust Agreement. In addition, the following terms heretofore defined in this Lease and the following terms defined in this Section 1.1 shall, for all purposes of this Lease, have the respective meanings herein specified.

"Additional Rental Payments" means those payments set forth in Section 4.7.

"Business Day" means a day other than a Saturday, Sunday or legal holiday, on which banking institutions in the State of California, or in any state in which the Office of the Trust Administrator is located, are not closed for corporate trust business.

"Event of Default" means any of the events of default defined as such in Section 8.1.

"Lease Payment Date" means, with respect to any Interest Payment Date, the 5th Business Day immediately preceding such Interest Payment Date.

"Lease Payments" means the amounts payable by the City pursuant to Section 4.4(a), including any prepayment thereof pursuant to Article IX and including any amounts payable upon a delinquency in the payment thereof.

"Moody's" means Moody's Investors Service, or its successors and assigns.

"Permitted Encumbrances" means, as of any time:

(a) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the City may permit to remain unpaid pursuant to Article V;

(b) the Site and Facilities Lease, this Lease, the Assignment Agreement, and any other agreement or document contemplated hereunder to be recorded against the Site and Facilities;

(c) liens of any sort existing as of the Closing Date;

(d) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; and

(e) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record and which the City certifies in writing will not materially impair the use of the Site and Facilities for its intended purposes.

"Project" means the acquisition, construction and improvement of the City's new community center to be located at 169 North Magnolia Street, Woodlake, California, and related publicly owned improvements.

"Reserve Fund" means the fund by that name established and held by the Trust Administrator pursuant to the Trust Agreement.

"Site and Facilities" means the real property described as the Site and Facilities in Exhibit A to this Lease, including all buildings and improvements thereon as of the Closing Date, as the Site and Facilities may be substituted or modified from time to time in accordance with the Lease.

"Site and Facilities Lease" means the Site and Facilities Lease dated as of _____ 1, 2017, recorded concurrently herewith, by and between the City as lessor and the Authority as lessee of the Site and Facilities, as originally executed or as thereafter amended pursuant to any duly authorized and executed amendments thereto.

"Site and Facilities Lease Payment" means the payment in the amount of \$3,000,000 which is due and payable under Section 3 of the Site and Facilities Lease as the rental for the Site and Facilities.

"S&P" means Standard & Poor's, a Division of the McGraw-Hill Companies, and its successors and assigns.

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

"Term of this Lease" means the time during which this Lease is in effect, as provided in Section 4.2.

"Trust Administrator" means the Finance Directors of the City of Woodlake, as trust administrator, or any successor thereto acting as Trust Administrator pursuant to the Trust Agreement.

"Trust Agreement" means the Trust Agreement dated as of _____ 1, 2017, by and among the Trust Administrator, the Authority and the City, together with any duly authorized and executed amendments thereto.

SECTION 1.2. Interpretation.

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

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

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

ARTICLE II

Covenants, Representations and Warranties

SECTION 2.1. Covenants, Representations and Warranties of the City. The City makes the following covenants, representations and warranties to the Authority as of the date of the execution and delivery of this Lease:

(a) Due Organization and Existence. The City is a municipal corporation and general law city duly organized and validly existing under the Constitution and the laws of the State of California, has full legal right, power and authority under the laws of the State of California to enter into this Lease, the Site Lease and the Trust Agreement and to carry out and consummate all transactions contemplated hereby and thereby, and by proper action the City has duly authorized the execution and delivery of this Lease, the Site and Facilities Lease and the Trust Agreement.

(b) Due Execution. The representatives of the City executing this Lease, the Site and Facilities Lease and the Trust Agreement have been fully authorized to execute the same pursuant to a resolution duly adopted by the City Council of the City.

(c) Valid, Binding and Enforceable Obligations. This Lease, the Site and Facilities Lease and the Trust Agreement have been duly authorized, executed and delivered by the City and constitute the legal, valid and binding agreements of the City enforceable against the City in accordance with their respective terms.

(d) No Conflicts. The execution and delivery of this Lease, the Site and Facilities Lease, the Trust Agreement, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the City is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the City, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease, the Site and Facilities Lease and the Trust Agreement or the financial condition, assets, properties or operations of the City or its properties.

(e) Consents and Approvals. No consent or approval of any trustee or holder of any indebtedness of the City or of the voters of the City, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Lease, the Site and Facilities Lease or the Trust Agreement, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.

(f) No Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, educational or other governmental authority

pending or, to the knowledge of the City after reasonable investigation, threatened against or affecting the City or the assets, properties or operations of the City which, if determined adversely to the City or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Lease, the Site and Facilities Lease or the Trust Agreement, or upon the financial condition, assets, properties or operations of the City, and the City is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, educational or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease, the Site and Facilities Lease or the Trust Agreement or the financial conditions, assets, properties or operations of the City or its properties.

(g) Essentiality of Site and Facilities. The Site and Facilities are essential to the operation of the City.

SECTION 2.2. Covenants, Representations and Warranties of the Authority. The Authority makes the following covenants, representations and warranties to the City as the basis for its undertakings herein contained:

(a) Due Organization and Existence. The Authority is a joint exercise of powers authority duly organized and existing under the laws of the State of California, has full legal right, power and authority to enter into this Lease, the Site and Facilities Lease, the Trust Agreement and the Assignment Agreement and to carry out and consummate all transactions contemplated hereby and thereby, and by proper action the Authority has duly authorized the execution and delivery of this Lease, the Site and Facilities Lease, the Trust Agreement and the Assignment Agreement.

(b) Due Execution. The representatives of the Authority executing this Lease, the Site and Facilities Lease, the Trust Agreement and the Assignment Agreement are fully authorized to execute the same pursuant to official action taken by the governing body of the Authority.

(c) Valid, Binding and Enforceable Obligations. This Lease, the Site and Facilities Lease, the Trust Agreement and the Assignment Agreement have been duly authorized, executed and delivered by the Authority and constitute the legal, valid and binding agreements of the Authority, enforceable against the Authority in accordance their respective terms.

(d) No Conflicts. The execution and delivery of this Lease, the Site and Facilities Lease, the Trust Agreement and the Assignment Agreement, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the Authority is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Authority, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease, the Site and Facilities Lease, the Trust

Agreement and the Assignment Agreement or the financial condition, assets, properties or operations of the Authority or its properties.

(e) Consents and Approvals. No consent or approval of any trustee or holder of any indebtedness of the Authority, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Lease, the Site and Facilities Lease, the Trust Agreement or the Assignment Agreement, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.

(f) No Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, educational or other governmental authority pending or, to the knowledge of the Authority after reasonable investigation, threatened against or affecting the Authority or the assets, properties or operations of the Authority which, if determined adversely to the Authority or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Lease, the Site and Facilities Lease, the Trust Agreement or the Assignment Agreement, or upon the financial condition, assets, properties or operations of the Authority, and the Authority is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, educational or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease, the Site and Facilities Lease, the Trust Agreement or the Assignment Agreement or the financial conditions, assets, properties or operations of the Authority or its properties.

ARTICLE III

Deposit of Moneys; Application of Project Fund; Right of Substitution

SECTION 3.1. Deposit of Moneys. On the Closing Date, the Authority shall cause the proceeds of sale of the Certificates to be deposited with the Trust Administrator in accordance with Section 3.01 of the Trust Agreement.

SECTION 3.2. Application of Project Fund. The Authority hereby agrees that the amounts deposited into the Project Fund pursuant to Section 3.01 of the Trust Agreement shall be disbursed in compliance with Section 3.02 of the Trust Agreement.

SECTION 3.3. Acquisition and Construction of the Project The Authority and the City will provide for, or cause to be provided for, the acquisition, construction, improvement and equipping of the Project in accordance with the plans and specifications, purchase orders and construction contracts therefor approved by the City.

SECTION 3.4. Substitution of Site and Facilities. The City shall have, and is hereby granted, the option at any time and from time to time during the Term of this Lease, to substitute other land, facilities, improvements or other property (a "Substitute Property") for the Site and Facilities or any portion thereof (a "Former Property"), provided that the City shall satisfy all of the following requirements which are hereby declared to be conditions precedent to such substitution:

(a) The City shall take all actions and shall execute all documents required to subject such Substitute Property to the terms and provisions of this Lease, including the filing with the Authority and the Trust Administrator an amended Exhibit A, which adds thereto a description of such Substitute Property and deletes therefrom the description of such Former Property.

(b) The City shall cause to be recorded in the Office of the Tulare County Recorder a copy of an executed amendment to this Lease, the Site Lease and the Assignment Agreement containing an amended Exhibit A, or a memorandum reflecting such amendment to Exhibit A.

(c) The City shall provide to the Authority and the Trust Administrator a certificate of a City Representative which states that the annual fair rental value of such Substitute Property is no less than the maximum annual Lease Payments remaining unpaid hereunder at the time of the proposed substitution.

(d) The City shall certify in writing to the Authority and the Trust Administrator that such Substitute Property serves the public purposes of the City, constitutes property which the City is permitted to lease under the laws of the State of California.

(e) The City shall certify in writing to the Authority and the Trust Administrator that the estimated useful life of such Substitute Property at least extends to the date on which the final Lease Payment becomes due and payable hereunder.

(f) The City shall obtain an CLTA policy of title insurance meeting the requirements of Section 5.6 with respect to such Substitute Property.

(g) The Substitute Property shall not cause the City to violate any of its covenants, representations and warranties made herein or in the Trust Agreement.

From and after the date on which all of the foregoing conditions precedent to such substitution are satisfied, the Term of this Lease shall cease with respect to the Former Property and shall be continued with respect to the Substitute Property, and all references herein to the Former Property shall apply with full force and effect to the Substitute Property. The City shall not be entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of such substitution.

SECTION 3.5. Release of Site and Facilities. The City shall have, and is hereby granted, the option at any time and from time to time during the term of this Lease to remove from this Lease any portion of the Site and Facilities; provided that the City shall satisfy all of the following requirements which are hereby declared to be conditions precedent to such removal:

(a) No event of default has occurred and is continuing under this Lease.

(b) The City shall file with the Authority and the Trust Administrator an amended Exhibit A to this Lease which deletes the legal description of such Site and Facilities.

(c) The City shall cause to be recorded in the Office of the Tulare County Recorder a copy of an executed amendment to this Lease, the Site Lease and the Assignment Agreement containing an amended Exhibit A, or a memorandum reflecting such amendment to Exhibit A.

(d) The City shall cause to be filed with the Trust Administrator an Opinion of Special Counsel substantially to the effect that such removal will not affect the obligation of the City to continue to pay Lease Payments in the amounts and at the times and in the manner required by this Lease.

(e) The City shall file with the Authority and the Trust Administrator a certificate of a City Representative which states that the annual fair rental value of the remaining Site and Facilities, taken into consideration the removal of the applicable portion of the Site and Facilities, is no less than the maximum annual Lease Payments and Additional Rental Payments remaining unpaid hereunder at the time of such removal.

(f) The removal shall not cause the City to violate any of its covenants, representations and warranties made herein or in the Trust Agreement.

ARTICLE IV

Lease of Site and Facilities; Term of This Lease; Lease Payments

SECTION 4.1. Lease. The Authority hereby leases the Site and Facilities to the City, and the City hereby leases the Site and Facilities from the Authority, upon the terms and conditions set forth in this Lease.

SECTION 4.2. Term. The Term of this Lease shall commence on the date of its recordation and shall end on November 1, 2056, or such earlier or later date on which the Trust Agreement is discharged pursuant to and in accordance with Section 14.01 thereof. The provisions of this Section 4.2 are subject to the provisions of Article VI relating to the taking of the Site and Facilities in eminent domain proceedings, the sale of the Site and Facilities under threat of such proceedings, and the abatement of Lease Payments.

SECTION 4.3. Possession. The City has possession of the Site and Facilities on the Closing Date.

SECTION 4.4. Lease Payments.

(a) Obligation to Pay. Subject to the provisions of Section 6.2 and Article IX hereof, the City agrees to pay to the Authority the Lease Payments (denominated into components of principal and interest) for the Site and Facilities in the respective amounts specified in Exhibit B attached hereto and by this reference incorporated herein, to be due and payable in immediately available funds on the Lease Payment Dates immediately preceding each of the respective Interest Payment Dates specified in Exhibit B, and to be deposited by the City with the Trust Administrator on each of the Lease Payment Dates specified in Exhibit B.

Any amount held in the Lease Payment Fund on any Lease Payment Date (excluding amounts resulting from the prepayment of the Lease Payments in part but not in whole pursuant to Article IX and other than amounts required for payment of past due principal or interest represented by any Certificates not presented for payment) shall be credited towards the Lease Payment then required to be paid hereunder; and no Lease Payment need be deposited with the Trust Administrator on any Lease Payment Date if the amounts then held in the Lease Payment Fund are at least equal to the Lease Payment then required to be deposited with the Trust Administrator. The Lease Payments payable in any Certificate Year shall be for the use of the Site and Facilities during such Certificate Year.

(b) Effect of Prepayment. If the City prepays all Lease Payments in full pursuant to Sections 9.1, 9.2 or 9.3, the City's obligations under this Lease shall thereupon cease and terminate, including but not limited to the City's obligation to pay Lease Payments under this Section 4.4. If the City prepays the Lease Payments in part but not in whole pursuant to Section 9.3, the principal components of the remaining Lease Payments shall be reduced on a pro rata basis in integral multiples of \$5,000; and the interest component of each remaining Lease Payment shall be reduced by the aggregate corresponding amount of interest which would otherwise be payable with respect to the Certificates thereby prepaid pursuant to the applicable provisions of Section 4.01 of the Trust Agreement.

(c) Rate on Overdue Payments. If the City fails to make any of the payments required in this Section 4.4, the payment in default shall continue as an obligation of the City until the amount

in default is fully paid, and the City agrees to pay the amount in default with interest thereon, from the date of default to the date of payment, at the rate then in effect with respect to the Certificates.

(d) Fair Rental Value. The Lease Payments during each Certificate Year shall constitute the total rental for the Site and Facilities for such Certificate Year, and shall be paid by the City in each Certificate Year for and in consideration of the right of the use and occupancy of, and the continued quiet use and enjoyment of the Site and Facilities during each Certificate Year. The parties hereto have agreed and determined that the total Lease Payments represent the fair rental value of the Site and Facilities. In making such determination, consideration has been given to the estimated fair market value of the Site and Facilities, other obligations of the parties under this Lease, the uses and purposes which may be served by the Site and Facilities and the benefits therefrom which will accrue to the City and the general public.

(e) Source of Payments; Budget and Appropriation. The Lease Payments shall be payable from any source of available funds of the City, subject to the provisions of Sections 6.2 and 9.1.

The City covenants to take such action as may be necessary to include all Lease Payments coming due in each of its annual budgets during the Term of this Lease and to make the necessary annual appropriations for all such Lease Payments.

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

(f) Assignment. The City understands and agrees that all Lease Payments have been assigned by the Authority to the Trust Administrator in trust, pursuant to the Assignment Agreement, for the benefit of the Owners of the Certificates, and the City hereby assents to such assignment. The Authority hereby directs the City, and the City hereby agrees to pay to the Trust Administrator at its Office, all payments payable by the City pursuant to this Section 4.4 and all amounts payable by the City pursuant to Article IX.

SECTION 4.5. Quiet Enjoyment. Throughout the Term of this Lease, the Authority shall provide the City with quiet use and enjoyment of the Site and Facilities and the City shall peaceably and quietly have and hold and enjoy the Site and Facilities, without suit, trouble or hindrance from the Authority, except as expressly set forth in this Lease. The Authority will, at the request of the City and at the City's cost, join in any legal action in which the City asserts its right to such possession and enjoyment to the extent the Authority may lawfully do so. Notwithstanding the foregoing, the Authority shall have the right to inspect the Site and Facilities as provided in Section 7.2.

SECTION 4.6. Title; No Merger. At all times during the Term of this Lease, the City shall hold title to the Site and Facilities, subject to the provisions of the Site and Facilities Lease and other Permitted Encumbrances.

Upon payment in full of all Lease Payments and Additional Rental Payments, and the termination of this Lease, all right, title and interest of the Authority hereunder in and to the Site and Facilities shall be transferred to and vested in the City. Upon the payment in full of all Lease Payments allocable to the Site and Facilities, or upon the deposit by the City of security for such Lease Payments as provided in Section 9.1, all right, title and interest of the Authority hereunder in and to the Site and Facilities shall be transferred to and vested in the City. The Authority agrees to take any and all steps and execute and record any and all documents reasonably required by the City to consummate any such transfer of title. This Lease shall not operate as a merger of the City's leasehold estate in the Site and Facilities pursuant to this Lease and its fee estate in the Site and Facilities and shall not cause the extinguishment of the leasehold interest granted to the Authority under the Site and Facilities Lease.

SECTION 4.7. Additional Rental Payments. In addition to the Lease Payments, the City shall pay when due all costs and expenses incurred by the Authority to comply with the provisions of the Trust Agreement (collectively, "Additional Rental Payments"), including without limitation all Costs of Issuance (to the extent not paid from amounts on deposit in the Costs of Issuance Fund), annual compensation due to the Trust Administrator, all of its reasonable costs payable as a result of the performance of and compliance with its duties under the Trust Agreement and all other amounts due to the Trust Administrator pursuant to the Trust Agreement, and all costs and expenses of attorneys, auditors, engineers and accountants. All Additional Rental Payments shall be payable as additional amounts of rental hereunder in consideration of the right of the City to the use and occupancy of the Site and Facilities.

SECTION 4.8. Payments to Reserve Fund . In addition to the Lease Payments, the City shall pay to the Trust Administrator the following amount:

(a) on each Lease Payment Date, an amount equal to 1/10th of the average annual Debt Service with respect to the Certificates, and

(b) such amounts as may be required to replenish the Reserve Fund if a draw therefrom or a valuation determines that a deficiency exists therein, all in accordance with Section 6.05 of the Trust Agreement;

provided, however, that if the amount on deposit in the Reserve Fund reaches the Reserve Requirement, the City shall discontinue payments to the Reserve Fund (except to the extent necessary to replenish the Reserve Fund) and any further interest earnings on the Reserve shall be allocated under Section 8.03 of the Trust Agreement.

ARTICLE V

Maintenance; Taxes; Insurance; Modifications; and Other Matters

SECTION 5.1. Maintenance, Utilities, Taxes and Assessments. Throughout the Term of this Lease, as part of the consideration for the rental of the Site and Facilities, all improvement, repair and maintenance of the Site and Facilities shall be the responsibility of the City, and the City shall pay for or otherwise arrange for the payment of all utility services supplied to the Site and Facilities, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Site and Facilities resulting from ordinary wear and tear or want of care on the part of the City or any assignee or sublessee thereof. In exchange for the Lease Payments herein provided, the Authority agrees to provide only the Site and Facilities, as hereinbefore more specifically set forth. The City waives the benefits of subsections 1 and 2 of Section 1932, Section 1933(4) and Sections 1941 and 1942 of the California Civil Code, but such waiver shall not limit any of the rights of the City under the terms of this Lease.

The City shall also pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Authority or the City affecting the Site and Facilities or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as are required to be paid during the Term of this Lease as and when they become due.

The City may, at the City's expense and in its name, upon notice to the Authority and the Trust Administrator, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Authority notifies the City that, in its reasonable opinion, by nonpayment of any such items the interest of the Authority in the Site and Facilities will be materially endangered or the Site and Facilities or any part thereof will be subject to loss or forfeiture, in which event the City shall promptly pay such taxes, assessments or charges or provide the Authority with full security against any loss which may result from nonpayment, in form satisfactory to the Authority and the Trust Administrator.

SECTION 5.2. Modification of Site and Facilities. The City has the right (at its own expense) to remodel the Site and Facilities, or to make additions, modifications and improvements thereto. All additions, modifications and improvements to the Site and Facilities shall thereafter comprise part thereof and be subject to the provisions of this Lease.

Such additions, modifications and improvements shall not in any way damage the Site and Facilities, or cause the Site and Facilities to be used for purposes other than those authorized under the provisions of state and federal law; and the Site and Facilities, upon completion of any additions, modifications and improvements made thereto pursuant to this Section, shall be of a value which is not substantially less than the value thereof immediately prior to the making of such additions, modifications and improvements.

The City will not permit any mechanic's or other lien to be established or remain against the Site and Facilities for labor or materials furnished in connection with any remodeling,

additions, modifications, improvements, repairs, renewals or replacements made by the City pursuant to this Section; provided that if any such lien is established and the City first notifies or causes to be notified the Authority of the City's intention to do so, the City may in good faith contest any lien filed or established against the Site and Facilities, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, and shall provide the Authority with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Authority. The Authority will cooperate fully in any such contest, upon the request and at the expense of the City.

SECTION 5.3. Public Liability and Property Damage Insurance. The City shall maintain or cause to be maintained throughout the Term of this Lease, but only if and to the extent available from reputable insurers at reasonable cost in the opinion of the City, a standard comprehensive general insurance policy or policies in protection of the Authority, City, and their respective members, officers, agents, employees and assigns. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Site and Facilities.

Such 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 each accident or event (subject to a deductible of not to exceed \$250,000), and in a minimum amount of \$150,000 (subject to a deductible of not to exceed \$50,000) for damage to property resulting from each accident or event. Such insurance may, however, be in the form of a single limit policy in the amount of \$3,000,000 covering all such risks, subject to a deductible of not to exceed \$250,000.

Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City, and may be maintained in whole or in part in the form of self-insurance by the City, subject to the provisions of Section 5.7, or in the form of the participation by the City in a joint powers agency or other program providing pooled insurance.

The Net Proceeds of such liability insurance shall be applied by the City toward extinguishment or satisfaction of the liability with respect to which paid.

SECTION 5.4. Fire and Extended Coverage Insurance. The City shall procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease, insurance against loss or damage to any Facilities leased hereunder by fire and lightning, with extended coverage and vandalism and malicious mischief insurance. Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance shall be in an aggregate amount at least equal to the lesser of (a) 100% of the replacement cost of the Site and Facilities insured thereunder, or (b) the aggregate principal amount of the Outstanding Certificates. All policies of such insurance may be subject to deductible clauses of not to exceed \$100,000 for any one loss. The Net Proceeds of such insurance shall be applied as provided in Section 6.1. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City, and may be maintained in whole or in part in the form of self-insurance by the City, subject to the provisions of Section 5.7, or in the form of the participation by the City in a joint powers agency or other program providing pooled insurance.

SECTION 5.5. Rental Interruption Insurance. Following the completion of the Project and occupancy of the Project by the City, the City shall procure, and maintain throughout the remaining Term of this Lease, for the benefit of the Authority, rental interruption insurance to cover loss, total or partial, of the rental payments as a result of any of the hazards covered in the insurance required by Section 5.4, in an amount at least equal to the maximum Lease Payments payable with respect to the improvements during the current or any future 24-month period, provided that such insurance coverage is commercially available at reasonable rates. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City, and such insurance may be maintained in whole or in part in the form of the participation by the City in a joint powers agency or other program providing pooled insurance; provided that such insurance may not be maintained in the form of self-insurance. The proceeds of such insurance shall be paid to the Trust Administrator and shall be credited towards the payment of the Lease Payments in the order in which such Lease Payments come due and payable.

SECTION 5.6. Recordation Hereof; Title Insurance. On or before the Closing Date, the City shall, at its expense, (a) cause the Site and Facilities Lease, this Lease or a memorandum thereof in form and substance approved by Special Counsel, and the Assignment Agreement to be recorded in the office of the Tulare County Recorder with respect to the Site, and (b) obtain a CLTA title insurance policy insuring the City's leasehold estate hereunder in the Site and Facilities, subject only to Permitted Encumbrances, in an amount at least equal to the aggregate principal amount of the Certificates. All Net Proceeds received under any such title insurance policy shall be deposited with the Trust Administrator in the Lease Payment Fund and shall be credited towards the prepayment of the remaining Lease Payments pursuant to Section 9.3.

SECTION 5.7. Insurance Net Proceeds; Form of Policies. Each policy of insurance required by Sections 5.3, 5.4, and 5.6 shall name the Trust Administrator as loss payee so as to provide that all proceeds thereunder shall be payable to the Trust Administrator. The City shall pay or cause to be paid when due the premiums for all insurance policies required by this Lease. All such policies shall provide that the Trust Administrator shall be given 30 days' notice of each expiration, any intended cancellation thereof or reduction of the coverage provided thereby. The Trust Administrator shall not be responsible for the sufficiency of any insurance herein required and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss. The City shall cause to be delivered to the Trust Administrator a written certificate executed by a City Representative that the insurance policies required by this Lease are in full force and effect. All policies shall name the City and the Authority as insureds, and the Trust Administrator as loss payee. All required insurance policies must be provided by a commercial insurer rated A by Best or A- and A3 by S&P and Moody's, respectively.

SECTION 5.8. Installation of City's Equipment. The City may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the Site and Facilities. All such items shall remain the sole property of the City, in which neither the Authority nor the Trust Administrator shall have any interest, and may be modified or removed by the City at any time, provided that the City shall repair and restore any and all damage to the Site and Facilities resulting from the installation, modification or removal of any such items. Nothing in this Lease shall prevent the City from purchasing or leasing items to be installed pursuant to this Section under a lease or conditional sale agreement, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Site and Facilities.

SECTION 5.9. Liens. The City shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Site and Facilities, other than as herein contemplated and except for such encumbrances as the City shall certify in writing to the Trust Administrator do not adversely affect the leasehold estate in the Site and Facilities hereunder. Except as expressly provided in this Article, the City shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, for which it is responsible, if the same shall arise at any time. The City shall reimburse the Authority for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

SECTION 5.10. Advances. If the City fails to perform any of its obligations under this Article V, the Authority shall take such action as may be necessary to cure such failure, including the advancement of money, and the City shall be obligated to repay all such advances as additional rental hereunder, with interest at the rate of 10% per annum.

ARTICLE VI

Damage, Destruction and Eminent Domain; Use of Net Proceeds

SECTION 6.1. Application of Net Proceeds. The Net Proceeds of any insurance award resulting from any damage to or destruction of the Site and Facilities by fire or other casualty shall be paid to the Trust Administrator, as assignee of the Authority under the Assignment Agreement, and deposited in the Insurance and Condemnation Fund to be applied as set forth in Section 7.01 of the Trust Agreement.

The Net Proceeds of any eminent domain award with respect to the Site and Facilities if the Site and Facilities are taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain shall be paid by the City to the Trust Administrator and deposited in the Insurance and Condemnation Fund to be applied as set forth in Section 7.02 of the Trust Agreement.

SECTION 6.2. Abatement.

(a) Termination or Abatement Due to Eminent Domain. If the Site and Facilities are taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Term of this Lease thereupon ceases as of the day possession is taken. If less than all of the Site and Facilities is taken permanently, or if the Site and Facilities are taken temporarily, under the power of eminent domain, then:

(i) this Lease shall continue in full force and effect with respect thereto and does not terminate by virtue of such taking, and the parties waive the benefit of any law to the contrary; and

(ii) the Lease Payments are subject to abatement in an amount determined by the City such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portions of the Site and Facilities.

(b) Abatement Due to Damage or Destruction. The Lease Payments are subject to abatement during any period in which by reason of damage or destruction (other than by eminent domain which is hereinbefore provided for) there is substantial interference with the use and occupancy by the City of the Site and Facilities or any portion thereof. The Lease Payments are subject to abatement in an amount determined by the City such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portions of the Site and Facilities not damaged or destroyed. Such abatement will continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction. In the event of any such damage or destruction, this Lease continues in full force and effect and the City waives any right to terminate this Lease by virtue of any such damage and destruction.

ARTICLE VII

Other Covenants of the City

SECTION 7.1. Disclaimer of Warranties. THE AUTHORITY MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE CITY OF THE SITE AND FACILITIES OR ANY PORTION THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE SITE AND FACILITIES OR ANY PORTION THEREOF. THE CITY ACKNOWLEDGES THAT THE AUTHORITY IS NOT A MANUFACTURER OF ANY PORTION OF THE SITE AND FACILITIES OR A DEALER THEREIN, THAT THE CITY LEASES THE SITE AND FACILITIES AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE CITY.

In no event shall the Authority or its assigns be liable for incidental, indirect, special or consequential damages, in connection with or arising out of this Lease or the Trust Agreement for the existence, furnishing, functioning or City's use of the Site and Facilities.

SECTION 7.2. Access to the Site and Facilities. The City agrees that the Authority and any Authority Representative, and the Authority's successors or assigns, shall have the right at all reasonable times to enter upon and to examine and inspect the Site and Facilities or any portion thereof. The City further agrees that the Authority, any Authority Representative and the Authority's successors or assigns shall have such rights of access to the Site and Facilities or any portion thereof as may be reasonably necessary to cause the proper maintenance of the Site and Facilities in the event of failure by the City to perform its obligations hereunder, provided, however, that the Trust Administrator shall not be required to cause such maintenance to the Site and Facilities.

SECTION 7.3. Release and Indemnification Covenants. The City shall and hereby agrees to indemnify and save the Authority and the Trust Administrator and their respective officers, agents, successors and assigns harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of (a) the use, maintenance, condition or management of, or from any work or thing done on the Site and Facilities by the City, (b) any breach or default on the part of the City in the performance of any of its obligations under this Lease, (c) any negligence or willful misconduct of the City or of any of its agents, contractors, servants, employees or licensees with respect to the Site and Facilities, (d) any intentional misconduct or negligence of any sublessee of the City with respect to the Site and Facilities, or (e) the acquisition, construction, improvement and equipping of the Site and Facilities, or the authorization of payment of the Site Lease Payment, the Costs of Issuance or the Site and Facilities Costs. No indemnification is made under this Section or elsewhere in this Lease for willful misconduct or negligence under this Lease by the Authority or the Trust Administrator, or their respective officers, employees, successors or assigns.

SECTION 7.4. Assignment by the Authority. The Authority's rights under this Lease, including the right to receive and enforce payment of the Lease Payments, have been assigned to the Trust Administrator pursuant to the Assignment Agreement, to which assignment the City hereby consents.

SECTION 7.5. Assignment and Subleasing by the City; No Condemnation. (i) The City may sublease the Site and Facilities, or any portion thereof, but only after satisfaction of the following conditions:

(a) This Lease and the obligation of the City to make Lease Payments hereunder shall remain obligations of the City.

(b) The City shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Authority and the Trust Administrator, a true and complete copy of such sublease.

(c) No such sublease by the City shall cause the Site and Facilities to be used for a purpose other than as may be authorized under the provisions of the laws of the State of California.

(d) The City shall furnish the Authority and the Trust Administrator with a written opinion of Special Counsel stating that such sublease does not cause the interest components of the Lease Payments to become includable in gross income for purposes of federal or State of California personal income taxation.

(ii) The City hereby covenants and agrees, to the extent it may lawfully do so, that so long as any of the Certificates remain outstanding and unpaid, the City will not exercise the power of condemnation with respect to the Site and Facilities. The City further covenants and agrees, to the extent it may lawfully do so, that if for any reason the foregoing covenant is determined to be unenforceable, or if the City should fail or refuse to abide by such covenant and condemns the Site and Facilities, the appraised value of the Site and Facilities shall not be less than the greater of (i) if such Certificates are then subject to prepayment, the principal and interest components of the Certificates outstanding through the date of their prepayment, or (ii) if such Certificates are not then subject to prepayment, the amount necessary to defease such Certificates to the first available prepayment date in accordance with the Trust Agreement.

SECTION 7.6. Amendment of Lease . The Authority and the City may at any time amend or modify any of the provisions of this Lease without the consent of the Trust Administrator or any of the Certificate Owners, but only if such amendment or modification is for any one or more of the following purposes:

(i) to add to the covenants and agreements of the City contained in this Lease, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power herein reserved to or conferred upon the City, or

(ii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained herein, or in any other respect whatsoever as the Authority and the City may deem necessary or desirable, provided that, in the opinion of Special Counsel, such modifications or amendments shall not materially adversely affect the interests of the Owners of the Certificates;

(iii) to amend any provision thereof relating to the Tax Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exclusion from gross income of interest represented by the Certificates under

the Tax Code, in the opinion of Special Counsel filed with the City and the Trust Administrator;

(iv) to amend the description of the Site and Facilities to reflect accurately the property originally intended to be included therein, or in connection with any substitution pursuant to Section 3.4; or

(v) to obligate the City to pay additional amounts of rental hereunder for the use and occupancy of the Site and Facilities, provided that:

(A) such additional amounts of rental do not cause the total rental payments made by the City hereunder to exceed the fair rental value of the Site and Facilities, as set forth in a certificate of a City Representative filed with the Trust Administrator and the Authority,

(B) the City obtains and files with the Trust Administrator and the Authority a certificate of a City Representative which states that the estimated fair market value of the Site and Facilities is not less than the aggregate unpaid principal components of the Lease Payments and the aggregate principal components of such additional amounts of rental, and

(C) such additional amounts of rental are pledged or assigned for the payment of any bonds, notes, leases or other obligations the proceeds of which shall be applied to finance the construction or acquisition of land, facilities or other improvements which the City is authorized to construct or acquire.

All other amendments to this Lease shall become effective only with the written consents of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding.

ARTICLE VIII

Events of Default and Remedies

SECTION 8.1. Events of Default Defined. Any one or more of the following events shall constitute an Event of Default hereunder:

(a) Failure by the City to pay any Lease Payment or other payment required to be paid hereunder or under the Trust Agreement, at the time specified herein.

(b) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in the preceding clause (a), for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Authority or the Trust Administrator; *provided, however*, that if the failure stated in the notice can be corrected, but not within such 30 day period, the Authority and the Trust Administrator shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected.

(c) The filing by the City of a voluntary petition in bankruptcy, or failure by the City promptly to lift any execution, garnishment or attachment, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar acts which may hereafter be enacted.

SECTION 8.2. Remedies on Default. Whenever any Event of Default occurs and continues, it shall be lawful for the Authority to exercise any and all remedies available pursuant to law or granted pursuant to this Lease; *provided, however*, that notwithstanding anything herein or in the Trust Agreement to the contrary, there shall be no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable.

Each and every covenant hereof to be kept and performed by the City is expressly made a condition and upon the breach thereof the Authority may exercise any and all rights granted hereunder; provided, that no termination of this Lease shall be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided. Upon the occurrence and during the continuance of any Event of Default, the Authority shall have and is granted each and every one of the following remedies.

(a) Enforcement of Payments Without Termination. If the Authority does not elect to terminate this Lease in the manner hereinafter provided for in subparagraph (b) of this Section, the City agrees to and shall remain liable for the payment of all Lease Payments and other amounts payable hereunder, and the performance of all conditions herein contained, and shall reimburse the Authority for any deficiency arising out of the re-leasing of the Site and Facilities; or, if the Authority is unable to re-lease the Site and Facilities, then for the full amount of all

Lease Payments and such other amounts to the end of the Term of this Lease, but the Lease Payments and such other amounts and/or deficiency shall be payable only at the same time and in the same manner as hereinabove provided for the payment of the Lease Payments and such other amounts hereunder, notwithstanding such entry or re-entry by the Authority or any suit in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such re-entry or obtaining possession of the Site and Facilities or the exercise of any other remedy by the Authority. The City hereby irrevocably appoints the Authority as the agent and attorney-in-fact of the City to enter upon and re-lease the Site and Facilities in the event of default by the City in the performance of any covenants herein contained to be performed by the City and to remove all personal property whatsoever situated upon the Site and Facilities, to place such property in storage or other suitable place in the County of Tulare for the account of and at the expense of the City, and the City hereby exempts and agrees to save harmless the Authority from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and re-leasing of the Site and Facilities and the removal and storage of such property by the Authority or its duly authorized agents in accordance with the provisions herein contained. The City agrees that the terms of this Lease constitute full and sufficient notice of the right of the Authority to re-lease the Site and Facilities in the event of such re-entry without effecting a surrender of this Lease, and further agrees that no acts of the Authority in effecting such re-leasing shall constitute a surrender or termination of this Lease irrespective of the term for which such re-leasing is made or the terms and conditions of such re-leasing, or otherwise, but that, on the contrary, in the event of such default by the City the right to terminate this Lease shall vest in the Authority to be effected in the sole and exclusive manner hereinafter provided for in subparagraph (b) of this Section. The City further waives the right to any rental obtained by the Authority in excess of the Lease Payments and hereby conveys and releases such excess to the Authority as compensation to the Authority for its services in re-leasing the Site and Facilities.

(b) Termination of Lease. If an Event of Default occurs and continues hereunder, the Authority at its option may terminate this Lease and re-lease all or any portion of the Site and Facilities, but only to the extent permitted by law. In the event of the termination of this Lease by the Authority at its option and in the manner hereinafter provided on account of default by the City (and notwithstanding any re-entry upon the Site and Facilities by the Authority in any manner whatsoever or the re-leasing of the Site and Facilities), the City nevertheless agrees to pay to the Authority all costs, loss or damages howsoever arising or occurring payable at the same time and in the same manner as is herein provided in the case of payment of Lease Payments and other amounts payable hereunder. Any surplus received by the Authority from such re-leasing shall be deposited in the Lease Payment Fund. Neither notice to pay rent or to deliver up possession of the premises given pursuant to law nor any proceeding in unlawful detainer taken by the Authority shall of itself operate to terminate this Lease, and no termination of this Lease on account of default by the City shall be or become effective by operation of law, or otherwise, unless and until the Authority has given written notice to the City of the election on the part of the Authority to terminate this Lease. The City covenants and agrees that no surrender of the Site and Facilities, or of the remainder of the Term hereof or any termination of this Lease shall be valid in

any manner or for any purpose whatsoever unless stated or accepted by the Authority by such written notice.

(c) Proceedings at Law or In Equity. If an event of default occurs and continues hereunder, the Authority may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce any other of its rights hereunder.

SECTION 8.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in this Article VIII it shall not be necessary to give any notice, other than such notice as may be required in this Article VIII or by law.

SECTION 8.4. Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Lease should default under any of the provisions hereof and the nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the nondefaulting party the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party provided, however, that the Trust Administrator shall not be required to expend its own funds for any payment described in this Section.

SECTION 8.5. No Additional Waiver Implied by One Waiver. If any agreement contained in this Lease should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

SECTION 8.6. Application of Proceeds. All Net Proceeds received from the re-lease of the Site and Facilities under this Article VIII, and all other amounts derived by the Authority or the Trust Administrator as a result of the occurrence of an Event of Default, shall be transferred to the Trust Administrator promptly upon receipt thereof and shall be applied by the Trust Administrator pursuant to Article XIII of the Trust Agreement.

SECTION 8.7. Trust Administrator and Certificate Owners to Exercise Rights. Such rights and remedies as are given to the Authority under this Article VIII have been assigned by the Authority to the Trust Administrator under the Assignment Agreement for the benefit of the Certificate Owners, to which assignment the City hereby consents. Such rights and remedies shall be exercised by the Trust Administrator and the Owners of the Certificates as provided in the Trust Agreement. The City shall not be entitled to terminate this Lease by reason of the Authority's breach of any of its obligations under this Lease.

ARTICLE IX

Prepayment of Lease Payments

SECTION 9.1. Security Deposit. Notwithstanding any other provision of this Lease, the City may on any date secure the payment of the Lease Payments in whole or in part by depositing with the Trust Administrator an amount of cash which, together with other available amounts on deposit in the funds and accounts established under the Trust Agreement, is either (a) sufficient to pay such Lease Payments, including the principal and interest components thereof, in accordance with the Lease Payment schedule set forth in Exhibit B, or (b) invested in whole or in part in non-callable Federal Securities in such amount as will, in the opinion of an independent certified public accountant (which opinion shall be addressed to the Trust Administrator), together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient to pay such Lease Payments when due pursuant to Section 4.4(a), as the City shall instruct at the time of said deposit.

In the event of a security deposit pursuant to this Section with respect to all unpaid Lease Payments, and notwithstanding the provisions of Section 4.2,

(a) the Term of this Lease shall continue,

(b) all obligations of the City under this Lease, and all security provided by this Lease for said obligations, shall thereupon cease and terminate, excepting only the obligation of the City to make, or cause to be made all of the Lease Payments from such security deposit, and

(c) pursuant to Section 4.6, title to the Site and Facilities shall vest in the City on the date of said deposit automatically and without further action by the City or the Authority.

Said security deposit shall be deemed to be and shall constitute a special fund for the payment of Lease Payments in accordance with the provisions of this Lease.

SECTION 9.2. Optional Prepayment. The City may exercise its option to prepay the principal components of the Lease Payments, in whole, or in part in any integral multiple of \$5,000, on any date, by paying a prepayment price equal to the aggregate principal components of the Lease Payments to be prepaid, together with the interest component of the Lease Payment required to be paid on such date, without premium. Such prepayment price shall be deposited by the Trust Administrator in the Lease Payment Fund to be applied to the prepayment of Certificates pursuant to Section 4.01(c) of the Trust Agreement.

SECTION 9.3. Mandatory Prepayment From Net Proceeds of Insurance or Eminent Domain. The City shall be obligated to prepay the principal components of the Lease Payments in whole or in part on any date, from and to the extent of any Net Proceeds of insurance award or eminent domain award with respect to the Site and Facilities theretofore deposited in the Lease Payment Fund for such purpose pursuant to Article VI hereof and Article VI of the Trust Agreement. The City and the Authority hereby agree that such Net Proceeds, to the extent remaining after payment of any delinquent Lease Payments, shall be credited towards the City's obligations under this Section 9.3.

SECTION 9.4. Selection of Certificates for Prepayment in Part If the City prepays the Lease Payments in part but not in whole, the principal components thereof shall be prepaid in inverse order of maturity and in integral multiples of \$5,000, and within maturities by lot.

SECTION 9.5. Credit for Amounts on Deposit. In the event of prepayment of the principal components of the Lease Payments in full under this Article IX, such that the Trust Agreement is discharged by its terms as a result of such prepayment, at the written election of the City filed with the Trust Administrator any or all amounts then on deposit in the Lease Payment Fund or the Reserve Fund shall be credited towards the amounts then required to be so prepaid.

ARTICLE X

Miscellaneous

SECTION 10.1. Notices. Any notice, request, complaint, demand or other communication under this Lease shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopier or other form of telecommunication, at its number set forth below.

Notice shall be effective either (a) upon transmission by telecopier or other form of telecommunication, (b) 48 hours after deposit in the United States of America first class mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt.

The Authority, the City or the Trust Administrator may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the City:	City of Woodlake 350 North Valencia Blvd. Woodlake, CA 93286 Fax: 559-564-8776 Attn: Finance Director
If to the Authority:	Treasurer Woodlake Public Financing Authority 350 North Valencia Blvd. Woodlake, CA 93286
If to the Trust Administrator:	Finance Director City of Woodlake 350 North Valencia Blvd. Woodlake, CA 93286 Fax: 559-564-8776

SECTION 10.2. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Authority and the City, and their respective successors and assigns.

SECTION 10.3. Severability. In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 10.4. Net-net-net Lease. This Lease shall be deemed and construed to be a "net-net-net lease" and the City hereby agrees that the Lease Payments shall be an absolute net return to the Authority, free and clear of any expenses, charges or set-offs whatsoever.

SECTION 10.5. Third Party Beneficiary. The Trust Administrator shall be and is hereby made third party beneficiaries hereunder with all rights of a third party beneficiary.

SECTION 10.6. Further Assurances and Corrective Instruments. The Authority and the City 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 Site and Facilities hereby leased or intended so to be or for carrying out the expressed intention of this Lease.

SECTION 10.7. Execution in Counterparts This Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 10.8. Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State of California.

SECTION 10.9. Authority and City Representatives. Whenever under the provisions of this Lease the approval of the Authority or the City is required, or the Authority or the City 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 Authority Representative and for the City by a City Representative, and any party hereto shall be authorized to rely upon any such approval or request.

SECTION 10.10. Captions. The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Lease.

IN WITNESS WHEREOF, the Authority and the City have caused this Lease to be executed in their respective names by their duly authorized officers, all as of the date first above written.

WOODLAKE PUBLIC FINANCING
AUTHORITY, *as Lessor*

Attest

By _____
Secretary

By _____
Executive Director

CITY OF WOODLAKE, *as Lessee*

Attest

By _____
City Clerk

By _____
City Administrator

EXHIBIT A

DESCRIPTION OF THE SITE AND FACILITIES

The land referred to herein is situated in the State of California, County of Tulare, City of Woodlake, and described as follows:

EXHIBIT B

SCHEDULE OF LEASE PAYMENTS

Interest Payment Date*	Principal Component	Interest Component	Total Lease Payment	Total Annual Lease Payments
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Interest Payment Date*	Principal Component	Interest Component	Total Lease Payment	Total Annual Lease Payments
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Total:	\$ 3,000,000	TBD	TBD	TBD
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* Payments are due on Lease Payment Dates, which occur on the 5th Business Day preceding Interest Payment Dates.

TRUST AGREEMENT

Dated as of _____ 1, 2017

by and among

the
CITY OF WOODLAKE,

the
FINANCE DIRECTOR OF THE CITY OF WOODLAKE,
as Trust Administrator

and the
WOODLAKE PUBLIC FINANCING AUTHORITY

\$3,000,000
City of Woodlake
Lease Revenue Certificates of Participation
Series 2017

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TRUST AGREEMENT

This TRUST AGREEMENT, made and entered into as of _____ 1, 2017, by and among the FINANCE DIRECTOR OF THE CITY OF WOODLAKE, as trust administrator (the "Trust Administrator"), the WOODLAKE PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority duly organized and existing under the laws of the State of California (the "Authority"), and the CITY OF WOODLAKE, a municipal corporation and general law city organized and existing under the laws of the State of California (the "City")

BACKGROUND

WHEREAS, the City wishes to finance the acquisition, construction and improvement of certain facilities and improvements to be owned and operated by the City, consisting generally of a new community center to be located at 169 North Magnolia Street, Woodlake, California, and related publicly owned improvements (the "Project"); and

WHEREAS, the Authority was formed for the purposes of, among other things, assisting the City in financing the acquisition, construction and improvement of public capital improvements, such as the Project; and

WHEREAS, in order to finance the Project, the City wishes to enter into a Site and Facilities Lease dated as of _____ 1, 2017 (the "Site and Facilities Lease"), between the City, as lessor, and the Authority, as lessee, under which it will lease the site on which the Project is located (the "Site and Facilities") to the Authority, and to simultaneously enter into a Lease Agreement dated as of _____ 1, 2017 (the "Lease"), between the Authority, as lessor, and the City, as lessee, under which the City will lease the Site and Facilities from the Authority in return for semiannual payments (the "Lease Payments"); and

WHEREAS, the Authority will assign and transfer certain of its rights under the Lease to the Finance Director of the City, as trust administrator (the "Trust Administrator"), under an Assignment Agreement dated as of _____ 1, 2017, between the Authority and the Trust Administrator; and

WHEREAS, in consideration of such assignment and the execution of this Trust Agreement, the Trust Administrator will execute and deliver the \$3,000,000 aggregate principal amount of Lease Revenue Certificates of Participation, Series 2017 (the "Certificates"), each evidencing a direct, undivided fractional interest in the Lease Payments to be paid by the City under the Lease;

AGREEMENT

In consideration of the premises and the mutual covenants contained herein, the parties hereto agree as follows:

ARTICLE I DEFINITIONS; AUTHORIZATION; EXHIBITS

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in Exhibit A attached hereto shall, for all purposes of this Trust Agreement, have the meanings therein specified.

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

Section 1.03. Content of Written Certificates.

(a) Contents. Every certificate provided for in this Trust Agreement with respect to compliance with any provision hereof, except the certificate of destruction pursuant to Section 14.07, shall include (a) a statement that the person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the certificate is based; (c) a statement that, in the opinion of such person, he has made or caused to be made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; (d) a statement of the assumptions upon which such certificate is based, and that such assumptions are reasonable; and (e) a statement as to whether, in the opinion of such person, such provision has been complied with.

(b) Reliance. Any such certificate made or given by a City Representative may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel or an accountant, unless such City Representative knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel or an accountant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the City, as the case may be) upon a certificate or opinion of or representation by a City Representative, unless such counsel or accountant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such person's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same City Representative, or the same counsel or accountant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Trust Agreement, but different officers, counsel or accountants may certify to different matters, respectively.

Section 1.04. Exhibits. The Exhibits attached hereto are by this reference are made a part of this Trust Agreement.

**ARTICLE II
THE CERTIFICATES OF PARTICIPATION**

Section 2.01. Authorization. The Trust Administrator is hereby authorized and directed upon written request from the Authority to execute and deliver, to the Original Purchaser, the Certificates in the Principal Amount evidencing undivided fractional interests in the Lease Payments and the prepayments. The aggregate principal amount of the Certificates shall not in any case exceed the aggregate payments by the Original Purchaser therefor, as such payments and the dates thereof are endorsed on the single, fully registered Certificate. No provision is made for the Certificates to be executed and delivered in blocks or phases as the Original Purchaser's regulations for single delivery have been satisfactorily met.

Section 2.02. Date. The Certificates shall be dated as of their date of delivery.

Section 2.03. Maturities; Interest Rates. The Certificates shall mature on November 1 in the years and in the principal amounts shown below, and interest with respect thereto shall be computed at the Interest Rate, which is _____%:

Maturity Date (November 1)	Certificate Numbers	Principal Amount
---------------------------------------	--------------------------------	-----------------------------

Total:

\$3,000,000

Section 2.04. Interest. Interest on the Certificates shall be payable semiannually on each Interest Payment Date to and including the date of final principal payment (or provision therefor under Section 14.01 hereof) or prepayment, whichever is earlier, determined on the Original Purchaser's aggregate payments for the single Certificate from the respective date(s) thereof, as such payments and dates thereof are endorsed on the single Certificate and computed on the basis of a 365-day year. Such interest shall represent the portion of Lease Payments designated as interest and coming due during the 6-month period preceding each Interest Payment Date. The portion of Lease Payments designated as interest with respect to any Certificate shall be computed by multiplying the portion of Lease Payments designated as principal with respect to such Certificate by the rate of interest applicable to such Certificate.

Interest on any Certificate shall be payable from the Interest Payment Date next preceding the date of execution thereof, unless

(i) such Certificate is executed on an Interest Payment Date, in which event interest shall be payable from such Interest Payment Date, or

(ii) such Certificate is executed after the close of business on the 15th day of the month immediately preceding the following Interest Payment Date and prior to such Interest Payment Date, in which event interest shall be payable from such Interest Payment Date, or

(iii) such Certificate is executed on or before the 15th day of the calendar month preceding the first Interest Payment Date, in which event interest shall be payable from the date of delivery thereof;

provided, however, that if at the time of execution of any Certificate, interest with respect thereto is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment.

Payment of interest with respect to any Certificate shall be made to the person appearing on the registration books of the Trust Administrator as the Owner thereof as of the 15th day of the month preceding such Interest Payment Date, such interest to be paid by wire transfer (in the electronic funds transfer manner specified by the Government if the Government is the Owner) or by check mailed by first class mail to the Owner at the Owner's address as it appears on such registration books.

Section 2.05. Form of Certificate; Legends. The Certificates shall be delivered in the form of a fully registered Certificates, without coupons, in the Denomination Amount or any integral multiple thereof, except that one Certificate may contain any odd amount, and no Certificate may have principal maturing in more than one year. The Certificates shall be numbered in such manner as the Trust Administrator deems appropriate.

At the option of the Original Purchaser, a single, fully-registered Certificate may be executed and delivered, in lieu of serial, registered Certificates, which single Certificate shall mature in installments of the same principal amounts and on the same dates as the registered Certificates it represents. The single Certificate shall be substantially in the form set forth in Exhibit B attached hereto and by this reference incorporated herein.

The Certificates may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Trust Agreement as may be necessary or desirable to comply with custom, or otherwise.

Section 2.06. Execution. The Certificates shall be executed by and in the name of the Trust Administrator, at the written direction of the Authority, by the manual signature of an authorized signatory of the Trust Administrator.

Section 2.07. Transfer and Exchange. The following shall apply to transfers and exchanges of Certificates, provided that no transfer or exchange of Certificates shall be required to be made during the 15 days prior to the date of selection of Certificates for prepayment, or of any Certificates selected for prepayment:

(a) **Transfer of Certificates.** Any Certificate may, in accordance with its terms, be transferred upon the books required to be kept pursuant to the provisions of Section 2.11 hereof by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Certificate for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trust Administrator, duly executed. Whenever any Certificate is surrendered for transfer, the Trust Administrator shall deliver a new Certificate or Certificates of the same maturity, interest rate and aggregate principal amount in authorized denominations to the transferee thereof. The Trust Administrator may require the payment by the Certificate Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

(b) **Exchange of Certificates.** Certificates may be exchanged at the Principal Trust Office, for a like aggregate principal amount of Certificates of other authorized denominations of the same maturity. The Trust Administrator may require the payment by the Certificate Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

Section 2.08. Certificates Mutilated, Lost, Destroyed or Stolen. If any Certificate becomes mutilated, the Trust Administrator, at the expense of the Owner of said Certificate, shall execute and deliver a new Certificate of like maturity and principal amount in authorized denominations in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Trust Administrator of the Certificate so mutilated. Every mutilated Certificate so surrendered to the Trust Administrator shall be canceled by it and destroyed in accordance with Section 14.07 hereof, and the Trust Administrator shall deliver a certificate of destruction to the City.

If any Certificate is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trust Administrator and, if such evidence is satisfactory to the Trust Administrator and if an indemnity satisfactory to the Trust Administrator and the Authority shall be given, the Trust Administrator, at the expense of the Certificate Owner, shall execute and deliver a new Certificate of like tenor and maturity and numbered as the Trust Administrator shall determine in lieu of and in substitution for the Certificate so lost, destroyed or stolen.

The Trust Administrator may require payment of an appropriate fee for each new Certificate delivered under this Section and of the expenses which may be incurred by the Trust Administrator in carrying out the duties under this Section.

Any Certificate delivered under the provisions of this Section in lieu of any Certificate alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Certificates secured by this Trust Agreement. The Trust Administrator shall not be required to treat both the original Certificate and any substitute Certificate as being Outstanding for the purpose of determining the principal amount of Certificates that may be executed and delivered hereunder or for the purpose of determining any percentage of Certificates Outstanding hereunder; the Trust Administrator shall consider only the substitute Certificate as Outstanding for such purpose.

Notwithstanding any other provision of this Section, in lieu of delivering a new Certificate which has been mutilated, lost, destroyed or stolen, and which has matured, the Trust Administrator may make payment with respect to such Certificate upon receipt of indemnity satisfactory to the Trust Administrator.

Section 2.09. Payment. Except as otherwise provided herein, payment of interest due with respect to any Certificate on any Interest Payment Date shall be made to the person appearing on the Registration Books as the Owner thereof as of the Regular Record Date immediately preceding such Interest Payment Date, such interest to be paid by check mailed on the Interest Payment Date by first class mail to such Owner at his address as it appears on the Registration Books as of such Regular Record Date.

The principal and prepayment price with respect to the Certificates at maturity or upon prior prepayment shall be payable by check denominated in lawful money of the United States of America upon surrender of the Certificates at the Principal Trust Office.

If the Government is the Owner of the single, fully-registered Certificate, surrender shall not be required for payment, except for final payment.

Section 2.10. Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by Certificate Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose, or by any bank, trust company or other depository for such Certificate. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the holding and ownership of Certificates shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Owner or such Owner's attorney or agent of any such instrument and of any instrument appointing any such attorney or agent, may be proved by a certificate, which need not be acknowledged or verified, of an officer of any bank or trust company located within the United States of America, or of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in such jurisdictions, that the persons signing such instruments acknowledged before such notary or officer the execution thereof. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of the authority of such officer or member.

(b) The fact of the holding of Certificates by any Owner and the amount, the maturity and the numbers of such Certificates and the date of his holding the same may

be proved by reference to the Certificate Register maintained by the Trust Administrator provided for in Section 2.11 hereof. The Trust Administrator may conclusively assume that such ownership continues until transfer as provided in Section 2.07(a) hereof.

(c) Nothing contained in this Article II shall be construed as limiting the Trust Administrator to such proof, it being intended that the Trust Administrator may accept any other evidence of the matters herein stated which the Trust Administrator may deem sufficient. Any request or consent of the Owner of any Certificate shall bind every future Owner of the same Certificate in respect of anything done or suffered to be done by the Trust Administrator in pursuance of such request or consent.

Section 2.11. Certificate Register. The Trust Administrator will keep or cause to be kept, at the Principal Trust Office, sufficient books for the registration and transfer of the Certificates which shall be open at all reasonable times with reasonable prior notice during normal business hours of the Trust Administrator to inspection by the City and the Authority; and, upon presentation for such purpose, the Trust Administrator shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Certificates as hereinbefore provided.

Section 2.12. CUSIP Numbers. The Trust Administrator, the City and the Authority shall not be liable for any defect or inaccuracy in any CUSIP number that appears on any Certificate or in any prepayment notice. The Trust Administrator may, in its discretion, include in any prepayment notice a statement to the effect that any CUSIP numbers on the Certificates have been assigned by an independent service and are included in such notice solely for the convenience of the Owners and that neither the Trust Administrator, the City nor the Authority shall be liable for any inaccuracies in such numbers.

CUSIP numbers shall not be required if the Government is the Original Purchaser of a single, fully registered Certificate.

ARTICLE III CONSTRUCTION FUND

Section 3.01. Disposition of Certificate Proceeds; Construction Fund. The Trust Administrator shall establish the Construction Fund; shall keep such fund separate and apart from all other funds and moneys held by the Trust Administrator; and shall administer such fund as provided herein.

On the Closing Date, the Trust Administrator shall deposit in the Construction Fund the first installment of the proceeds of sale of the Certificates equal to \$_____.

Thereafter, the Trust Administrator shall deposit in the Construction Fund all additional installments of the proceeds of the sale of the Certificates, as and when disbursed by the Original Purchaser. In addition, the Trust Administrator shall deposit in the Construction Fund any other funds from time to time transferred to the Construction Fund in accordance with this Trust Agreement.

Section 3.02. Payment of Construction Costs.

(a) Amounts in the Construction Fund shall be disbursed for Construction Costs. Disbursements from the Construction Fund shall be made by the Trust Administrator upon receipt of a sequentially numbered requisition, a form of which is attached as Exhibit C, requesting disbursement executed by a City Representative and by the Government as the Certificate Owner.

(b) The Trust Administrator shall be responsible for the safekeeping and investment (in accordance with Section 8.02 hereof) of the moneys held in the Construction Fund and the payment thereof in accordance with this Section 3.02, but the Trust Administrator shall not be responsible for such requisitions.

Section 3.03. Payment of Delivery Costs.

(a) Amounts in the Construction Fund shall also be disbursed by the Trust Administrator to pay the Delivery Costs.

(b) The Trust Administrator shall disburse moneys in the Construction Fund to pay the Delivery Costs only upon a receipt of a sequentially numbered requisition, with bills, invoices or statements attached, signed by a City Representative (and, if required, by the Government as the Certificate Owner) setting forth the amounts to be disbursed for payment or reimbursement of Delivery Costs and the name and address of the person or persons to whom said amounts are to be disbursed, stating that the amounts to be disbursed are for Delivery Costs properly chargeable to the Construction Fund.

(c) The Trust Administrator shall be responsible for the safekeeping and investment (in accordance with Section 8.02 hereof) of the moneys held in the Construction Fund for the payment of Delivery Costs, and the payment thereof in accordance with this Section 3.03, but the Trust Administrator shall not be responsible for such requisitions.

(d) Any moneys not expended to pay Delivery Costs shall be used to pay the costs of the Project.

Section 3.04. Transfers of Unexpended Proceeds. The Trust Administrator is hereby directed that all unexpended moneys remaining in the Construction Fund and not identified in writing by a City Representative and by the Owner to be required for payment of Construction Costs or other capital improvements (the "Unexpended Proceeds") shall, on the date of completion of the Project or as soon thereafter as the Trust Administrator is so notified, be transferred to the Lease Payment Fund and applied to the prepayment of the Certificates.

ARTICLE IV PREPAYMENT OF CERTIFICATE

Section 4.01. Prepayment.

(a) **Generally.** The Certificates shall not be subject to prepayment prior to maturity, except in the manner, at the times and in all respects in accordance with the provisions of this Article IV.

(b) **Prepayment From Net Proceeds of Insurance and Condemnation and from Unexpended Proceeds.** The Certificates are subject to prepayment in whole on any date and in part on any Interest Payment Date from the (i) Net Proceeds of any insurance or condemnation award and (ii) Unexpended Proceeds, which are, in either case deposited in the Lease Payment Fund and credited towards the prepayment made by the City pursuant to Section 9.3 of the Lease, at a prepayment price equal to the principal amount thereof, together with accrued interest to the date fixed for prepayment, without premium.

(c) **Optional Prepayment.** In addition, the Certificates are subject to prepayment in whole or in part on any date, at the principal amount with respect thereto, without premium, and with accrued interest to the date fixed for prepayment from the proceeds of optional prepayments made by the City pursuant to the Lease.

Section 4.02. Selection of Certificates for Prepayment. Whenever provision is made in this Trust Agreement for the prepayment of Certificates and less than all Outstanding Certificates are called for prepayment, the Trust Administrator shall select Certificates for prepayment in inverse order of maturity and by lot within a maturity. The Trust Administrator shall promptly notify the City and the Authority in writing of the Certificates so selected for prepayment.

Section 4.03. Notice of Prepayment.

(a) **General.** Notice of any such prepayment shall be given by the Trust Administrator on behalf and at the expense of the City by mailing a copy of a prepayment notice by first class mail at least 30 days and not more than 60 days prior to the date fixed for prepayment to such Owner of the Certificate or Certificates to be redeemed at the address shown on the Certificate Register maintained by the Trust Administrator; provided, however, that neither the failure to receive such notice nor any defect in any notice shall affect the sufficiency of the proceedings for the prepayment of the Certificates.

(b) **Contents.** All notices of prepayment shall be dated and shall state: (i) the prepayment date, (ii) the prepayment price, (iii) if less than all Outstanding Certificates are to be prepaid, the identification (and, in the case of partial prepayment, the respective principal amounts) of the Certificates to be prepaid, (iv) that on the prepayment date the prepayment price will become due and payable with respect to each such Certificate or portion thereof called for prepayment, and that interest with respect thereto shall cease to accrue from and after said date, (v) the place where such Certificates are to be surrendered for payment of the prepayment price, which place of payment shall be the Principal Corporate Trust Office.

(c) Deposit. Prior to the mailing of any prepayment notice other than a prepayment notice relating to Certificates that are the subject of an advance refunding), the City shall deposit, or cause to be deposited, with the Trust Administrator an amount of money sufficient to pay the prepayment price of all the Certificates or portions of Certificates that are to be prepaid on the applicable prepayment date. In the case of a prepayment notice relating to Certificates that are the subject of an advance refunding, the City shall deposit, or cause to be deposited, with the Trust Administrator on or prior to the applicable prepayment date, an amount of money sufficient to pay the prepayment price of all the Certificates or portions of Certificates that are to be prepaid on such prepayment date.

(d) Prepayment. Notice of prepayment having been given as aforesaid, the Certificates or portions of Certificates so to be redeemed shall, on the prepayment date, become due and payable at the prepayment price therein specified, and from and after such date (unless the City defaults in the payment of the prepayment price) interest with respect to such Certificates or portions of Certificates shall cease to be payable. Upon surrender of such Certificates for prepayment in accordance with said notice, such Certificates shall be paid by the Trust Administrator at the prepayment price. Installments of interest due on or prior to the prepayment date shall be payable as herein provided for payment of interest. Upon surrender for any partial prepayment of any Certificate, there shall be executed and delivered for the Owner a new Certificate or Certificates of the same maturity in the amount of the un-prepaid principal. All Certificates which have been prepaid shall be canceled by the Trust Administrator, shall not be reissued and shall be destroyed pursuant to Section 14.07.

If the Government is the Owner, prepayment shall be endorsed on the single, fully registered Certificate registered to the Government.

Section 4.04. Partial Prepayment of Certificate. Upon surrender of any Certificate prepaid in part only, the Trust Administrator shall execute and deliver to the Owner thereof, at the expense of the City, a new Certificate or Certificates of authorized denominations equal in aggregate principal amount to the un-prepaid portion of the Certificate surrendered and of the same interest rate and the same maturity.

Section 4.05. Effect of Notice of Prepayment. After notice has been given and the moneys for the prepayment, including interest to the applicable Interest Payment Date and premium, if any, having been set aside in the Lease Payment Fund, the Certificates to be redeemed shall become due and payable on the Interest Payment Date, and, upon presentation and surrender thereof at the Principal Trust specified in such notice, such Certificates shall be paid at the unpaid principal amount with respect thereto, and any unpaid and accrued interest to the Interest Payment Date.

If, on the Interest Payment Date, moneys for the prepayment of all the Certificates to be prepaid, together with interest to such Interest Payment Date, shall be held by the Trust Administrator so as to be available therefor on such Interest Payment Date, and, if notice of prepayment thereof shall have been given, then, from and after such Interest Payment Date, interest with respect to the Certificates to be prepaid shall cease to accrue and become payable. If such moneys shall not be so available on the Interest Payment Date, interest with respect to such Certificates shall continue to be payable at the same rates as it would have been payable had the Certificates not been called for prepayment. All moneys held by or on behalf of the Trust Administrator for the prepayment of particular Certificate shall be held in trust for the account of

the Owners of the Certificate so to be prepaid. The Trust Administrator shall not be liable for any interest earned on the amounts so held.

Section 4.06. Purchase of Certificates in Lieu of Prepayment. In lieu of prepayment of Certificates as provided in this Article IV, amounts held by the Trust Administrator for such prepayment may also be used on any Interest Payment Date, upon receipt by the Trust Administrator at least 90 days prior to the next scheduled Interest Payment Date of the written request of a City Representative, for the purchase of Certificates at public or private sale as and when and at such prices (including brokerage, accrued interest and other charges) as the City may in its discretion direct, but not to exceed the prepayment price which would be payable if such Certificates were prepaid; *provided, however*, that no Certificate shall be purchased in lieu of prepayment with a trade settlement date less than 75 days prior to the relevant prepayment date. The aggregate principal amount of Certificates of the same maturity purchased in lieu of prepayment pursuant to this Section 4.06 shall not exceed the aggregate principal amount of Certificates of such maturity which would otherwise be subject to such prepayment. Remaining moneys, if any, shall be deposited in the Lease Payment Fund.

**ARTICLE V
LEASE PAYMENTS; LEASE PAYMENT FUND**

Section 5.01. Assignment of Rights in Lease .

(a) Assignment by the Authority. Under the Assignment Agreement, the Authority irrevocably assigns and transfers to the Trust Administrator, for the benefit of the Owners of the Certificates, all of its rights and interest in the Lease (excepting only its rights under Sections 4.7, 5.10, 7.3 and 8.4 thereof), including, without limitation, its rights to receive and collect Lease Payments from City under the Lease.

(b) Acceptance by the Trust Administrator. Under the Assignment Agreement, the Trust Administrator accepts such assignment in trust for the purpose of securing, equally and proportionately, such payments and rights to the Owner of the Certificates delivered pursuant to this Trust Agreement, all subject to the provisions of this Trust Agreement.

(c) Application of Lease Payments. The Lease Payments shall be applied, and the rights assigned by the Authority to the Trust Administrator shall be exercised, by the Trust Administrator as provided in this Trust Agreement for the benefit of the Owners of the Certificates.

All Lease Payments, prepayments and such other amounts which the Authority may at any time be entitled to shall be paid directly to the Trust Administrator and, if the Authority receives or collects Lease Payments, such payments shall be deemed to be held or to have been collected or received by the Authority as agent of the Trust Administrator.

Section 5.02. Establishment of Lease Payment Fund. The Trust Administrator shall establish the Lease Payment Fund. All moneys at any time deposited by the Trust Administrator in the Lease Payment Fund shall be held by the Trust Administrator in trust for the benefit of the Owners of the Certificates. So long as any Certificates are Outstanding, neither the City nor the Authority shall have any beneficial right or interest in the Lease Payment Fund or the moneys deposited therein, except only as provided in this Trust Agreement, and such moneys shall be used and applied by the Trust Administrator as hereinafter set forth.

Section 5.03. Deposits. There shall be deposited in the Lease Payment Fund all Lease Payments and prepayments received by the Trust Administrator, including any moneys received by the Trust Administrator for deposit therein pursuant to Sections 4.06, 5.05, 6.01 hereof or Article IV of the Lease, and any other moneys required to be deposited therein pursuant to the Lease or pursuant to this Trust Agreement.

Section 5.04. Application of Moneys. All amounts in the Lease Payment Fund shall be used and withdrawn by the Trust Administrator solely for the purpose of paying principal and interest with respect to the Certificates as the same become due and payable, in accordance with the provisions of Article II hereof.

Section 5.05. Surplus. Any surplus remaining in the Lease Payment Fund, after payment of all Certificates, and accrued interest (if any) and payment of any applicable fees, costs and expenses to the Trust Administrator, or provision for such prepayment or payment having been made to the satisfaction of the Trust Administrator, shall be withdrawn by the Trust Administrator and remitted to the City.

ARTICLE VI RESERVE FUND

Section 6.01. Establishment of Reserve Fund. The Trust Administrator shall establish the Reserve Fund and shall keep such fund separate and apart from all other funds and moneys held by the Trust Administrator. All moneys at any time on deposit in the Reserve Fund shall be held by the Trust Administrator in trust for the benefit of the Owners of the Certificates, and applied solely as provided herein.

Section 6.02. Deposits. There shall be deposited in the Reserve Fund the amounts specified in Section 4.8 of the Lease until the amount on deposit in the Reserve Fund reaches the Reserve Requirement.

Section 6.03. Transfers. The Trust Administrator shall, on or before each May 1 and November 1, after the payment of Debt Service with respect to the Certificates, transfer any moneys in the Reserve Fund in excess of the Reserve Requirement as provided in Section 8.03 hereof.

Section 6.04. Application in Event of Deficiency in the Lease Payment Fund. If, on any Interest Payment Date, the moneys available in the Lease Payment Fund do not equal the amount of the principal, interest and prepayment premium (if any) with respect to the Certificates then coming due and payable, the Trust Administrator shall apply the moneys available in the Reserve Fund to make delinquent Lease Payments on behalf of the City and transfer the amount necessary for this purpose to the Lease Payment Fund. Upon receipt of any delinquent Lease Payment with respect to which moneys have been advanced from the Reserve Fund such Lease Payment shall be deposited in the Reserve Fund to the extent of such advance.

Section 6.05. Transfer to Make All Lease Payments. If on any Lease Payment Date, the moneys on hand in the Reserve Fund and the Lease Payment Fund are sufficient to pay all Outstanding Certificates, including all principal and interest the Trust Administrator shall, upon the written direction of a City Representative, accompanied by all amounts then on hand in the Reserve Fund, deposit such funds in the Lease Payment Fund to be applied to the payment of the Lease Payments or prepayments on behalf of the City, and such moneys shall be distributed to the Owners of the Certificates in accordance with Article II and Article IV of this Trust Agreement.

Section 6.06. Replenishment of Reserve Fund. The City shall maintain or cause to be maintained in the Reserve Fund an amount equal to the amounts required to be deposited therein pursuant to Section 3.11 of the Lease, and thereafter the amount of the Reserve Requirement. If, on any date of computation, amounts on hand in the Reserve Fund are less than such required amounts because of a transfer therefrom made in accordance with Section 6.03 hereof, the City shall pay to the Trust Administrator an amount necessary to bring the amounts on deposit in the Reserve Fund to the amount required to be maintained therein; provided, however, that the period of time permitted herein for the replenishment of the Reserve Fund by the City shall not affect any other provision of this Trust Agreement.

ARTICLE VII INSURANCE AND CONDEMNATION FUND; INSURANCE; EMINENT DOMAIN

Section 7.01. Establishment of Insurance and Condemnation Fund; Application of Net Proceeds of Insurance Award. Any Net Proceeds of insurance collected by the City in the event of accident to or destruction of the Site and Facilities shall be paid to the Trust Administrator pursuant to Section 6.1 of the Lease and deposited by the Trust Administrator promptly upon receipt thereof in a special fund designated as the "Insurance and Condemnation Fund" which the Trust Administrator shall thereupon establish.

If the City determines and notifies the Trust Administrator in writing of its determination, within 45 days following the date of such deposit, that the replacement, repair, restoration, modification or improvement of the Site and Facilities is not economically feasible or in the best interests of the City, then such Net Proceeds shall be promptly transferred by the Trust Administrator to the Lease Payment Fund and applied to the prepayment of Lease Payments pursuant to Section 9.3 of the Lease and the corresponding prepayment of Certificates pursuant to Section 4.01(b) hereof, but only to the extent the remaining fair market value of the Site is equal to or exceeds the remaining Certificates.

In the event of damage or destruction of the Site and Facilities in full, such Net Proceeds may be transferred to the Lease Payment Fund to be used to prepay Outstanding Certificates only if such Net Proceeds, together with other available moneys, are sufficient to cause the corresponding prepayment of all Lease Payments.

All Net Proceeds deposited in the Insurance and Condemnation Fund and not so transferred to the Lease Payment Fund shall be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Site and Facilities by the City, upon receipt of written requisitions of the City stating, with respect to each payment to be made the following:

- (a) the name and address of the person, firm or corporation to whom payment is due,
- (b) the amount to be paid and
- (c) that each obligation mentioned therein has been properly incurred, is a proper charge against the Insurance and Condemnation Fund, has not been the basis of any previous withdrawal, and specifying in reasonable detail the nature of the obligation.

Each such written requisition shall be sufficient evidence to the Trust Administrator of the facts stated therein and the Trust Administrator shall have no duty to confirm the accuracy of such facts. Any balance of the Net Proceeds remaining after the City files a written certificate with the Trust Administrator stating that such work has been completed shall be paid to the City.

Section 7.02. Deposit and Application of Net Proceeds of Eminent Domain Award. If all or any part of the Site and Facilities is taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain) the Net Proceeds therefrom shall be deposited with the Trust Administrator in the Insurance and Condemnation Fund, which the Trust Administrator shall thereupon establish pursuant to Section 6.1 of the Lease, and shall be applied and disbursed by the Trust Administrator as follows:

(a) If the City has given written notice to the Trust Administrator of its determination that (i) such eminent domain proceedings have not materially affected the interest of the City in the Site and Facilities, or the ability of the City to meet any of its financial obligations under the Lease, and (ii) that such proceeds are not needed for repair, replacement or rehabilitation of the Site and Facilities, and the City has given written notice to the Trust Administrator of such determination, the Trust Administrator shall transfer such proceeds to the Lease Payment Fund to be credited toward the payment of the Lease Payments as they become due and payable.

(b) If the City has given written notice to the Trust Administrator of its determination that (i) such eminent domain proceedings have not materially affected the interest of the City in the Site and Facilities, or the ability of the City to meet any of its financial obligations under the Lease, and (ii) such proceeds are needed for repair, replacement or rehabilitation of the Site and Facilities, the Trust Administrator shall pay to the City, or to its order, from those proceeds such amounts as the City may expend for such repair or rehabilitation, upon the filing of requisitions of the City Representative meeting the requirements of Section 7.01 hereof.

(c) If (i) less than all of the Site and Facilities is taken in such eminent domain proceedings or sold to a government threatening the use of eminent domain powers, and if the City has given written notice to the Trust Administrator of its determination that such eminent domain proceedings have materially affected the interest of the City in the Site and Facilities, or the ability of the City to meet any of its financial obligations under the Lease, or (ii) all of the Site and Facilities has been taken in such eminent domain proceedings, then the Trust Administrator shall transfer such proceeds to the Lease Payment Fund to be credited toward the prepayment of the Lease Payments pursuant to Section 9.3 of the Lease and applied to the corresponding prepayment of Certificates in the manner provided in Section 4.01(b) hereof.

In making any such determination whether to repair, replace or rehabilitate the Site and Facilities under this Section, the City may obtain, but shall not be required to obtain, at its expense, the report of an independent engineer or other independent professional consultant, a copy of which shall be filed with the Trust Administrator. Any such determination by the City shall be final.

Section 7.03. Excess Net Proceeds. After all of the Certificates have been retired and the entire amount of principal and interest with respect to the Certificates and any remaining fees and expenses of the Trust Administrator have been paid in full, the Trust Administrator shall transfer any remaining funds to the City.

Section 7.04. Cooperation. The Authority shall cooperate with the City at the expense of the City in filing any proof of loss with respect to any insurance policy maintained pursuant to Article V of the Lease and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Site and Facilities or any part thereof.

ARTICLE VIII MONEYS IN FUNDS; INVESTMENT

Section 8.01. Held in Trust. The moneys and investments held by the Trust Administrator under this Trust Agreement, except for those held in the Construction Fund and the Delivery Cost Fund, are irrevocably held in trust for the benefit of the Owner(s) of the Certificates, and for the purposes herein specified, and such moneys, and any income or interest earned thereon, shall be expended only as provided in this Trust Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of either the Authority, the Trust Administrator or the City or any Owner of Certificates, or any of them until after the Certificates have been paid in full.

Section 8.02. Investments Authorized. Moneys held by the Trust Administrator hereunder shall, upon written order of a City Representative, be invested and reinvested by the Trust Administrator, to the maximum extent practicable, in Permitted Investments.

If a City Representative fails to so direct investments, the Trust Administrator shall invest the affected moneys in Permitted Investments described in paragraph (g) of the definition thereof.

A City Representative may, by written order filed with the Trust Administrator, direct investment of moneys held by the Trust Administrator in specific Permitted Investments.

Investments purchased with moneys on deposit in the Reserve Fund shall have a term not greater than five years. Investments, if registrable, shall be registered in the name of and held by the Trust Administrator or its nominee. The Trust Administrator may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section 8.02. Such investments and reinvestments shall be made giving full consideration to the time at which funds are required to be available. The Trust Administrator may act as principal or agent in the making or disposing of any investment.

The Trust Administrator shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Article VIII. The Trust Administrator shall be entitled to rely conclusively upon the written instructions of a City Representative directing investments as to the fact that each investment is permitted by the laws of the State and constitutes a Permitted Investment hereunder, and the Trust Administrator shall not be required to make further investigation with respect thereto. To the extent that any of the requirements concerning any Permitted Investment embodies a legal conclusion, the Trust Administrator shall be entitled to conclusively rely upon a certificate from the appropriate party or an opinion of counsel to such party that such requirement has been met.

Section 8.03. Allocation of Earnings.

(a) All interest or income received by the Trust Administrator on investment of the Construction Fund shall, as received, be retained in the Construction Fund.

(b) All interest or income received by the Trust Administrator on investment of the Lease Payment Fund shall, as received, be retained in the Lease Payment Fund. Amounts retained in the Lease Payment Fund pursuant to this Section shall be applied as a credit against the Lease Payment due by the City pursuant to the Lease on the Lease Payment Date following the date of deposit.

(c) All interest or income received by the Trust Administrator on investment of the Reserve Fund shall be retained in the Reserve Fund in the event that amounts on deposit in the Reserve Fund are less than the Reserve Requirement. Pursuant to Section 6.03 hereof, if amounts then on deposit in the Reserve Fund equal or exceed the Reserve Requirement, such excess shall, as received, be transferred, prior to the date of completion of the Project, to the Construction Fund, and after the date of completion of the Project, shall be transferred to the Lease Payment Fund and shall be applied as a credit against the Lease Payment due by the City pursuant to the Lease on the Lease Payment Date following the date of deposit. Transfers to the Lease Payment Fund from the Reserve Fund shall be made by the Trust Administrator on or prior to each Lease Payment Date.

Section 8.04. Accounting. The Trust Administrator shall furnish to the City a semi-annual accounting of all investments, transactions and disbursements made by the Trust Administrator. The Trust Administrator may commingle, at its sole discretion, any of the funds held by it pursuant to this Trust Agreement into a separate fund or funds for investment purposes only; provided, however, that all funds or accounts held by the Trust Administrator hereunder shall be accounted for separately notwithstanding such commingling by the Trust Administrator.

Section 8.05. Acquisition, Disposition and Valuation of Investments.

(a) Except as otherwise provided in subsection (b) of this Section 8.05, the City covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Trust Agreement, or otherwise containing gross proceeds of the Certificates (within the meaning of section 148 of the Tax Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Trust Agreement or the Tax Code) at Fair Market Value.

(b) Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Tax Code and (unless valuation is undertaken at least annually) investments in the Reserve Fund shall be valued at their present value (within the meaning of section 148 of the Tax Code).

ARTICLE IX THE TRUST ADMINISTRATOR

Section 9.01. Appointment of Trust Administrator. The Trust Administrator is hereby appointed by the Authority and the City for the purpose of receiving all moneys required to be deposited with the Trust Administrator hereunder and to allocate, use and apply the same as provided in this Trust Agreement.

(a) **General.** The Trust Administrator is hereby authorized to pay or redeem the Certificates when duly presented for payment at maturity, or on prepayment, and to endorse such prepayment on the Certificates upon prepayment thereof. The Trust Administrator shall keep accurate records of all funds administered by it and of all such prepayments. The Trust Administrator shall be compensated for its services rendered pursuant to the provisions of this Trust Agreement and shall be reimbursed for costs and expenses, including attorney's fees, incurred in connection therewith, subject to the provisions of any written agreement between the Trust Administrator and the City.

(b) **Successor.** So long as no Event of Default occurs and is continuing, the City may, with the written consent of the Owners, remove the Trust Administrator initially appointed, and any successor thereto, on 30 days' written notice and may appoint a successor or successors thereto; provided that any such successor shall be a bank or trust company which shall be a corporation organized and doing business under the laws of any state, the City or the United States of America, authorized under such laws to exercise corporate trust powers, which shall have (or, in the case of a corporation included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least \$50,000,000, and be subject to supervision or examination by federal or state authority, so long as any Certificates are Outstanding. If such corporation publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this Section 9.01 the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Any removal of the Trust Administrator shall not be effective until written acceptance of appointment by the successor Trust Administrator.

(c) **Resignation.** The Trust Administrator may at any time resign by giving written notice to the Authority and the City and by providing notice by first class mail, postage prepaid, to the Owners at their addresses as shown on the Certificate registration books maintained by the Trust Administrator. Said mailing shall be made prior to the proposed effective date of resignation. Upon receiving such notice of resignation, the City, with the written consent of the Owners, shall promptly appoint a successor Trust Administrator by an instrument in writing; *provided, however*, that in the event that the City does not appoint a successor Trust Administrator within 30 days following receipt of such notice of resignation the Authority may appoint a successor Trust Administrator and in the event that the Authority does not appoint such successor Trust Administrator, the resigning Trust Administrator, at the expense of the City, may petition any appropriate court having jurisdiction to appoint a successor Trust Administrator. Any resignation or removal of the Trust Administrator and appointment of a successor Trust Administrator shall become effective upon acceptance of appointment by the successor Trust

Administrator and receipt by the Trust Administrator of any fees and expenses due and payable to it.

Section 9.02. Liability of Trust Administrator. The recitals of facts, covenants and agreements herein and in the Certificates contained shall be taken as statements, covenants and agreements of the Authority and the City, and the Trust Administrator neither assumes any responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Trust Agreement or of the Certificates nor shall incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Certificates assigned to or imposed upon the Trust Administrator.

Section 9.03. Merger or Consolidation. Any company into which the Trust Administrator may be merged or converted or with which any of them may be consolidated or any company resulting from any merger, conversion or consolidation to which any of them shall be a party or any company to which the Trust Administrator may sell or transfer all or substantially all of its corporate trust business, provided that such company shall be eligible under Section 9.01, shall be the successor to the Trust Administrator without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 9.04. Protection and Rights of the Trust Administrator.

(a) **Good Faith.** The Trust Administrator shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, telegram, request, consent, waiver, certificates, statement, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Trust Agreement, and the Trust Administrator shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements.

(b) **Ownership Claims.** The Trust Administrator shall not be bound to recognize any person as an Owner of any Certificate or to take any action at such Owner's request unless such Certificate is deposited with the Trust Administrator or satisfactory evidence of the ownership of such Certificate is furnished to the Trust Administrator.

(c) **Counsel.** The Trust Administrator may consult with counsel, who may be counsel to the City, with regard to legal questions and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith in accordance therewith.

(d) **Proof.** Whenever in the administration of its duties under this Trust Agreement, the Trust Administrator shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) shall be deemed to be conclusively proved and established by the Written Certificate of the City Representative or Authority Representative and such Written Certificate shall be full warranty to the Trust Administrator for any action taken or suffered under the provisions of this Trust Agreement upon the faith thereof, but in its discretion the Trust Administrator may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

(e) Owner. The Trust Administrator may become the Owner of the Certificates with the same rights it would have if it were not Trust Administrator; may acquire and dispose of other bonds or evidence of indebtedness of the City with the same rights it would have if it were not the Trust Administrator; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Certificates, whether or not such committee shall represent the Owners of the majority in principal amount of the Certificates then Outstanding.

(f) Powers and Liability. The Trust Administrator may execute any of the powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters of its duty hereunder, and the Trust Administrator shall not be liable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care. The Trust Administrator shall not be liable for the exercise of any discretion or power under this Trust Agreement or for anything whatever in connection with the funds and accounts established hereunder, except only for its own willful misconduct or negligence.

(g) Limits of Liability. The Trust Administrator undertakes to perform such duties, and only such duties as are specifically set forth in this Trust Agreement and no implied duties or obligations shall be read into this Trust Agreement against the Trust Administrator. No provision in this Trust Agreement shall require the Trust Administrator to risk or expend its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not assured to it. In accepting the duties hereby enumerated, the Trust Administrator acts solely as Trust Administrator for the Owners and not in its individual capacity and all persons, including without limitation the Owners and the City or the Authority having any claim against the Trust Administrator arising from the Trust Agreement shall look only to the funds and accounts held by the Trust Administrator hereunder for payment except as otherwise provided herein. Under no circumstances shall the Trust Administrator be liable in its individual capacity for the obligations evidenced by the Certificates. The Trust Administrator shall not be liable in its individual capacity with respect to any action taken or omitted to be taken by the Trust Administrator in good faith in accordance with the written request of the Owners of the Certificates.

(h) No Representations. The Trust Administrator makes no representation or warranty, express or implied as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the City of the Project. In no event shall the Trust Administrator be liable for incidental, indirect, special or consequential damages in connection with or arising from the Lease or Trust Agreement for the existence, furnishing or use of the Project.

(i) Enforcement; Knowledge. The Trust Administrator shall not be responsible for the sufficiency or enforceability of the Lease or the assignment by the Authority under Section 5.01 of this Trust Agreement of its rights to receive Lease Payments. The Trust Administrator shall not be deemed to have knowledge of any Event of Default hereunder or under the Lease except failure by the City to make Lease

Payments unless the Trust Administrator is specifically notified in writing of such Event of Default.

(j) Released and Unclaimed Funds. The Trust Administrator shall not be accountable for the use or application by the City or any other party of any funds which the Trust Administrator has released under this Trust Agreement. Subject to applicable escheat laws, any amounts unclaimed 2 years after the final prepayment or maturity date of the Certificates, whichever occurs first, shall be paid by the Trust Administrator to the City, and thereafter, the Owner of any Certificates remaining unpaid shall look to the City for the payment of such Certificates.

Section 9.05. Appointment of Trustee. In the event that an Event of Default shall occur or if it shall otherwise be necessary for the Trust Administrator to enforce payment of the Lease Payments, prepayments or any other amount required to be deposited into the Lease Payment Fund or the Insurance and Condemnation Fund, or to exercise any of the remedies set forth in Article XIII hereof, or if it is determined that the Trust Administrator is unable to perform any of the other duties hereunder, the City, with the written consent of the Government as the Owner, shall appoint a trustee to succeed to the duties and responsibilities of the Trust Administrator hereunder, such appointment to be effective immediately upon written notice thereof to the Trust Administrator. Any trustee appointed in such circumstances shall meet the requirements of the third paragraph of Section 9.01 hereof. Upon such appointment, the term "Trust Administrator" in this Agreement shall also refer to such trustee.

**ARTICLE X
MODIFICATION OR AMENDMENT OF AGREEMENTS**

Section 10.01. Amendments Permitted.

(a) With Consent. This Trust Agreement and the rights and obligations of the Owners of the Certificates and the Lease and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental agreement which shall become effective when the written consent of the Owners of at least 60% in aggregate principal amount of the Certificates then Outstanding, exclusive of Certificates disqualified as provided in Section 10.03, shall have been filed with the Trust Administrator. No such modification or amendment may

(1) extend or have the effect of extending the fixed maturity of any Certificate or reducing the interest rate with respect thereto or extending the time of payment of interest, or reducing the amount of principal thereof or reducing any premium payable upon the prepayment thereof, without the express consent of the Owner of such Certificate, or

(2) reduce or have the effect of reducing the percentage of Certificates required for the affirmative vote or written consent to an amendment or modification of the Lease, or

(3) modify any of the rights or obligations of the Trust Administrator without its written assent thereto.

Any such supplemental agreement shall become effective as provided in Section 10.02.

(b) Without Consent. This Trust Agreement and the rights and obligations of the Owners of the Certificates and the Lease and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental agreement, without the consent of any such Owners, but only to the extent permitted by law and only

(1) to cure, correct or supplement any ambiguous or defective provision contained herein or therein, or

(2) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which shall not, in the opinion of nationally recognized bond counsel, materially adversely affect the interest of the Owners of the Certificates, or

(3) if and to the extent specified in an opinion of nationally recognized bond counsel filed with the City, the Authority and the Trust Administrator, to make such additions, deletions or modifications as may be necessary to assure compliance with section 148(f) of the Tax Code or otherwise as may be necessary to assure exclusion from gross income for purposes of federal income taxation of the interest component of Lease Payments.

Any such supplemental agreement shall become effective upon its execution and delivery by the parties hereto or thereto as the case may be.

(c) **Counsel.** The Trust Administrator may obtain an opinion of Independent Counsel that any amendment entered into hereunder complies with the provisions of this Article X and the Trust Administrator may rely conclusively on such opinion.

Section 10.02. Procedure for Amendment with Written Consent of Certificate Owners.

(a) **General.** This Trust Agreement or the Lease may be amended by supplemental agreement as provided in this Section 10.02 if the consent of the Owners of the Certificates is required pursuant to Section 10.01. A copy of such supplemental agreement, together with a request to the Certificate Owners for their consent thereto, shall be mailed by the Trust Administrator to the Owner of each Certificate at his address as set forth in the Certificate Register, but failure to mail copies of such supplemental agreement and request shall not affect the validity of the supplemental agreement when assented to as provided in this Section 10.02.

(b) **Effective.** Such supplemental agreement shall not become effective unless there shall be filed with the Trust Administrator the written consent of the Owners of at least 60% in aggregate principal amount of the Certificates then Outstanding (exclusive of Certificates disqualified as provided in Section 10.03) and a notice shall have been mailed as hereinafter provided in this Section 10.02. Each such consent shall be effective only if accompanied by proof of ownership of the Certificates for which such consent is given, which proof shall be such as is permitted by Section 2.11. Any such consent shall be binding upon the Owner of the Certificates giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trust Administrator within 5 Business Days of the date when the notice of consent hereinafter in this Section 10.02 provided for has been mailed. Any revocation received by the Trust Administrator later than 5 Business Days after such notice has been mailed shall be of no force and effect.

(c) **Notice.** After the Owners of the required percentage of Certificates have filed their consents to such supplemental agreement, the Trust Administrator shall mail a notice to the Owners of the Certificates in the manner hereinbefore provided in this Section 10.02 for the mailing of such supplemental agreement at the notice of adoption thereof, stating in substance that such supplemental agreement has been consented to by the Owners of the required percentage of Certificates and will be effective as provided in this Section 10.02 (but failure to mail copies of said notice shall not affect the validity of such supplemental agreement or consents thereto). A record, consisting of the papers required by this Section 10.02 to be filed with the Trust Administrator, shall be conclusive proof of the matters therein stated until the contrary is proved. Such supplemental agreement shall be deemed conclusively binding upon the parties hereto and the Owners of all Certificates at the expiration of 60 days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such 60-day period.

Section 10.03. Disqualified Certificate. Certificates owned or held by or for the account of the City or by any person directly or indirectly controlled or controlled by, or under direct or

indirect common control with the City (except any Certificate held in any pension or retirement fund) shall not be deemed Outstanding for the purpose of any vote, consent, waiver or other action or any calculation of Outstanding Certificate provided for in this Trust Agreement, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Trust Agreement.

Section 10.04. Effect of Supplemental Agreement. From and after the time any supplemental agreement becomes effective pursuant to this Article X, this Trust Agreement or the Lease, as the case may be, shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners of Certificates Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any supplemental agreement shall be deemed to be part of the terms and conditions of this Trust Agreement or the Lease, as the case may be, for any and all purposes.

The City may adopt appropriate regulations to require each Certificate Owner, before such Owner's consent provided for in this Article X shall be deemed effective, to reveal the Certificate as to which such consent is given are disqualified as provided in Section 10.03.

Section 10.05. Endorsement or Replacement of Certificates Delivered After Amendments. The City may determine that Certificates delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the Trust Administrator, as to such action. In that case, upon demand of the Owner of any Certificate Outstanding at such effective date and presentation of such Owner's Certificate for the purpose at the Principal Corporate Trust Office, a suitable notation shall be made on such Certificate. The City may determine that new Certificates, so modified as in the opinion of the City is necessary to conform to such Certificate Owners' action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of any Certificate then Outstanding, such new Certificate shall be exchanged in the Principal Corporate Trust Office, without cost to such Owner, for a Certificate of the same character then Outstanding, upon surrender of such Certificate.

Section 10.06. Amendatory Endorsement of Certificate. The provisions of this Article X shall not prevent any Certificate Owner from accepting any amendment as to the particular Certificate held by such Owner, provided that due notification thereof is made on such Certificate.

ARTICLE XI COVENANTS

Section 11.01. Compliance With and Enforcement of Lease . The City covenants and agrees with the Owners of the Certificates to perform all obligations and duties imposed on it under the Lease. The Authority covenants and agrees with the Owners of the Certificates to perform all obligations and duties imposed on it under the Lease.

The City will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be a ground for cancellation or termination of the Lease by the Authority thereunder. The Authority and the City, immediately upon receiving or giving any notice, communication or other document in any way relating to or affecting their respective estates, or either of them, in the Site and Facilities, which may or can in any manner affect such estate of the City, will deliver the same, or a copy thereof, to the Trust Administrator.

Section 11.02. Observance of Laws and Regulations. The City will well and truly keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the City, including its right to exist and carry on business as a public agency, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 11.03. Prosecution and Defense of Suits. The City shall promptly, upon request of the Trust Administrator or any Certificate Owner holding at least 25% in principal amount of the Certificates from time to time, take such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Site and Facilities, whether now existing or hereafter developing and shall, to the extent permitted by law, prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and shall indemnify and save the Trust Administrator and every Certificate Owner harmless from all loss, cost, damage and expense, including attorneys' fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceeding.

Section 11.04. Recordation and Filing. The City shall record and file the Lease or a memorandum thereof, the Assignment Agreement and all such documents as may be required by law (and shall take all further actions which may be necessary or be reasonably required by the Trust Administrator), all in such manner, at such times and in such places as may be required by law in order fully to preserve, protect and perfect the security of the Trust Administrator and the Certificate Owners.

Section 11.05. Further Assurances. The Authority, the City and the Trust Administrator (at the cost and request of the City or the Authority) will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Trust Agreement, and for the better assuring and confirming unto the Owners of the Certificates the rights and benefits provided herein.

Section 11.06. Filing. The City shall be responsible for the filing of any supplemental instruments or documents of further assurance as may be required by law in order to perfect or renew the security interests created by this Trust Agreement. Neither the Trust Administrator nor the Authority shall be responsible for such filing.

Section 11.07. Private Activity Bond Limitation. The City shall assure that proceeds of the Certificates are not so used as to cause the Certificates or the Lease to satisfy the private business tests of section 141(b) of the Tax Code or the private loan financing test of section 141(c) of the Tax Code.

Section 11.08. Federal Guarantee Prohibition. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Certificates or the Lease to be “federally guaranteed” within the meaning of section 149(b) of the Tax Code.

Section 11.09. Exemption From Rebate Requirement. The City is a governmental unit with the power to impose taxes of general applicability which, when collected, may be used for general purposes of the City; the Certificates are not “private activity bonds” within the meaning of section 141 of the Tax Code and 95% of the net sale proceeds of the Certificates are to be used for local governmental activities of the City. The aggregate face amount issued by the City, including all subordinate entities of the City and all entities which may issue obligations on behalf of the City, during the calendar year 2017 is not reasonably expected to exceed \$5,000,000, excluding, however, that portion of current refunding obligations having a principal amount no in excess of the principal amount of the refunded obligation. By reason of the statements set forth in this subparagraph, the City will not rebate excess investment earnings, if any, to the federal government.

Section 11.10. No Arbitrage. The City shall not take, or permit or suffer to be taken by the Trust Administrator or otherwise, any action with respect to the proceeds of the Certificates which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Certificates or the Lease to be “arbitrage bonds” within the meaning of section 148 of the Tax Code.

Section 11.11. Maintenance of Tax-Exemption. The City shall take all actions necessary to assure the exclusion of interest with respect to the Certificates from the gross income of the Owners of the Certificates to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date.

Section 11.12. Small Issuer Exemption from Bank Nondeductibility Restriction. The City hereby designates the Lease for purposes of paragraph (3) of section 265(b) of the Tax Code and represents that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under section 103(a) of the Tax Code) from gross income for federal income tax purposes (excluding (i) “private activity bonds,” as defined in section 141 of the Tax Code, except qualified 501(c)(3) bonds as defined in section 145 of the Tax Code and (ii) current refunding obligations to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation), including the Lease, has been or will be issued by the City, including all subordinate entities of the City, during the calendar year 2017.

ARTICLE XII LIMITATION OF LIABILITY

Section 12.01. Limited Liability of the City. Except for the payment of Lease Payments and prepayments when due in accordance with the Lease and the performance of the other covenants and agreements of the City contained in said Agreement, the City shall have no pecuniary obligation or liability to any of the other parties or to the Owners of the Certificates with respect to this Trust Agreement or the terms, execution, delivery or transfer of the Certificates, or the distribution of Lease Payments to the Owners by the Trust Administrator except as expressly set forth herein.

Section 12.02. No Liability of the Authority for Trust Administrator Performance. Neither the City nor the Authority shall have any obligation or liability to the other party or to the Owners of the Certificates with respect to the performance by the Trust Administrator of any duty imposed upon the Trust Administrator under this Trust Agreement.

Section 12.03. Indemnification of Trust Administrator. The City shall to the extent permitted by law indemnify and save the Trust Administrator, its officers, employees, directors and agents harmless from and against all claims, losses, costs, expenses, liability and damages, including legal fees and expenses, arising out of:

- (a) the use, maintenance, condition or management of, or from any work or thing done on, the Project by the Authority or the City;
- (b) any breach or default on the part of the Authority or the City in the performance of any of their respective obligations under the Lease, this Trust Agreement and any other agreement made and entered into for purposes of the Project;
- (c) any act of the Authority or the City or of any of their respective agents, contractors, servants, employees or licensees with respect to the Project;
- (d) any act of any assignee of, or purchaser from the Authority or the City or of any of its or their respective agents, contractors, servants, employees or licensees with respect to the Project;
- (e) the acquisition, construction, installation and equipping of the Project or the authorization of payment of Construction Costs or Delivery Costs;
- (f) the actions of any other party, including but not limited to the ownership, operation or use of the Project by the Authority or the City;
- (g) the Trust Administrator's exercise and performance of its powers and duties hereunder; or
- (h) the offering and sale of the Certificates.

No indemnification will be made under this Section 12.03 or elsewhere in this Trust Agreement for willful misconduct or negligence under this Trust Agreement by the Trust Administrator, its officers or employees. The City's obligations hereunder shall remain valid and

binding notwithstanding maturity and payment of the Certificates or resignation or removal of the Trust Administrator.

Section 12.04. Limitation of Rights to Parties and Certificate Owners. Nothing in this Trust Agreement or in the Certificates expressed or implied is intended or shall be construed to give any person other than the City, the Authority, the Trust Administrator and the Owners of the Certificates, any legal or equitable right, remedy or claim under or in respect of this Trust Agreement or any covenant, condition or provision hereof; and all such covenants, conditions and provisions are and shall be for the sole and exclusive benefit of the City, the Authority, the Trust Administrator and said Owners.

ARTICLE XIII EVENTS OF DEFAULT AND REMEDIES OF CERTIFICATE OWNERS

Section 13.01. Assignment of Rights. Under Section 5.01 of this Trust Agreement, the Authority transfers, assigns and sets over to the Trust Administrator all of the Authority's rights under the Lease (excepting only the Authority's rights under Sections 5.06, 7.03 and 9.04 thereof), including without limitation the Authority's rights to exercise such rights and remedies conferred on the Authority pursuant to the Lease as may be necessary or convenient (i) to enforce payment of the Lease Payments, prepayments and any other amounts required to be deposited in the Lease Payment Fund or the Insurance and Condemnation Fund, and (ii) otherwise to exercise the Authority's rights and take any action to protect the interests of the Trust Administrator or the Certificate Owners in an Event of Default.

Section 13.02. Remedies. If an Event of Default occurs, then and in each and every such case during the continuance of such Event of Default, the Trust Administrator may exercise any and all remedies available hereunder pursuant to law or granted pursuant to the Lease.

Upon the occurrence of an Event of Default, the Trust Administrator may, and shall, at the written direction of the Owners of a majority of the principal amount of Certificates then Outstanding, by written notice to the City, declare the principal of the Lease Payments to be immediately due and payable, whereupon that portion of the principal of the Lease thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in this Trust Agreement or in the Lease Payments to the contrary notwithstanding.

Remedies shall be cumulative with respect to the Trust Administrator and the Owners. If any remedial action is discontinued or abandoned, the Trust Administrator and the Owners shall be restored to their former positions.

Section 13.03. Application of Funds. All moneys received by the Trust Administrator pursuant to any right given or action taken under the provisions of this Article XIII or of Article VIII of the Lease, shall be applied by the Trust Administrator in the order following upon presentation of the several Certificates and the stamping thereon of the payment if only partially paid or upon the surrender thereof if fully paid:

(a) First, to the payment of the costs and expenses of the Trust Administrator hereunder (including, but not limited to, the costs and expenses of itself and its counsel) and, after such payment to the Trust Administrator, of the Certificate Owners in declaring such Event of Default, including reasonable compensation to its or their agents, attorneys and counsel, together with interest on all such amounts advanced as provided in the Lease;

(b) Second, to the payment of the whole amount then owing and unpaid with respect to the Certificates for principal and interest, with interest on the overdue principal and installments of interest at the rate or rates specified in the Certificates (but such interest on overdue installments of interest shall be paid only to the extent funds are available therefor following payment of principal and interest and interest on overdue principal, as aforesaid), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid with respect to the Certificates, then to the payment of such principal and interest without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

Section 13.04. Institution of Legal Proceedings. If one or more Events of Default shall happen and be continuing, the Trust Administrator in its discretion may, and upon the written request of the Owners of a majority in principal amount of the Certificates then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owners of Certificates by a suit in equity or action at law, for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trust Administrator shall deem most effectual to enforce any of its rights or duties hereunder.

Section 13.05. Non-waiver. Nothing in this Article XIII or in any other provision of this Trust Agreement, or in the Certificates, shall affect or impair the obligation of the City, which is absolute and unconditional subject to Section 3.06 of the Lease, to pay or prepay the Lease Payments as provided in the Lease, or affect or impair the right of action, which is also absolute and unconditional, of the Certificate Owners to institute suit to enforce such payment. No delay or omission of the Trust Administrator or of any Owner of any of the Certificates to exercise any right or power arising upon the happening of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein, and every power and remedy given by this Article XIII to the Trust Administrator or to the Owners of Certificates may be exercised from time to time and as often as shall be deemed expedient by the Trust Administrator or the Certificate Owners.

Section 13.06. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trust Administrator or to the Certificate Owners is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise.

Section 13.07. Power of Trust Administrator to Control Proceedings. In the event that the Trust Administrator, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in principal amount of the Certificates then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Certificates, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trust Administrator shall not, unless there no longer continues an Event of Default hereunder, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of at least a majority in principal amount of the Certificates Outstanding hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

Section 13.08. Limitation on Certificate Owners' Right to Sue. No Owner of any Certificate shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Trust Agreement, unless

(a) such Owner shall have previously given to the Trust Administrator written notice of the occurrence of an Event of Default hereunder;

(b) the Owners of at least a majority in aggregate principal amount of all the Certificates then Outstanding make written request upon the Trust Administrator to

exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name;

(c) said Owners shall have tendered to the Trust Administrator reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and

(d) the Trust Administrator shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trust Administrator.

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

The right of any Owner of any Certificates to receive payment of said Owner's proportionate interest in the Lease Payments as the same become due, or to institute suit for the enforcement of such payment, shall not be impaired or affected without the consent of such Owner, notwithstanding the foregoing provisions of this Section 13.08 or any other provision of this Trust Agreement.

Section 13.09. Parties Interested Herein. Nothing in this Trust Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Authority, the Trust Administrator and the Owners any right, remedy or claim under or by reason of this Trust Agreement, or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Trust Agreement contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Authority, the Trust Administrator and the Owners.

ARTICLE XIV MISCELLANEOUS

Section 14.01. Defeasance. The Outstanding Certificates may be paid and discharged in any one or more of the following ways:

(a) **Payment.** By paying or causing to be paid the principal with respect to and interest with respect to all Certificates Outstanding, as and when the same become due and payable;

(b) **Deposit.** By depositing with the Trust Administrator, in trust, at or before maturity, money which, together with the amounts then on deposit in the Lease Payment Fund and the Reserve Fund, is fully sufficient to pay all Certificates Outstanding, including all principal and interest;

(c) **Escrow.** By irrevocably depositing with the Trust Administrator or an escrow agent, in trust, cash or Defeasance Obligations in such amount as an independent nationally recognized certified public accountant shall determine in a written report delivered to the Trust Administrator or escrow agent will, together with the interest to accrue thereon and moneys then on deposit in the Lease Payment Fund and the Reserve Fund, if required, together with the interest to accrue thereon, be fully sufficient to pay and discharge all Certificates (including all principal and interest) at or before their respective maturity dates; or

(d) **Security Deposit.** By depositing with the Trust Administrator, under an escrow deposit and trust agreement, security for the payment of Lease Payments as more particularly described in Section 9.1 of the Lease, said security to be held by the Trust Administrator, as agent for City, and to be applied by the Trust Administrator to Lease Payments representing the obligation of the City under the Lease, as described in Section 9.1 of the Lease;

(e) **Effect.** Notwithstanding that any Certificates may not be surrendered for payment, all rights hereunder of the Owners of the Certificates and all obligations of the Authority, the Trust Administrator and the City under this Trust Agreement with respect to all Outstanding Certificates shall cease and terminate, except only the obligation of the Trust Administrator to pay or cause to be paid, from Lease Payments paid by or on behalf of the City from deposits pursuant to paragraphs (b) through (d) of this Section 14.01, to the Owners of the Certificates not so surrendered and paid all sums due with respect thereto, and in the event of deposits pursuant to paragraphs (b) through (d) of this Section 14.01, the Certificates shall continue to represent direct, undivided and fractional interests of the Owners thereof in Lease Payments under the Lease.

(f) **Payment Date.** All monies held or deposited pursuant to subsections (b) through (d), above, shall be used to pay and prepay Certificates on the earliest possible date.

(g) **Surplus Funds.** Any funds held by the Trust Administrator, at the time of one of the events described above in subsections (a) through (d) above, which are not required for the payment to be made to Owners, or for payments to be made to the Trust Administrator by the City (including attorneys' fees), shall be paid over to the City.

Section 14.02. Records. The Trust Administrator shall keep complete and accurate records of all moneys received and disbursed under this Trust Agreement, which shall be available for inspection by the City, the Authority, and the Owners of not less than 10% in aggregate principal amount of the Certificates Outstanding, or the agent of any of them, upon reasonable prior notice and during regular business hours.

Section 14.03. Notices. All written notices to be given under this Trust Agreement shall be given by mail first class, postage prepaid, to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other parties in writing from time to time. Any such notice shall be deemed to have been received 48 hours after deposit in the United States mail, with postage fully prepaid.

If to the City:	City of Woodlake 350 North Valencia Blvd. Woodlake, CA 93286 Fax: 559-564-8776 Attn: Finance Director
If to the Authority:	Treasurer Woodlake Public Financing Authority 350 North Valencia Blvd. Woodlake, CA 93286
If to the Trust Administrator:	Finance Director City of Woodlake 350 North Valencia Blvd. Woodlake, CA 93286 Fax: 559-564-8776

Section 14.04. Governing Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State.

Section 14.05. Binding Effect; Successors. This Trust Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Whenever in this Trust Agreement the Authority, the City or the Trust Administrator is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Trust Agreement contained by or on behalf of the Authority, the City or the Trust Administrator shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 14.06. Execution in Counterparts. This Trust Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

Section 14.07. Destruction of Canceled Certificate. Whenever in this Trust Agreement provision is made for the surrender to or cancellation by the Trust Administrator and the delivery to the City of any Certificate, the Trust Administrator may, in lieu of such cancellation and delivery, destroy such Certificate and deliver a certificate of such destruction to the City.

Section 14.08. Headings. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Trust Agreement. All references herein to “Articles,” “Sections,” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Trust Agreement; and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section or subdivision hereof.

Section 14.09. Limitation of Rights to Parties and Certificate Owners. Nothing in this Trust Agreement or in the Certificates expressed or implied is intended or shall be construed to give to any person other than the Authority, the City, the Trust Administrator and the Owners of the Certificates, any legal or equitable right, remedy or claim under or in respect of this Trust Agreement or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the City, the Trust Administrator and the Owners of the Certificates delivered hereunder.

Section 14.10. Waiver of Notice. Whenever in this Trust Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 14.11. Payments Due on Other than Business Day. If the date for making any payment as provided in this Trust Agreement is not a Business Day, such payment shall be made not later than the next preceding Business Day with the same force and effect as if done on the date provided therefore herein.

Section 14.12. Payment of Unclaimed Moneys. Notwithstanding any provisions of this Trust Agreement, any moneys held by the Trust Administrator in trust for the payment of the principal or interest due with respect to any Certificate and remaining unclaimed two years from the date of prepayment of such Certificate, or if the law shall have been changed and a City has notified the Trust Administrator of such change or the Trust Administrator notifies the City, then on the date 30 days prior to the then applicable escheat provision of State law, shall, on such date, be repaid to the City free from the trusts created by this Trust Agreement, and all liability of the Trust Administrator with respect to such moneys shall thereupon cease; *provided, however,* that before the repayment of such moneys to the City as aforesaid, the Trust Administrator may (at the cost and request of the City) first mail to the Owners to whom such amounts have not yet been paid, at the addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trust Administrator with respect to the amounts so payable and with respect to the provisions relating to the repayment to the City of the moneys held for the payment thereof. The Trust Administrator shall not be liable for any interest on funds held by it. The City shall not be liable for any interest on the sums paid to it pursuant to this Section 14.11 and shall not be regarded as a Trust Administrator of such money.

Section 14.13. Separability of Invalid Provisions. If any one or more of the provisions contained in this Trust Agreement or in the Certificates is for any reason held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision of this Trust Agreement, and this Trust Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The parties hereto hereby declare that they would have entered into this Trust Agreement and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the delivery of the

Certificates pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Trust Agreement may be held illegal, invalid or unenforceable.

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the date and year first above written.

FINANCE DIRECTOR OF THE CITY OF
WOODLAKE
as Trust Administrator

By _____
Finance Director

Attest

WOODLAKE PUBLIC FINANCING
AUTHORITY

By _____
Secretary

By _____
Executive Director

Attest

CITY OF WOODLAKE

By _____
City Clerk

By _____
City Administrator

EXHIBIT A

DEFINITIONS

“**Authority**” means the Woodlake Public Financing Authority.

“**Authority Representative**” means the Chairman, Vice Chairman, Executive Director, Treasurer, or any persons authorized to act on behalf of the Authority under or with respect to this Trust Agreement.

“**Business Day**” means any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in the state in which the Trust Administrator has its principal trust office are authorized or obligated by law or executive order to be closed.

“**Certificate Register**” means the registration books relating to the Certificates maintained by the Trust Administrator in accordance with Section 2.12 of the Trust Agreement.

“**Certificate**” or “**Certificates**” means the \$3,000,000 aggregate principal amount of Lease Revenue Certificates of Participation, Series 2017, dated _____, 2017, executed and delivered pursuant to this Trust Agreement.

“**City**” means the City of Woodlake, California.

“**City Council**” means the City Council of the City, as the legislative body of the City.

“**City Representative**” means the Mayor or Vice Mayor, the City Administrator, the Finance Director, the City Clerk, the City Attorney, or any other official of the City authorized by the Council to act for the City.

“**Closing Date**” means the date upon which there is a physical delivery of the Certificate in exchange for the amount representing the purchase price of all or an advance of a portion of the purchase price of the Certificate by the Original Purchaser.

“**Construction Costs**” means the costs of the Project.

“**Construction Fund**” means the fund of that name established pursuant to Article III of the Trust Agreement and held by the Trust Administrator.

“**Debt Service**” means the scheduled amount of interest and amortization of principal payable with respect to the Certificate during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning or during such period.

“**Defeasance Obligations**” means (a) cash, or (b) non-callable Federal Securities.

“**Delivery Costs**” means all items of expense directly or indirectly payable by or reimbursable to the City or the Authority relating to the refinancing and financing of the Project from the proceeds of the Certificates, including but not limited to filing and recording costs,

settlement costs, printing costs, reproduction and binding costs, initial fees and charges and first year's administration fee of the Trust Administrator, Trust Administrator's counsel fees and expenses, financing discounts, legal fees and charges, financial and other professional consultant fees, costs of rating agencies or credit ratings, fees for execution, transportation and safekeeping of the Certificates, travel expenses and charges and fees in connection with the foregoing.

"Denomination Amount" means the minimum denomination of each Certificate which is \$1,000.

"Event of Default" means an event of default under Section 8.1 of the Lease.

"Fair Market Value" means for purposes of valuing the Permitted Investments, the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Tax Code) and, otherwise, the term "fair market value" means the acquisitions price in a bona fide arm's length transaction (as referenced above) if

(i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code,

(ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code,

(iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or

(iv) any commingled investment fund in which the City and related parties do not own more than a 10% beneficial interest if the return paid by such fund is without regard to the source of investment.

The Trust Administrator shall have no duty in connection with the determination of Fair Market Value other than to follow the investment directions of a City Representative in any written directions of a City Representative.

"Federal Securities" means direct general obligations of (including obligations issued or held in book entry form on the books of the Department of the Treasury) the United States of America, or obligations the timely payment of principal of and interest on which are guaranteed by, the United States of America.

"Fiscal Year" means any period of 12 consecutive months established by the City as its fiscal year and shall initially mean the period commencing July 1 of one year and ending on June 30 of the following year.

"Government" means the United States of America, acting through the Rural Housing Service (or successor agency, bureau or division) of the United States Department of Agriculture.

“Independent Counsel” means an attorney or a firm of attorneys duly admitted to the practice of law before the highest court of the state in which he or such firm maintains an office and who is not an employee of the Authority, the Trust Administrator or the City.

“Insurance and Condemnation Fund” means the fund by that name established pursuant to Article VII of the Trust Agreement and held by the Trust Administrator.

“Interest Payment Date” means May 1 and November 1 of each year, commencing May 1, 2018.

“Interest Rate” means the rate of interest to be paid on the Certificates which is 3.750% per annum.

“Lease” means the Lease Agreement dated as of _____ 1, 2017, by and between the Authority and the City, and any duly authorized and executed amendment or supplement thereto.

“Lease Payment” means any payment required to be paid by the City to the Authority pursuant to Section 4.4 of the Lease.

“Lease Payment Date” means each Interest Payment Date.

“Lease Payment Fund” means the fund designated “City of Woodlake Lease Payment Fund” established and held by the Trust Administrator pursuant to Article V of the Trust Agreement.

“Net Proceeds” means any insurance proceeds or condemnation award paid with respect to the Site and Facilities, remaining after payment therefrom of all expenses incurred in the collection thereof.

“Original Purchaser” means the Government as the first purchaser of the Certificates upon their delivery by the Trust Administrator on the Closing Date.

“Outstanding,” when used as of any particular time with respect to the Certificates, means (subject to the provisions of Section 10.03 of the Trust Agreement) all Certificate theretofore executed and delivered by the Trust Administrator under the Trust Agreement except:

(a) Certificate theretofore canceled by the Trust Administrator or surrendered to the Trust Administrator for cancellation;

(b) Certificate for the payment or redemption of which funds or eligible securities in the necessary amount, including accrued interest thereon, shall have theretofore been deposited with the Trust Administrator (whether upon or prior to the maturity or redemption date of such Certificate), provided that, if such Certificate are to be redeemed prior to maturity, notice of such redemption shall have been given as provided in Section 4.03 of the Trust Agreement or provision satisfactory to the Trust Administrator shall have been made for the giving of such notice; and

(c) Certificate in lieu of or in exchange for which other Certificate shall have been executed and delivered by the Trust Administrator pursuant to Section 2.09 of the Trust Agreement.

“Owner” or **“Certificate Owner”** or **“Owner of a Certificate,”** or any similar term, means the person or entity in whose name a Certificate is registered.

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein, provided that the same are of appropriate maturity and acquired at Fair Market Value:

- (a) Federal Securities;
- (b) bonds, debentures or notes issued by any of the following: Banks for Cooperatives, Federal Land Banks or Federal National Mortgage Association (including participation certificate and Federal Farm Credit Banks Consolidated System Bonds);
- (c) bonds or obligations of the State of California which are rated “AA” or better by S&P;
- (d) interest bearing demand or time deposits (including certificates of deposit) in national banks, state banks, federal savings and loan associations or state chartered savings and loan associations, which have deposits insured by the Federal Deposit Insurance Corporation (the “FDIC”); provided, however, that the portion of such certificates of deposit in excess of the amount insured by the FDIC, if any, shall be with a provider whose short term S&P rating is “A-1+” or better;
- (e) money market funds consisting of Federal Securities, which are rated in the highest Rating Category by S&P; and
- (f) the Local Agency Investment Fund of the State of California.

“Prepayment” means any payment applied towards the prepayment of the Lease Payments, in whole or in part, pursuant to Article IX of the Lease.

“Principal Amount” means the aggregate principal amount of the Certificates which is not to exceed \$3,000,000.

“Principal Trust Office” means the office of the Trust Administrator at the offices of the City in Woodlake, California, or at such other address designated by the Trust Administrator by written notice filed with the City and the Authority.

“Proceeds” when used with reference to the Certificates, means the face amount of the Certificate, plus premium, if any, less original issue discount, if any.

“Project” means the acquisition, construction and improvement of certain facilities and improvements to be owned and operated by the City, consisting generally of a new community center to be located at 169 North Magnolia Street, Woodlake, California, and related publicly owned improvements.

“Rating Category” means, with respect to any Permitted Investment, one or more of the generic categories of rating by S&P applicable to such Permitted Investment, without regard to any refinement or gradation of such rating category by a plus or minus sign.

“Regular Record Date” means the close of business on the 15th day of the month preceding each Interest Payment Date, whether or not such 15th day is a Business Day.

“Reserve Fund” means the fund of that name established under Article VI of the Trust Agreement and held by the Trust Administrator.

“Reserve Requirement” means, for the purpose of determining the maximum size of the Reserve Fund, the least of:

- (a) 10% of the Principal Amount of the Certificate;
- (b) 125% of average annual Debt Service; or
- (c) maximum annual Debt Service.

“S&P” means Standard & Poor’s Ratings Group, a division of McGraw-Hill, Inc., New York, New York, or its successors.

“State” means the State of California.

“Tax Code” means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced in the Lease or this Trust Agreement) as it may be amended to apply to obligations issued on the Closing Date, together with applicable temporary and final regulations promulgated under the Tax Code.

“Trust Administrator” means the Finance Director of the City, as the chief financial officer of the City, or any successor thereto, acting as Trust Administrator under the Trust Agreement.

“Trust Agreement” means this Trust Agreement dated as of _____ 1, 2017, by and among the Trust Administrator, the Authority and the City, together with any amendments or supplements thereto permitted to be made thereunder.

“Written Certificate” of the City means a written certificate signed in the name of the City by a City Representative as contemplated by and containing the elements required by Section 1.03 of this Trust Agreement.

EXHIBIT B

FORM OF CERTIFICATE OF PARTICIPATION

No. R-1

\$3,000,000

\$3,000,000
City of Woodlake
Lease Revenue Certificate of Participation, Series 2017
Evidencing the Direct, Undivided Fractional Interests of the Owners
Thereof in Lease Payments to be Made by the
CITY OF WOODLAKE
(Tulare County, California)
Under a Lease Agreement with the
WOODLAKE PUBLIC FINANCING AUTHORITY,
as Lessor

RATE OF INTEREST:
_____ %

DATED DATE:
_____, 2017

REGISTERED OWNER: UNITED STATES OF AMERICA, ACTING THROUGH RURAL HOUSING SERVICE, UNITED STATES DEPARTMENT OF AGRICULTURE

PRINCIPAL AMOUNT: ***THREE MILLION DOLLARS***

THIS IS TO CERTIFY THAT the Registered Owner identified above, or registered assigns, as the registered owner (the "Registered Owner") of this Certificate of Participation (the "Certificate") is the owner of a direct, undivided fractional interest in lease payments (the "Lease Payments") payable under the Lease Agreement dated as of _____ 1, 2017 (the "Lease") by and between the CITY OF WOODLAKE, a municipal corporation and general law city organized and existing under the laws of the State of California (the "City"), and the WOODLAKE PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority duly organized and existing under the laws of the State of California (the "Authority").

The Lease Payments and certain other rights and interests under the Lease have been assigned to the Finance Director of the City, as trust administrator (the "Trust Administrator"), having an office in the location described in the Trust Agreement referred to below.

The Registered Owner of this Certificate is entitled to receive, subject to the terms of the Lease Agreement, on the Maturity Dates identified below, or any earlier prepayment date, the Principal Amounts identified below representing a direct, undivided fractional share of the portion of the Lease Payments designated as Principal as follows:

Maturity Date (November 1)	Certificate Numbers	Principal Amount
-------------------------------	------------------------	---------------------

Total:	\$3,000,000
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and to receive on May 1, 2018, and semiannually thereafter on May 1 and November 1 of each year (each an "Interest Payment Date") until payment in full of said principal, the Registered Owner's direct, undivided fractional share of the Lease Payments designated as interest coming due during the interest period immediately preceding each of the Interest Payment Dates. Interest represented hereby shall be payable at the Rate of Interest of _____% per annum from the Interest Payment Date next preceding the date of execution of this Certificate unless (a) this Certificate is authenticated after the close of business on the 15th day of the month immediately preceding an Interest Payment Date (a "Record Date") and on or before such Interest Payment Date, in which event interest shall be payable from such Interest Payment Date, or (b) unless this Certificate is authenticated on or before April 15, 2018, in which event interest shall be payable from the Dated Date identified above. The Registered Owner's share of the portion of the Lease Payments designated as interest is the result of the multiplication of the share of the portion of the Lease Payments designated as principal as shown and endorsed on the attached Certificate of Advances of Payment from the United States of America, by the Rate of Interest per annum identified above, calculated on the basis of a 365-day year. Principal represented hereby is payable in lawful money of the United States of America upon surrender hereof at the Office of the Trust Administrator, and interest represented hereby is payable by wire transfer or check or draft mailed by first class mail by the Trust Administrator on each Interest Payment Date to the

Registered Owner at such Owner's address as it appears on the registration books of the Trust Administrator as of the preceding Record Date.

This Certificate is issued in lieu of and represents the Certificates above-mentioned, all of like, date, tenor and effect, but differing in amounts and maturities.

This Certificate has been executed and delivered by the Trust Administrator pursuant to the terms of a Trust Agreement dated as of _____, 2017 (the "Trust Agreement"), by and among the Trust Administrator, the Authority and the City. The City has certified that it is authorized to enter into the Lease and the Trust Agreement under the laws of the State of California, for the purpose of paying and reimbursing the payment of the costs of certain public capital improvements. Reference is hereby made to the Lease and the Trust Agreement (copies of which are on file at the Office of the Trust Administrator) for a description of the terms on which the Certificates are delivered, the rights thereunder of the owners of the Certificates, the rights, duties and immunities of the Trust Administrator and the rights and obligations of the City under the Lease Agreement, to all of the provisions of the Lease and the Trust Agreement the Registered Owner of this Certificate, by acceptance hereof, assents and agrees.

The City is obligated under the Lease to pay the Lease Payments from any source of available funds. Under the Lease, the City covenants to take such action as may be necessary to include all Lease Payments coming due in each of its annual budgets during the term of the Lease and to make the necessary annual appropriations for all such Lease Payments. The obligation of the City to pay the Lease Payments does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. The obligation of the City to pay Lease Payments does not constitute a debt of the City, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

The Certificate is subject to optional prepayment in whole, or in part among maturities in any manner as directed by the City and by lot within a maturity, on any Business Day, from prepayments of the Lease Payments made at the option of the City pursuant to the Lease Agreement, at a prepayment price equal to the aggregate principal components of the Lease Payments to be prepaid, together with accrued interest represented thereby to the date fixed for prepayment, without premium.

The Certificate is subject to mandatory prepayment on any date, in whole, or in part, from unexpended proceeds of the Construction Fund established under the Trust Agreement and from the net proceeds of insurance or eminent domain proceedings, in either case deposited with the Trust Administrator, which are credited towards the prepayment of the Lease Payments pursuant to the Lease, at a prepayment price equal to 100% of the principal amount to be prepaid, together with accrued interest represented thereby to the date fixed for prepayment, without premium.

As provided in the Trust Agreement, notice of prepayment shall be mailed by the Trust Administrator by first class mail, postage prepaid, not less than 30 nor more than 60 days before the prepayment date, to the Registered Owner of the Certificates, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for prepayment or the cessation of accrual of interest represented thereby. If this Certificate is called for prepayment and payment is duly provided therefor as specified in the Trust Agreement, interest represented hereby shall cease to accrue from and after the date fixed for prepayment.

This Certificate is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Office of the Trust Administrator, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Trust Agreement and upon surrender and cancellation of this Certificate. Upon such transfer a new Certificate or Certificates, of authorized denomination or denominations, representing the same aggregate principal amount and representing the same rate of interest and maturity date, will be delivered to the transferee in exchange herefor. The City, the Authority and the Trust Administrator may treat the Registered Owner hereof as the absolute owner hereof for all purposes, whether or not this Certificate is overdue, and the City, the Authority and the Trust Administrator shall not be affected by any notice to the contrary.

To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement may be amended by the parties thereto with the written consent of the owners of a majority in aggregate principal amount of the Certificates then outstanding, and may be amended without such consent under certain circumstances; provided that no such amendment shall extend the fixed maturity of any Certificate or reduce the interest or principal represented thereby, without the express consent of the owner of such Certificate.

The Trust Administrator has no obligation or liability to the registered owners of the Certificates to make payments of principal, or interest with respect to the Certificates except from amounts on deposit for such purposes with the Trust Administrator. The Trust Administrator's sole obligations are to administer for the benefit of the registered owners of the Certificates the various funds and accounts established under the Trust Agreement and to perform the other duties expressly imposed upon it under the Trust Agreement.

The City has certified, recited and declared that all things, conditions and acts required by the laws of the State of California, the Lease and the Trust Agreement to exist, to have happened and to have been performed precedent to and in the delivery of the Certificates, do exist, have happened and have been performed in due time, form and manner as required by law.

This Certificate is given as evidence of a loan to the City made by the United States of America, acting through Rural Housing Service, United States Department of Agriculture, pursuant to the Consolidated Farm and Rural Development Act, and shall be subject to the present regulations of the Rural Housing Service or any successor agency thereto and to its future regulations not inconsistent with the express provisions hereof.

IN WITNESS WHEREOF, this Certificate has been executed and delivered by the Trust Administrator, acting pursuant to the Trust Agreement.

Executed as of the Dated Date first written above.

TRUST ADMINISTRATOR

By: _____
Finance Director
City of Woodlake

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face hereof, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common

UNIF GIFT MIN ACT ____ Custodian

TEN ENT -- as tenants by the Entireties

(Cust) ____ (Minor) ____
under Uniform Gifts to Minors

JT TEN -- as joint tenants with ____ right of survivorship
____ and not as tenants in ____ common

Act _____
(State)

ADDITIONAL ABBREVIATIONS MAY ALSO BE USED
THOUGH NOT IN THE LIST ABOVE

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within registered Certificate and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trust Administrator with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

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

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

Certificate of Advances of Payment from United States of America, acting through Rural
Housing Service, United States Department of Agriculture

The following advances have been paid to and received by the City in the amount and on the date(s) set forth below, as evidenced by the Trust Administrator's signature set forth below, as evidenced by said Trust Administrator's signature set forth opposite "Date of Advance" and "Amount of Advance."

<u>Date of Advance</u>	<u>Amount of Advance</u>	<u>Signature of the Trust Administrator</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Total principal sum of the within Certificate as advanced as of _____, 200_ is
\$_____.

Record of Prepayment in Advance of Maturity
of Certificates Represented by this Certificate

The Record of prepayment in advance of maturity on the registered Certificate shall be substantially as follows:

<u>Amount</u>	<u>Date</u>
_____	_____
_____	_____
_____	_____

EXHIBIT C

**\$3,000,000
City of Woodlake
Lease Revenue Certificates of Participation
Series 2017**

**WRITTEN REQUISITION NO. ___ FOR
DISBURSEMENT FROM CONSTRUCTION FUND**

The undersigned hereby states and certifies that:

1. the undersigned is the _____ of the City of Woodlake, a municipal corporation and general law city organized and existing under the laws of the State of California (the "City"), and as such, is familiar with the facts herein certified and is authorized and qualified to certify the same;
2. the undersigned is a duly designated "City Representative", as such term is defined in that certain Trust Agreement dated as of _____ 1, 2017 (the "Trust Agreement"), by and among the Finance Director of the City of Woodlake, as trust administrator (the "Trust Administrator"), the Woodlake Public Financing Authority (the "Authority") and the City;
3. under Section 3.02 of the Trust Agreement, the Trust Administrator is hereby requested to disburse this date, from the Construction Fund established under the Trust Agreement, to the payees set forth on Attachment I attached hereto and by this reference incorporated herein, at the addresses identified thereon, the amount set forth opposite such payee for payment of Construction Costs or Delivery Costs;
4. the amounts to be disbursed constitute Construction Costs or Delivery Costs, that said amounts are required to be disbursed pursuant to a contract entered into therefor by or on behalf of the Authority or the City, or were necessarily and reasonably incurred, and that said amounts are not being paid in advance of the time, if any, fixed for payment;
5. no amount set forth in this requisition was included in any requisition requesting disbursement previously filed with the Trust Administrator pursuant to Section 3.02 of the Trust Agreement;
6. insofar as such requisition relates to payment for work, materials, equipment or supplies, such work was actually performed, or such materials, equipment or supplies were actually installed in furtherance of the construction of the Project or delivered to the appropriate site for such purpose, or delivered for storage or fabrication at a place approved by the City; and
7. if such requisition relates to payment to a contractor, that no liens have been imposed on the Project as a result of said construction except liens that have not yet ripened or that would attach by operation of law; and
8. any capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Trust Agreement.

Dated: _____, 20__

CITY OF WOODLAKE

By: _____
Title: _____

ATTACHMENT I

<u>Payee Name and Address</u>	<u>Purpose of Obligation</u>	<u>Amount</u>
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TO BE RECORDED AND WHEN RECORDED

PLEASE RETURN TO:

Jones Hall, A Professional Law Corporation
 475 Sansome Street, Suite 1700
 San Francisco, California 94111
 Attention: Scott R. Ferguson, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11928 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

ASSIGNMENT AGREEMENT

Relating to

\$3,000,000

City of Woodlake

Lease Revenue Certificates of Participation

Series 2017

THIS ASSIGNMENT AGREEMENT, made and entered into as of _____ 1, 2017, is by and between the WOODLAKE PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority duly organized and existing under the laws of the State of California (the "Authority"), and the FINANCE DIRECTOR of the CITY OF WOODLAKE, as trust administrator (the "Trust Administrator");

WITNESSETH:

In the joint and mutual exercise of their powers, in consideration of the mutual covenants herein contained, and for other valuable consideration, the parties hereto recite and agree as follows:

Section 1. Recitals.

(a) The City of Woodlake (the "City") wishes to finance the acquisition, construction and improvement of certain facilities and improvements to be owned and operated by the City, consisting generally of a new community center to be located at 169 North Magnolia Street, Woodlake, California, and related publicly owned improvements (the "Project"); and

(a) The Authority has been formed for purposes which include assisting the City in financing the acquisition, construction and improvement of public capital improvements, such as the Project.

(b) In order to provide funds to enable the Authority to finance the Project, the City has leased the site on which the Project is located, consisting of the real property described hereto in Exhibit A hereto (the "Site and Facilities"), located on the land more particularly described in Exhibit A attached hereto, to the Authority pursuant to the Site and Facilities Lease dated as of _____ 1, 2017, and recorded concurrently herewith (the "Site and Facilities Lease").

(c) The Authority proposes to lease the Site and Facilities to the City under and pursuant to the Lease Agreement dated as of _____ 1, 2017, and recorded concurrently herewith, between the City and the Authority (the "Lease Agreement").

(d) Upon delivery of the Lease Agreement, the Authority is required to cause to be deposited with the Trust Administrator moneys sufficient to enable the Authority to make the upfront lease payment required under Section 3 of the Site and Facilities Lease as more fully described therein and in the Lease Agreement. For the purpose of obtaining such moneys, the Authority is willing to convey to certain persons (the "Owners") direct, undivided fractional interests in the Lease Payments, such interests to be evidenced by the \$3,000,000 aggregate principal amount of Lease Revenue Certificates of Participation, Series 2017 (the "Certificates"). In order to make such interests marketable on terms acceptable to the Authority, the Authority is willing to assign and transfer its rights under the Lease Agreement to the Trust Administrator for the benefit of the Owners. Concurrently with the delivery of this Agreement, the Trust Administrator is executing and delivering the Certificates to the original purchasers thereof. The proceeds of sale of the Certificates are anticipated by the Authority to be sufficient to permit the Authority to make the deposits required under the Lease Agreement and the Trust Agreement.

(e) Each of the parties has authority to enter into this Assignment Agreement, and has taken all actions necessary to authorize its officers to execute it.

Section 2. Assignment.

The Authority hereby transfers, assigns and sets over to the Trust Administrator, for the benefit of the Owners of Certificates executed and delivered under the Trust Agreement, all of the Authority's rights under the Lease Agreement (excepting only the Authority's rights under Sections 4.7, 5.10, 7.3 and 8.4 of the Lease Agreement; provided, however, the Trust Administrator shall be entitled to recover advances and attorneys' fees and expenses pursuant to Sections 5.10 and 8.4, respectively, to the extent such advances are made or attorneys fees and expenses are incurred by the Trust Administrator), including without limitation, the following:

(a) the right to receive and collect all of the Lease Payments from the City under the Lease Agreement,

(b) the right to receive and collect any proceeds of any insurance maintained thereunder, or any eminent domain award (or proceeds of sale under threat of eminent domain) paid with respect to the Site and Facilities, and

(c) the right to exercise such rights and remedies conferred on the Authority pursuant to the Lease Agreement as may be necessary or convenient (i) to enforce payment of the Lease Payments and any other amounts required to be deposited in the Lease Payment Fund or the Insurance and Condemnation Fund established

under the Trust Agreement, or (ii) otherwise to protect the interests of the Owners in the event of a default by the City under the Lease Agreement.

All rights assigned by the Authority shall be administered by the Trust Administrator in accordance with the provisions of the Trust Agreement and for the benefit of the Owners of the Certificates.

Section 3. Acceptance.

The Trust Administrator hereby accepts the assignments made herein for the purpose of securing the payments due pursuant to the Lease Agreement and Trust Agreement to, and the rights under the Lease Agreement and Trust Agreement of, the Owners of the Certificates delivered pursuant to the Trust Agreement, all subject to the provisions of the Trust Agreement. The recitals contained herein are those of the Authority and not of the Trust Administrator, and the Trust Administrator assumes no responsibility for the correctness thereof.

Section 4. Conditions.

This Assignment Agreement shall confer no rights or impose no duties or obligations upon the Trust Administrator beyond those expressly provided in the Trust Agreement.

Section 5. Execution in Counterparts.

This Assignment Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same agreement. It is also agreed that separate counterparts of this Assignment Agreement may be separately executed by the Authority and the Trust Administrator, all with the same force and effect as though the same counterpart had been executed by both the Authority and the Trust Administrator.

Section 6. Amendment.

The Authority and the Trust Administrator may at any time amend or modify any of the provisions of this Agreement, but only in accordance with Section 10.07(h) of the Trust Agreement.

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

FINANCE DIRECTOR OF THE
CITY OF WOODLAKE
as Trust Administrator

By _____
Finance Director

WOODLAKE PUBLIC FINANCING
AUTHORITY

Attest

By _____
Secretary

By _____
Executive Director

EXHIBIT A

DESCRIPTION OF THE SITE AND FACILITIES

The land referred to herein is situated in the State of California, County of Tulare, City of Woodlake, and described as follows: